



PORTFOLIO BUDGET STATEMENTS 2013-14
BUDGET RELATED PAPER NO. 1.8

FOREIGN AFFAIRS AND TRADE PORTFOLIO

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

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PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Madam Speaker

We hereby submit Portfolio Budget Statements in support of the 2013-14 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 Tertiary Education,
Skills, Science and Research
Minister for Trade and
Competitiveness
Minister Assisting the Prime
Minister on Asian Century Policy

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nfp	not for publication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 Finance 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 2013-14 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 2013-14. 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.

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PORTFOLIO OVERVIEW

FOREIGN AFFAIRS AND TRADE PORTFOLIO OVERVIEW

Ministers and Portfolio Responsibilities

The objective of Australia's foreign and trade policy is to advance Australia's national interest – the security and prosperity of Australians.

The two portfolio ministers are the Minister for Foreign Affairs, Senator the Hon Bob Carr, and the Minister for Tertiary Education, Skills, Science and Research, Minister for Trade and Competitiveness, and Minister Assisting the Prime Minister on Asian Century Policy, the Hon Dr Craig Emerson MP. The two portfolio Parliamentary Secretaries are Senator the Hon Matt Thistlethwaite, responsible for Pacific Island Affairs and Multicultural Affairs, and the Hon Kelvin Thomson MP, responsible 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 2013-14, DFAT will seek to advance the security and prosperity of Australians through strong bilateral relationships and by 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 support 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 effectiveness and 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, with a particular focus on Asian markets, and growth and emerging markets that offer commercial potential and which provide opportunities aligned with Australian capability. Within these markets, there is a clear role for Austrade, as a Government agency, to support Australian firms and education institutions. In established and selected Asian markets, Austrade will partner with State and Territory governments and other Commonwealth Government agencies to attract productive foreign direct investment in defined sectors. It will also promote

Portfolio Overview

Australia as a preferred education destination and provider of education services in market.

In working with industry and education institutions, Austrade will encourage the use of the *Australia Unlimited / Future Unlimited* brands to showcase Australia's capabilities to international audiences.

Austrade will continue to administer the Export Market Development Grants (EMDG) Scheme and the new Asian Century Business Engagement (ACBE) Plan.

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

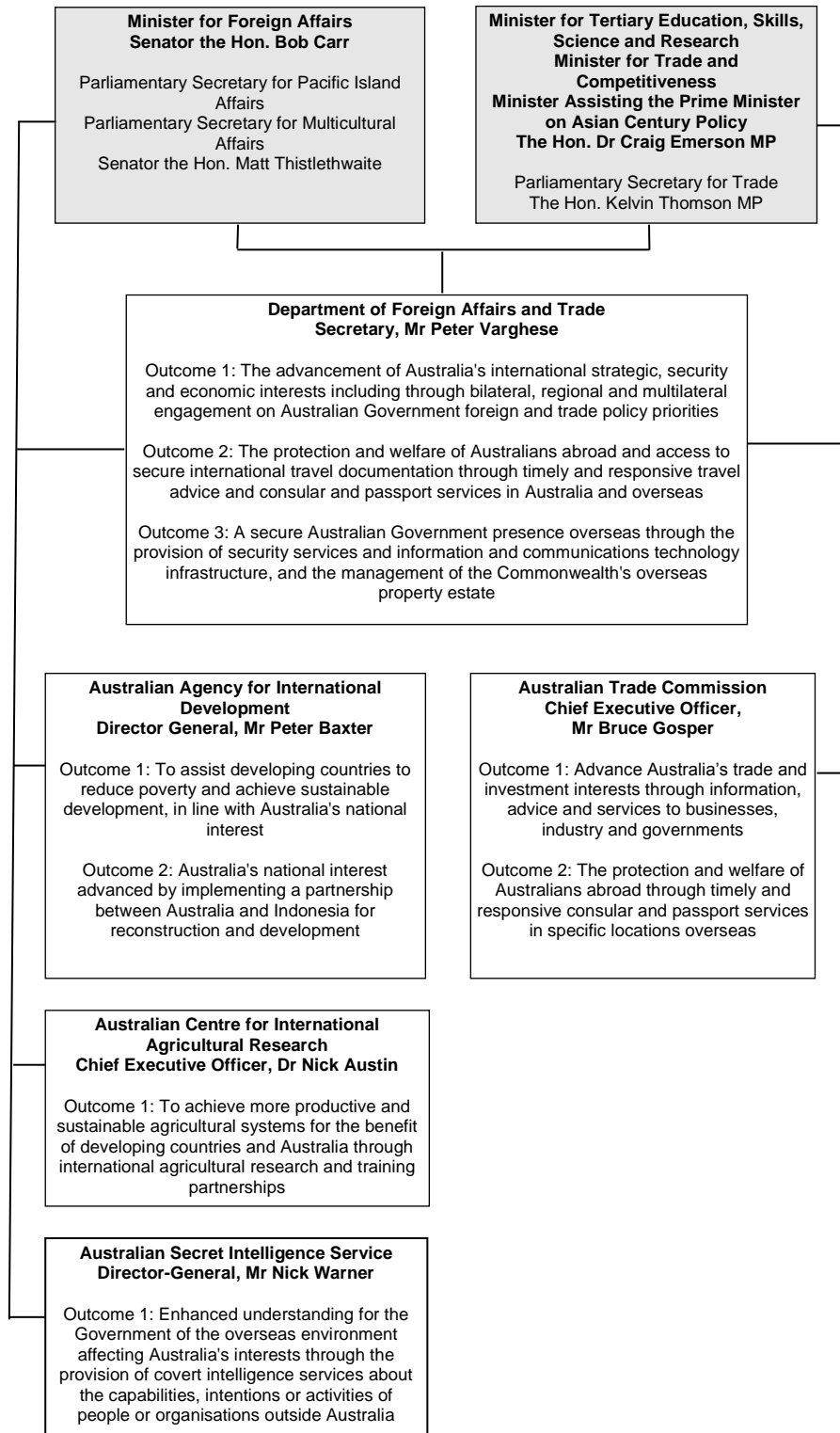
Through AusAID, the Australian aid program aims to reduce the number of people living in poverty, especially in developing countries in the Asia-Pacific region. By doing so, the aid program also advances our national interest through promoting a more stable and prosperous region and world. The aid program 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 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.

EFIC, in consultation with DFAT, 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, with a focus on SMEs, particularly those seeking to do business in new and emerging markets. It will continue to manage the National Interest Account. EFIC does not appear in the 2013-14 Portfolio Budget Statements as it is not part of the general government sector.

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 2013-14 budget year by agency.

Table 1: Portfolio Resources 2013-14

	Appropriation			Receipts	Total
	Bill No. 1	Bill No. 2	Special		
	\$m	\$m	\$m	\$m	\$m
Department of Foreign Affairs and Trade					
Administered appropriations	291.0	-	1.0	-	292.0
Departmental appropriations	971.9	61.2	-	170.5	1,203.6
Total:	1,262.9	61.2	1.0	170.5	1,495.6
Australian Trade Commission					
Administered appropriations	126.9	-	-	-	126.9
Departmental appropriations	170.2	-	-	21.8	192.0
Total:	297.1	-	-	21.8	318.9
Australian Agency for International Development					
Administered appropriations	4,595.1	604.1	-	-	5,199.2
Departmental appropriations	366.0	14.5	-	5.3	385.8
Total:	4,961.1	618.7	-	5.3	5,585.1
Australian Centre for International Agricultural Research					
Administered appropriations	83.7	-	-	35.1	118.8
Departmental appropriations	10.6	0.0	-	1.2	11.8
Total:	94.3	0.0	-	36.3	130.6
Australian Secret Intelligence Service					
Administered appropriations	-	-	-	-	-
Departmental appropriations	208.0	2.3	-	37.5	247.7
Total:	208.0	2.3	-	37.5	247.7
Portfolio total	6,823.4	682.1	1.0	271.4	7,530.2
Less amounts transferred within portfolio					-
Resources available within portfolio:					7,530.2

AGENCY RESOURCES AND PLANNED PERFORMANCE

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Department of Foreign Affairs and Trade (DFAT)

Agency Resources and Planned Performance

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

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DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

Section 1: Agency Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

In 2013-14, 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 Australia's 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 often have a wider resonance. International advocacy for Australia's interests to shape global cooperation and coordination is accordingly more important than ever before.

The department will actively engage with Australia's main strategic ally, the United States, to strengthen bilateral cooperation and support continued US engagement in the Indo-Pacific. It will build on Australia's broad and deep ties with Japan and work to strengthen growing links with the Republic of Korea, with both relationships underpinned by significant shared values and interests. It will also intensify engagement with China across political, security and trade interests. It will continue to expand on Australia's close cooperation with Indonesia on security, trade and people-to-people links. The department will also continue to implement the Government's commitment to develop Australia's growing strategic and economic relationship with India.

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 security and trade and economic integration. It will work with the international community to encourage Fiji's return to democracy and the rule of law, including by seeking opportunities to support credible elections. Through the measure on the *Regional Assistance Mission to Solomon Islands (RAMSI) – transition*, the department will continue to coordinate the RAMSI mission through the critical phase of drawdown and transition towards RAMSI's eventual full withdrawal, including through support to development and police capacity-building programs in Solomon Islands. The department will promote closer bilateral economic cooperation with Papua New Guinea as that country faces the challenge of translating its resources wealth into sustained development outcomes.

The department will continue to develop and implement policies to advance Australia's national interests in multilateral forums, particularly the United Nations. It will work to advance core national interests through Australia's 2013-14 term on the United Nations Security Council. It will seek to strengthen and reform the Commonwealth, including through Australia's role as Chair-in-Office until November 2013. The department will uphold Australia's strong record of global action on climate change, encouraging international support for negotiations on a new legally binding climate change agreement applicable to all, in line with the 2011 Durban mandate. It will advocate Australia's interest in developing international carbon markets and continue to support action on climate change in developing countries and small island states.

Australia will host the G20 in 2014 and will be part of the G20 Troika from 2013 to 2015. The department will work with the Department of the Prime Minister and Cabinet, Treasury and other agencies 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 lead on the trade agenda, emphasising the contribution trade makes to global growth and to job creation. In the lead-up to and during Australia's year as G20 chair, the department will develop and deepen its engagement with major emerging economies which are of growing political and economic significance to Australia and contribute to solving global problems of shared concern. The department will also lead Australia's outreach with non-G20 members, with an emphasis on the Asian region in 2013.

The department will work to maximise political, strategic and economic opportunities for Australia arising from the transformation of our region, including through its contribution to implementation of the *Australia in the Asian Century White Paper*. 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 2013-14. The department will work with international partners, including ASEAN, to strengthen the economic and security agendas of the East Asia Summit, with the aim of sustaining long-term regional stability and economic cooperation. The department will lead the Government's efforts to create partnerships, build regional integration and promote stability through the Asia-Pacific Economic Cooperation (APEC) forum as Indonesia and China serve as hosts in 2013 and 2014 respectively. It will support the reform process underway in Myanmar, and will explore political, security and economic opportunities arising from reforms there.

Australia's alliances and security partnerships, as well as its active engagement in multilateral forums, will be critical to anticipating and responding to international security, human rights and related challenges. This includes constraining the illicit arms trade through enhanced controls, preventing resort to weapons of mass destruction and countering nuclear proliferation. In 2013-14, the department will continue to contribute to international stabilisation efforts in Afghanistan and pursue non-proliferation and disarmament objectives with Iran and the Democratic People's Republic of Korea. The department will continue to coordinate Australia's cooperation with partner countries to enhance the effectiveness of programs to counter terrorism,

which remains a significant threat. The department will contribute to ongoing efforts to prevent people-smuggling. Through the measure *Combating People Smuggling – continuation of preventative initiatives*, the department will continue to engage with key regional countries on preventative people smuggling initiatives.

The department will continue its current level and focus of diplomatic engagement in Afghanistan, including in making preparations for post-transition arrangements in 2014. Through the measure *Afghanistan – Australian Embassy*, the department will provide a more secure environment for Australia's whole-of-government representation. This supports the implementation of the Government's commitment to increase official development assistance to Afghanistan to \$250 million by 2015-16.

The department will seek to maximise market access and trade competitiveness gains for Australia through existing structures as well as pursuing further 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, pursue sectoral liberalisation initiatives, and make progress on Free Trade Agreements (FTAs) with China, Japan, the Republic of Korea, India, Indonesia, 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 regional economic integration negotiations on the Trans-Pacific Partnership (involving eleven Pacific-rim members) and the Regional Comprehensive Economic Partnership (involving ASEAN and the six countries that have FTAs with ASEAN). 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 seek to strengthen Australia's political and economic relations with Europe, by sustaining momentum in AUKMIN and the strategic partnerships with France and Germany, and through negotiation of a treaty-level Framework Agreement with the European Union and the Asia-Europe Meeting (ASEM) process. The department will continue to drive Australia's growing economic, strategic and security interests in Africa, the Middle East, Latin America and the Caribbean, including by identifying opportunities for trade and investment.

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 *Smartraveller* campaign. The department will also continue to invest in the development and testing of strong consular contingency plans across its network of overseas posts.

The department will continue to deliver an efficient passport service for Australian citizens, including through work on the new 'P-series' passport to provide a contemporary, secure travel document to Australian citizens. Over three years, the department's program to develop a new Australian travel document issuance system

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will deliver increased processing capability, improved client services and enhanced fraud and investigation controls.

The department will continue to place priority on the safety of Australian Government personnel overseas and the security of its missions. Through the measure *Nairobi Chancery – construction*, the department will relocate the Australian High Commission in Nairobi to a more secure, purpose-built chancery.

Through the *International Communications Network – upgrade* measure, the department will enhance whole-of-government global communications capabilities to meet the core business needs of Australian Government agencies over the next decade.

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 2013-14 as at Budget May 2013

	Estimate of prior year amounts available in 2013- 14 \$'000	Proposed at Budget = 2013- 14 \$'000	Total estimate 2013- 14 \$'000	Actual available appropriation 2012- 13 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	305,272		305,272	287,757
Departmental appropriation ³		971,915	971,915	949,270
s31 Relevant agency receipts ⁴		81,599	81,599	81,599
Total	305,272	1,053,514	1,358,786	1,318,626
Administered expenses				
Outcome 1	-	286,416	286,416	269,003
Outcome 2	-	750	750	750
Outcome 3	-	-	-	-
Payments to CAC Act bodies	-	3,860	3,860	4,926
Total	-	291,026	291,026	274,679
Total ordinary annual services	A 305,272	1,344,540	1,649,812	1,593,305
Other services				
Departmental non- operating				
Equity injections ⁵		61,172	61,172	62,101
Total	-	61,172	61,172	62,101
Total other services	B -	61,172	61,172	62,101
Total available annual appropriations	305,272	1,405,712	1,710,984	1,655,406
Special appropriations				
Special appropriations limited by criteria/entitlement				
<i>FMA Act 1997 s.28</i>			-	
Passport Refunds	-	1,010	1,010	1,010
Total special appropriations	C -	1,010	1,010	1,010
Total appropriations excluding Special Accounts	305,272	1,406,722	1,711,994	1,656,416

Table to be continued on the following page.

Table 1.1: Department of Foreign Affairs and Trade Resource Statement — Budget Estimates for 2013-14 as at Budget May 2013 (continued)

	Estimate of prior year amounts available in 2013- 14 \$'000	Proposed at Budget = 2013- 14 \$'000	Total estimate 2013- 14 \$'000	Actual available appropriation 2012- 13 \$'000
Special Accounts				
Opening balance ⁶	404,722	-	404,722	441,338
Appropriation receipts ⁷	-	52,273	52,273	58,594
Appropriation receipts - other agencies ⁸	-	30,091	30,091	30,252
Non- appropriation receipts to Special Accounts	-	6,537	6,537	7,314
Total Special Account	D 404,722	88,901	493,623	537,498
Total resourcing				
A+B+C+D	709,994	1,495,623	2,205,617	2,193,914
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	(52,273)	(52,273)	(58,594)
	-	(3,860)	(3,860)	(4,926)
Total net resourcing for DFAT	709,994	1,439,490	2,149,484	2,130,394

¹ Appropriation Bill (No. 1) 2013- 14² Estimated adjusted balance carried forward from previous year³ Includes an amount of \$37.991m in 2013- 14 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 - estimate⁵ Appropriation Bill (No.2) 2013- 14⁶ Estimated opening balance for special accounts (less 'Special Public Money' held in the following accounts: Administered Payments and Receipts for Other Entities Special Account, Services for Other Entities and Trust Moneys (SOETM), and Consular Services Special Account (CSSA)).
For further information on special accounts see Table 3.1.2.⁷ Appropriation receipts from DFAT annual and special appropriations for 2013- 14 included above⁸ 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

	2013- 14 \$'000	2012- 13 \$'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 Act 1	3,860	4,926

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Department of Foreign Affairs and Trade are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2013-14 Budget measures

Part 1: Measures announced since the 2012-13 MYEFO

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Expense measures						
Combating People Smuggling - continuation of preventative initiatives	1.1	-	4,264	-	-	-
Departmental expenses		-	4,264	-	-	-
Total		-	4,264	-	-	-
Regional Assistance Mission to Solomon Islands - transition	1.1	-	3,654	3,312	3,421	3,400
Departmental expenses		-	3,654	3,312	3,421	3,400
Total		-	3,654	3,312	3,421	3,400
International Communications Network - upgrade	3.1	-	3,604	7,180	10,220	10,327
Departmental expenses		-	3,604	7,180	10,220	10,327
Total		-	3,604	7,180	10,220	10,327
Targeted savings - public service efficiencies	1.1, 2.1, 2.2, 3.1	-	(1,933)	(1,324)	(1,161)	(844)
Departmental expenses		-	(1,933)	(1,324)	(1,161)	(844)
Total		-	(1,933)	(1,324)	(1,161)	(844)
Department of Foreign Affairs and Trade - efficiencies	1.1, 2.1, 2.2, 3.1	-	(3,349)	(1,659)	(1,697)	(1,755)
Departmental expenses		-	(3,349)	(1,659)	(1,697)	(1,755)
Total		-	(3,349)	(1,659)	(1,697)	(1,755)
Total expense measures						
Departmental		-	6,240	7,509	10,783	11,128
Total		-	6,240	7,509	10,783	11,128

Table continued on the following page.

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Part 1: Measures announced since the 2012-13 MYEFO (continued)

Capital measures					
Afghanistan - Australian Embassy	3.1				
Departmental capital		-	9,474	26,613	16,475
Total		-	9,474	26,613	16,475
Regional Assistance Mission to Solomon Islands - transition	1.1				
Departmental capital		-	87	271	-
Total		-	87	271	-
International Communications Network - upgrade	3.1				
Departmental capital		-	10,237	13,545	8,510
Total		-	10,237	13,545	8,510
Nairobi Chancery - construction	3.1, 3.2				
Departmental capital		-	155	1,426	2,152
Total		-	155	1,426	2,152
Department of Foreign Affairs and Trade - efficiencies	3.1, 3.2				
Departmental capital		-	(8,727)	(8,904)	(17,749)
Total		-	(8,727)	(8,904)	(17,749)
Total capital measures					
Departmental		-	11,226	32,951	9,388
Total		-	11,226	32,951	9,388

Prepared on a Government Finance Statistics (fiscal) basis

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

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

Outcome 1 Strategy

The department will assist the Government to meet its foreign, trade and economic, and security objectives over 2013-14 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

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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	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.1: Foreign Affairs and Trade Operations		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	6,525	6,403
Departmental expenses		
Departmental appropriation ^{1 & 2}	499,695	530,690
Expenses not requiring appropriation in the Budget year ^{3 & 4}	46,549	46,809
Total for Program 1.1	552,769	583,902
Program 1.2: Payments to International Organisations		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	235,975	258,027
Total for Program 1.2	235,975	258,027
Program 1.3: Public Information Services and Public Diplomacy		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	24,928	25,846
Special Accounts	1,500	-
Total for Program 1.3	26,428	25,846
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	267,428	290,276
Special Accounts	1,500	-
Departmental expenses		
Departmental appropriation ^{1 & 2}	499,695	530,690
Expenses not requiring appropriation in the Budget year ^{3 & 4}	46,549	46,809
Total expenses for Outcome 1	815,172	867,775
Average Staffing Level (number) ⁵	2,148	2,170

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

² These expenses include a portion of an intra- entity amount of \$52.007 million (2012- 13: \$56.833 million) representing rent paid by DFAT to the DFAT Overseas Property Special Account which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2. 1).

³ Expenses not requiring appropriation in the Budget year include Depreciation and Amortisation expenses, Makegood Expense and Audit Fees.

⁴ Includes expenses for a Debt- to- Health Swap with the Government of Indonesia of \$8.0 million in 2012- 13 and \$8.64 million in 2013- 14.

⁵ ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 2 and Outcome 3

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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Administered items					
Export Finance and Insurance (EFIC) - National Interest Account	3,987	3,860	3,079	2,154	1,300
Personal Benefits - Locally Engaged Staff pension schemes	2,044	2,039	2,119	2,136	2,106
Other Administered Items	494	504	512	521	531
Annual departmental expenses:					
Foreign Affairs and Trade Operations	499,695	530,690	552,949	552,379	557,593
Expenses not requiring appropriation in the Budget year ¹	38,549	38,169	38,570	38,561	38,561
Overseas development assistance - Debt-to-Health Swap with Government of Indonesia ²	8,000	8,640	9,500	10,520	11,420
Total program expenses	552,769	583,902	606,729	606,271	611,511

¹ Expenses not requiring appropriation in the Budget year include Depreciation and Amortisation expenses, Makegood Expense and Audit Fees.

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 to be 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, Indonesia and other 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, Latin America and the Caribbean, Russia and Turkey 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 through Australia's 2013-14 term on the UN Security Council, advocacy of human rights and promotion of sustainable development and effective international action on climate change and other environmental outcomes, including oceans;
 - 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 to promote and defend Australia's interests through existing means such as WTO dispute settlement; and
 - effective leadership in advancing our interests through sectoral initiatives as well as 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 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 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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Administered item					
Payments to International Organisations	235,975	258,027	258,036	260,203	262,655
Total program expenses	235,975	258,027	258,036	260,203	262,655

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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Administered items					
International Relations Grants Program	4,594	4,594	4,594	4,594	4,594
Australia Network	20,334	20,802	21,176	21,621	22,074
Bali Peace Park	-	450	-	-	-
Special Account Expenses:					
Expositions Special Account	1,500	-	-	-	-
Expenses not requiring appropriation in the Budget year	-	-	-	-	-
Total program expenses	26,428	25,846	25,770	26,215	26,668

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 2013-14, promoting safe travel messages and delivering accurate and timely travel advice, including through the *Smartraveller* campaign.

Practical planning for contingency and rapid crisis response will remain a focus through 2013-14. 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 will continue to deliver an efficient passport service for Australian citizens. In 2013-14, work will continue on the new 'P-series' passport to provide a contemporary, secure travel document to Australian citizens. We will also continue work on development of the next generation Australian travel document issuance system.

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	2012-13 Estimated actual expenses \$'000	2013-14 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}	66,857	70,404
Expenses not requiring appropriation in the Budget year ³	5,513	5,587
Total for Program 2.1	72,570	76,191
Program 2.2: Passport Services		
Administered expenses		
Special appropriations	1,010	1,010
Departmental expenses		
Departmental appropriation ^{1 & 2}	223,801	233,271
Expenses not requiring appropriation in the Budget year ³	16,034	16,196
Total for Program 2.2	240,845	250,477
Outcome 2 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	200	200
Special appropriations	1,010	1,010
Departmental expenses		
Departmental appropriation ^{1 & 2}	290,658	303,675
Expenses not requiring appropriation in the Budget year ³	21,547	21,783
Total expenses for Outcome 2	313,415	326,668
	2012-13	2013-14
Average Staffing Level (number) ⁴	1,052	1,069

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

² These expenses include a portion of an intra- entity amount of \$52.007 million (2012- 13: \$56.833 million) representing rent paid by DFAT to the DFAT Overseas Property Special Account which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2.1).

³ Expenses not requiring appropriation in the Budget year include Depreciation and Amortisation expenses, Makegood Expense and Audit Fees.

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

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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Administered items					
Consular Emergency Services ¹	200	200	200	200	200
Annual departmental expenses:					
Foreign Affairs and Trade Operations	66,857	70,404	75,771	76,442	77,105
Expenses not requiring appropriation in the Budget year ²	5,513	5,587	5,626	5,627	5,627
Total program expenses	72,570	76,191	81,597	82,269	82,932

¹ This expense does not include \$550,000 for Traveller's 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, Makegood Expense and Audit Fees.

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 *Smartraveller* 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 passport demand to grow by around 20 per cent over the next three years.

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Special Appropriations:					
<i>FMA Act 1997 s.28</i>					
Passport Refunds	1,010	1,010	1,010	1,010	1,010
Annual departmental expenses:					
Foreign Affairs and Trade Operations	223,801	233,271	241,448	252,028	250,331
Expenses not requiring appropriation in the Budget year ¹	16,034	16,196	15,672	15,674	15,674
Total program expenses	240,845	250,477	258,130	268,712	267,015

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 and production of the new 'P-series' Australian travel document.

Program 2.2 Key Performance Indicators

- Public and travel industry clients are satisfied with the department's efficiency and effectiveness in delivering passport services, with routine passports issued

within ten working days and urgent passport issues dealt with in a timely and responsive manner.

- Staged delivery of the *National Security – Improved Passport Integrity and Strengthened Issuance Systems* program within budget and against timelines.
- 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 property 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 continue to manage the Government's overseas property 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 Expenses Statement

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

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	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 3.1: Other (Departmental)		
Departmental expenses		
Departmental appropriation ^{1 & 2}	174,493	181,158
Expenses not requiring appropriation in the Budget year ³	9,793	9,937
Total for Program 3.1	184,286	191,095
Program 3.2: Overseas Property		
Departmental expenses		
Special Accounts	70,349	72,205
Total for Program 3.2	70,349	72,205
Outcome 3 Totals by appropriation type		
Departmental expenses		
Departmental appropriation ^{1 & 2}	174,493	181,158
Special Accounts	70,349	72,205
Expenses not requiring appropriation in the Budget year ³	9,793	9,937
Total expenses for Outcome 3	254,635	263,300
Average Staffing Level (number) ⁴	723	742

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

² These expenses include a portion of an intra- entity amount of \$52.007 million (2012- 13: \$56.833 million) representing rent paid by DFAT to the DFAT Overseas Property Special Account which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2. 1).

³ Expenses not requiring appropriation in the Budget year include Depreciation and Amortisation expenses, Makegood Expense and Audit Fees..

⁴ ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 3.

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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Foreign Affairs and Trade Operations	174,493	181,158	129,077	131,699	132,215
Expenses not requiring appropriation in the Budget year ¹	9,793	9,937	10,023	10,026	10,026
Total program expenses	184,286	191,095	139,100	141,725	142,241

¹ Expenses not requiring appropriation in the Budget year include Depreciation and Amortisation expenses, Makegood Expense and Audit Fees.

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's 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.
- 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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special Account Expenses:					
Overseas Property Special Account - <i>Finance Determination 2002-01 (D)</i>	70,349	72,205	75,083	79,046	83,356
Total program expenses	70,349	72,205	75,083	79,046	83,356

Program 3.2 Deliverables

- Efficient and effective management and delivery of a substantial construction and refurbishment program in the overseas property estate, including:
 - relocation of the chancery in Nairobi to secure, purpose-built accommodation; construction of consolidated, secure, purpose-built residential accommodation in Kabul; 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 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 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 2013-14 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 now be spent in 2013-14.

Table 3.1.1: Movement of Administered Funds Between Years¹

	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'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 reflect 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 2013-14 2012-13	Receipts 2013-14 2012-13	Payments 2013-14 2012-13	Adjustments 2013-14 2012-13	Closing balance 2013-14 2012-13
	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	748	-	-		748
		748	1,500	(1,500)		748
Services for Other Entities and Trust Moneys - Foreign Affairs and Trade Special Account (A)	1	672	2,000	(2,000)		672
		672	2,000	(2,000)		672
Overseas Property Special Account - DFAT - s20 FMA Act Det 2002/01 (D)	3	403,974	88,901	(286,458)		206,417
		440,590	94,660	(131,276)		403,974
Total Special Accounts 2013-14 Budget estimate		410,438	291,001	(488,558)	-	212,881
<i>Total Special Accounts 2012-13 estimated actual</i>		<i>447,054</i>	<i>298,260</i>	<i>(334,876)</i>	<i>-</i>	<i>410,438</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	
	(A)	(B)	(C)	(D)	(E)	(F)=(D)+(E)	(G)
Department of Foreign and Trade							
Outcome 1							
Departmental 2013-14	987	-	-	987	-	987	1.1
Departmental 2012-13	883	-	-	883	-	883	1.1
Total outcome 2013-14	987	-	-	987	-	987	
Total outcome 2012-13	883	-	-	883	-	883	
Total AGIE 2013-14	987	-	-	987	-	987	
Total AGIE 2012-13	883	-	-	883	-	883	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of Budgeted Financial Statements

Budgeted Departmental Income Statement

Total budgeted appropriation in 2013-14 is \$933.9 million, which represents an increase of \$55.4 million in appropriations from 2012-13 as shown in Table 3.2.1. The increase is primarily a result of:

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

This is partially offset by:

- savings measures agreed in the 2012-13 Mid-Year Economic and Fiscal Outlook; and
- savings measures agreed in the 2013-14 Budget.

The Income Statement shows a budgeted deficit in 2013-14 of \$54.9 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 \$14.5 million in 2013-14, 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 \$61.2 million in 2013-14 for the purchase or construction of new assets. The Department will also receive \$38.0 million through its Departmental Capital Budget to fund the replacement of existing assets.

For 2013-14, the Department's non-financial asset position is budgeted to be \$2,457.9 million at year-end. The major asset component is \$1,947.8 million for Land and Buildings which includes \$1,669.9 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 \$449.5 million in 2013-14. The decrease of \$174.5 million from 2012-13 is due primarily to a one-off special dividend payment of \$200 million from the Export Finance and Insurance Corporation (EFIC) in 2012-13. This is offset by a forecast increase in passport revenue (\$27.5 million) resulting from an increase in the passport fee and the projected volume of passport issues.

Budgeted administered expenses are projected to increase by \$22 million compared to 2012-13. This is primarily due to an increase in estimated payments to international organisations (\$13.2 million) and United Nations Peacekeeping Operations (\$8.8 million).

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

Asset and liabilities administered on behalf of the Government are budgeted at \$426.2 million and \$50.3 million respectively for the year ending 30 June 2014. The assets mainly represent the investment in EFIC (\$418.1 million) and receivables (\$4.6 million). Liabilities comprise primarily amounts relating to 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 is returned to the Consolidated Revenue Fund.

The 2013-14 forecast of administered cash receipts of \$446.7 million primarily comprises receipts from passport and consular services, and a dividend payment from the administered investments in EFIC.

Administered cash used is estimated to increase by \$21.8 million compared to 2012-13. This is primarily due to the forecast increase in payments to international organisations (\$13.2 million) and United Nations Peacekeeping Operations (\$8.8 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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	441,692	477,760	517,823	527,189	531,936
Suppliers	508,583	529,377	471,995	472,232	475,840
Grants	5,000	5,000	5,000	5,000	4,930
Depreciation and amortisation	92,766	93,079	95,616	99,966	98,023
Losses from asset sales	93	36	-	-	894
Other expenses	103	103	103	103	102
Total expenses	1,048,237	1,105,355	1,090,537	1,104,490	1,111,725
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	35,967	34,481	35,359	36,711	39,241
Other	8,300	8,300	8,300	8,300	8,300
Total own-source revenue	117,566	116,080	116,958	118,310	120,840
Gains					
Other	411	411	411	411	411
Total gains	411	411	411	411	411
Total own-source income	117,977	116,491	117,369	118,721	121,251
Net cost of (contribution by) services	930,260	988,864	973,168	985,769	990,474
Revenue from Government	883,247	933,924	917,646	930,949	935,645
Surplus (Deficit) attributable to the Australian Government	(47,013)	(54,940)	(55,522)	(54,820)	(54,829)
Total comprehensive income (loss) attributable to the Australian Government	(47,013)	(54,940)	(55,522)	(54,820)	(54,829)

Table continued on the following page.

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

Note: Impact of Net Cash Appropriation Arrangements					
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income					
(loss) excluding depreciation/amortisation					
expenses previously funded through					
revenue appropriations	22,465	14,538	13,958	14,657	14,648
plus depreciation/amortisation expenses					
previously funded through revenue					
appropriations ¹	(69,478)	(69,478)	(69,480)	(69,477)	(69,477)
Total Comprehensive Income					
(loss) - as per the Statement of					
Comprehensive Income	(47,013)	(54,940)	(55,522)	(54,820)	(54,829)

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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	59,003	60,613	60,613	60,613	60,613
Trade and other receivables	948,035	673,235	524,385	392,584	398,414
Total financial assets	1,007,038	733,848	584,998	453,197	459,027
Non-financial assets					
Land and buildings	1,781,161	1,947,763	1,976,792	2,287,046	2,423,679
Property, plant and equipment	134,680	154,093	218,651	356,856	365,265
Intangibles	20,123	17,827	19,404	22,852	19,877
Inventories	41,976	41,976	41,976	41,976	41,976
Other non-financial assets	174,138	296,280	441,686	256,083	123,756
Total non-financial assets	2,152,078	2,457,939	2,698,509	2,964,813	2,974,553
Assets held for sale	-	-	-	-	-
Total assets	3,159,116	3,191,787	3,283,507	3,418,010	3,433,580
LIABILITIES					
Payables					
Suppliers	76,099	76,099	76,099	76,099	76,099
Other payables	21,123	21,123	21,123	21,123	21,123
Total payables	97,222	97,222	97,222	97,222	97,222
Provisions					
Employee provisions	146,217	146,217	146,217	146,217	146,217
Other provisions	26,679	26,679	26,679	26,679	26,679
Total provisions	172,896	172,896	172,896	172,896	172,896
Total liabilities	270,118	270,118	270,118	270,118	270,118
Net assets	2,888,998	2,921,669	3,013,389	3,147,892	3,163,462
EQUITY					
Parent entity interest					
Contributed equity	1,966,989	2,066,152	2,196,488	2,344,667	2,429,078
Reserves	393,044	382,062	398,968	440,112	440,112
Retained surplus (accumulated deficit)	528,965	473,455	417,933	363,113	294,272
Total parent entity interest	2,888,998	2,921,669	3,013,389	3,147,892	3,163,462
Total Equity	2,888,998	2,921,669	3,013,389	3,147,892	3,163,462

* '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 2013-14)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2013					
Balance carried forward from previous period	528,965	393,044	-	1,966,989	2,888,998
Adjusted opening balance	528,965	393,044	-	1,966,989	2,888,998
Comprehensive income					
Other comprehensive income	-	(10,982)	-	-	(10,982)
Surplus (deficit) for the period	(54,940)	-	-	-	(54,940)
Total comprehensive income	(54,940)	(10,982)	-	-	(65,922)
of which:					
Attributable to the Australian Government	(54,940)	(10,982)	-	-	(65,922)
Transactions with owners					
Distributions to owners					
Returns of capital:					
Cash transfers to the OPA	(570)	-	-	-	(570)
Contributions by owners					
Equity Injection - Appropriation	-	-	-	61,172	61,172
Departmental Capital Budget (DCBs)	-	-	-	37,991	37,991
Sub-total transactions with owners	(570)	-	-	99,163	98,593
Estimated closing balance as at 30 June 2014	473,455	382,062	-	2,066,152	2,921,669
Closing balance attributable to the Australian Government	473,455	382,062	-	2,066,152	2,921,669

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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	866,649	1,002,813	960,291	985,475	940,754
Sale of goods and rendering of services	109,266	107,780	108,658	109,740	112,540
Net GST received	31,375	31,375	31,375	31,375	31,375
Other	8,300	8,300	8,300	8,300	8,300
Total cash received	1,015,590	1,150,268	1,108,624	1,134,890	1,092,969
Cash used					
Employees	431,164	445,208	439,100	445,860	447,357
Suppliers	556,344	599,804	588,678	585,107	597,356
Section 31 receipts transferred to OPA	14,164	-	-	-	-
Other	5,103	5,103	5,103	5,103	5,032
Total cash used	1,006,775	1,050,115	1,032,881	1,036,070	1,049,745
Net cash from (used by) operating activities	8,815	100,153	75,743	98,820	43,224
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant, equipment and intangibles	1,599	606	-	-	14,906
Total cash received	1,599	606	-	-	14,906
Cash used					
Purchase of property, plant, equipment and intangibles	172,776	395,005	311,459	322,164	122,094
Total cash used	172,776	395,005	311,459	322,164	122,094
Net cash from (used by) investing activities	(171,177)	(394,399)	(311,459)	(322,164)	(107,188)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	168,025	296,426	236,114	223,134	78,006
Total cash received	168,025	296,426	236,114	223,134	78,006
Cash used					
Repayments of contributed equity	1,506	570	-	-	14,012
Total cash used	1,506	570	-	-	14,012
Net cash from (used by) financing activities	166,519	295,856	236,114	223,134	63,994
Net increase (decrease) in cash held	4,157	1,610	398	(210)	30
Cash and cash equivalents at the beginning of the reporting period	54,787	58,944	60,554	60,952	60,742
Effect of exchange rate movements on cash and cash equivalents at the beginning of reporting period	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	58,944	60,554	60,952	60,742	60,772

Prepared on Australian Accounting Standards Basis

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	63,256	37,991	43,781	43,889	44,338
Equity injections - Bill 2	62,101	61,172	86,555	104,290	40,073
Total new capital appropriations	125,357	99,163	130,336	148,179	84,411
Provided for:					
Purchase of non-financial assets	125,357	99,163	130,336	148,179	84,411
Total Items	125,357	99,163	130,336	148,179	84,411
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	125,002	112,553	121,156	158,174	40,073
Funded by capital appropriation - DCB ²	54,111	47,014	44,781	43,889	44,338
Funded internally from departmental resources ³	11,794	128,819	18,585	308,666	170,585
TOTAL	190,907	288,386	184,522	510,729	254,996
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	190,907	288,386	184,522	510,729	254,996
Total cash used to acquire assets	190,907	288,386	184,522	510,729	254,996

¹ Includes both current Bill 2 and prior Act 2 & 4 appropriations.

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

³ Includes the following sources of funding:

- purchases from the DFAT Overseas Property Special Account
- current Bill 1 and prior year Act 1 & 3 appropriations (excluding amounts from the DCB).
- donations and contributions
- s31 relevant agency receipts
- proceeds from the sale of assets

Prepared on Australian Accounting Standards Basis

Table 3.2.6: Statement of Asset Movements (2013-14)

	Asset Category (as appropriate)					Total
	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	L&B, IP&E held for sale	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2013						
Gross book value	923,115	1,010,059	229,587	65,359	2,867	2,230,987
Accumulated depreciation/amortisation and impairment	-	(152,013)	(94,907)	(45,236)	(2,867)	(295,023)
Opening net book balance	923,115	858,046	134,680	20,123	-	1,935,964
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase - appropriation equity ¹	79,447	152,138	54,341	2,460	-	288,386
appropriation ordinary annual services ²						
Total additions	79,447	152,138	54,341	2,460	-	288,386
Other movements						
Depreciation/amortisation expense	-	(53,092)	(35,231)	(4,756)	-	(93,079)
Disposals ³	(606)	-	-	-	-	(606)
Other	8,592	(19,877)	303	-	-	(10,982)
Total other movements	7,986	(72,969)	(34,928)	(4,756)	-	(104,667)
As at 30 June 2014						
Gross book value	1,010,548	1,142,320	284,231	67,819	2,867	2,507,785
Accumulated depreciation/amortisation and impairment	-	(205,105)	(130,138)	(49,992)	(2,867)	(388,102)
Closing net book balance	1,010,548	937,215	154,093	17,827	-	2,119,683

¹ "Appropriation equity" refers to equity injections provided through Appropriation Bill (No.2) 2013-14.

² "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2013-14 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	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employee benefits	2,274	2,039	2,119	2,136	2,106
Suppliers	23,108	22,316	22,698	23,152	23,615
Grants and contributions	240,769	263,271	262,830	264,997	267,449
Write-down and impairment of assets	-	-	-	-	-
Other expenses	11,987	12,500	12,579	12,674	12,720
Foreign Exchange Losses	-	-	-	-	-
Total expenses administered on behalf of Government	278,138	300,126	300,226	302,959	305,890
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	370,543	398,349	432,055	469,233	509,531
Interest	3,928	3,112	2,150	1,052	116
Dividends	226,800	24,100	16,000	16,400	-
Other revenue	22,737	23,913	24,413	25,045	24,986
Total non-taxation revenue	624,008	449,474	474,618	511,730	534,633
Total own-source revenues administered on behalf of Government	624,008	449,474	474,618	511,730	534,633
Gains					
Foreign Exchange	-	-	-	-	-
Total gains administered on behalf of Government	-	-	-	-	-
Total own-sourced income administered on behalf of Government	624,008	449,474	474,618	511,730	534,633
Net Cost of (contribution by) services	345,870	149,348	174,392	208,771	228,743

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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	191	191	191	191	191
Trade and other receivables	2,219	4,551	8,882	10,079	10,629
Investments accounted for using the equity method	418,063	418,063	418,063	418,063	418,063
Accrued Revenue	1,784	1,784	1,784	1,784	1,784
Total financial assets	422,257	424,589	428,920	430,117	430,667
Non-financial assets					
Other non-financial assets	1,650	1,650	1,650	1,650	1,650
Total non-financial assets	1,650	1,650	1,650	1,650	1,650
Total assets administered on behalf of Government	423,907	426,239	430,570	431,767	432,317
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	1,242	1,242	1,242	1,242	1,242
Other payables	13,016	8,749	8,749	8,749	8,749
Total payables	14,258	9,991	9,991	9,991	9,991
Provisions					
Employee provisions	40,272	40,272	40,272	40,272	40,272
Total provisions	40,272	40,272	40,272	40,272	40,272
Total liabilities administered on behalf of Government	54,530	50,263	50,263	50,263	50,263
Net assets/(liabilities)	369,377	375,976	380,307	381,504	382,054

Prepared on an Australian Accounting Standards Basis

Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June) (continued)

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	191	191	191	191	191
Trade and other receivables	2,219	4,551	8,882	10,079	10,629
Investments accounted for using the equity method	418,063	418,063	418,063	418,063	418,063
Accrued Revenue	1,784	1,784	1,784	1,784	1,784
Total financial assets	422,257	424,589	428,920	430,117	430,667
Non-financial assets					
Other non-financial assets	1,650	1,650	1,650	1,650	1,650
Total non-financial assets	1,650	1,650	1,650	1,650	1,650
Total assets administered on behalf of Government	423,907	426,239	430,570	431,767	432,317
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	1,242	1,242	1,242	1,242	1,242
Other payables	13,016	8,749	8,749	8,749	8,749
Total payables	14,258	9,991	9,991	9,991	9,991
Provisions					
Employee provisions	40,272	40,272	40,272	40,272	40,272
Total provisions	40,272	40,272	40,272	40,272	40,272
Total liabilities administered on behalf of Government	54,530	50,263	50,263	50,263	50,263
Net assets/(liabilities)	369,377	375,976	380,307	381,504	382,054

Prepared on an 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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	370,543	398,349	432,055	469,233	509,531
Interest	116	116	116	116	116
Dividends	257,000	24,100	16,000	16,400	-
Net GST received	2,030	2,080	2,120	2,170	2,210
Other	21,678	22,054	23,559	25,315	24,986
Total cash received	651,367	446,699	473,850	513,234	536,843
Cash used					
Grant and contributions	241,319	263,821	263,380	265,547	267,999
Employees	230	-	-	-	-
Personal benefits	2,044	2,039	2,119	2,136	2,106
Suppliers	23,108	22,316	22,698	23,152	23,615
Net GST paid	2,030	2,080	2,120	2,170	2,210
Borrowing costs	3,127	2,203	1,459	635	-
Other	9,400	10,640	11,200	12,020	12,720
Total cash used	281,258	303,099	302,976	305,660	308,650
Net cash from (used by) operating activities	370,109	143,600	170,874	207,574	228,193
Net increase (decrease) in cash held					
Cash and cash equivalents at beginning of reporting period	191	191	191	191	191
Cash from Official Public Account for:					
- Appropriations	278,876	300,760	299,350	303,490	306,440
Cash to Official Public Account for:					
- Appropriations	(648,985)	(444,360)	(470,224)	(511,064)	(534,633)
Cash and cash equivalents at end of reporting period	191	191	191	191	191

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 \$418.1 million as at 30 June 2012.

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

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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, operating 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.

The changes to Austrade's structure and operating model arising from the review of Austrade, announced by the Minister for Trade in May 2011, were progressively implemented during 2012-13.

With Australian businesses and education institutions continuing to face a challenging international trading environment, Austrade can provide assistance through the provision of practical in-market support and advice. Through its international network, Austrade will draw on its relationships and connections with international customers, investors and decision makers to identify both general and specific opportunities of value and relevance to Australia.

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. The focus in Asian and growth and emerging markets continues on international trade and education opportunities aligned with Australian capability and where there is a clear role for government through Austrade. Austrade also promotes direct foreign investment into Australia from select Asian markets. In established markets, such as North America and Europe, Austrade's predominant focus is on inward investment and education services, making greater use of partners, referrals and online information and services.

For foreign direct investment, Austrade has aligned its focus with agreed government priorities in target markets. The Federal Government has confirmed four priority areas

Austrade Budget Statements

of major infrastructure; tourism infrastructure; innovation and clean energy. State and Territory governments have agreed on multi-state priorities of digital economy; food and agribusiness; and resources. Outside of these agreed priority areas, Austrade will work in partnership with State and Territory governments to facilitate such investments.

Austrade will continue to work with industry to encourage use of the “*Australia Unlimited*” brand beyond the period of dedicated funding, and support activities with the potential to showcase Australia’s credentials to influential international audiences. Austrade will continue to promote the international standing of Australia’s education system as world class and globally connected, including through use of the “*Future Unlimited*” branding.

Austrade’s network of offices across 49 markets is weighted towards Asian and growth and emerging markets that have high potential, including the opening of a new Post in Myanmar. Austrade’s activities in these markets will continue to have a strong focus on trade development, marketing of education services and, in selected markets, international investment attraction.

The additional budget savings to be delivered by Austrade in 2013-14, as part of whole of Government savings requirements, will be made within this overall strategic context.

Within Australia, Austrade has 12 locations. Our reach is enhanced via the TradeStart network that Austrade manages in partnership with State, Territory and Local governments and industry bodies across 31 locations in metropolitan and regional Australia, which deliver the trade and education services of Austrade.

Austrade currently administers two grants schemes on behalf of the Australian Government; the Export Market Development Grants (EMDG) Scheme and Asian Century Business Engagement (ACBE) Plan:

- EMDG assists small and medium-sized Australian businesses to address the challenges associated with undertaking promotion in export markets and achieve international business growth through reimbursement of up to 50 per cent of expenses incurred on eligible export promotion over \$20,000. The scheme has been realigned to reflect the Government’s emphasis on East Asian and emerging and growth markets, while returning an on-going saving to the budget of \$25 million per annum. This closer alignment involves increasing the number of grants available in East Asian and emerging and growth markets to eight and reducing the number of grants available in certain developed markets to five.
- Austrade will also administer the Asian Century Business Engagement (ACBE) Plan, which is a new program that will run from 1 July 2013. The focus of the Plan is to assist member-based Australian business organisations and, through them, small and medium-sized Australian enterprises, to harness commercial opportunities in the Asian region.

Austrade also delivers timely consular and passport services to Australians in specific locations overseas.

To ensure we continue to deliver Austrade's outcomes, Austrade remains focused on developing our staff capabilities and language skills to align with the delivery of our stated objectives and activities.

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 2013-14 as at Budget May 2013

	Estimate of prior year amounts available in 2013-14 \$'000	+	Proposed at Budget 2013-14 \$'000	=	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Ordinary annual services ¹						
Departmental appropriation						
Prior year departmental appropriation ²	49,295	⁵			49,295	47,285
Departmental appropriation ³	-		170,162		170,162	179,292
s31 Relevant agency receipts ⁴	-		21,842		21,842	21,842
Total	49,295		192,004		241,299	248,419
Administered expenses						
Outcome 1			126,900		126,900	125,400
Total	-		126,900		126,900	125,400
Total ordinary annual services	A 49,295		318,904		368,199	373,819
Other services						
Departmental non-operating						
Equity injections	4,914				4,914	5,340
Total	4,914		-		4,914	5,340
Total other services	B 4,914		-		4,914	5,340
Total available annual appropriations	54,209		318,904		373,113	379,159
Total net resourcing for Austrade	54,209		318,904		373,113	379,159

1 Appropriation Bill (No.1) 2013-14.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$11.235m in 2013-14 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 to 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 in Part 1 relating to Austrade are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2013-14 Budget measures

Part 1: Measures announced since the 2012-13 MYEFO

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Expense measures						
Targeted savings - public service efficiencies ¹	1.1, 2.1					
Departmental expenses		-	(335)	(467)	(484)	(424)
Total		-	(335)	(467)	(484)	(424)
Nairobi chancery - construction ²	1.1					
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Total expense measures						
Departmental		-	(335)	(467)	(484)	(424)
Total		-	(335)	(467)	(484)	(424)

¹ The fiscal impact reported for the measure "Targeted savings – public service efficiencies" is in addition to the impact previously reported for this measure in the 2012-13 the Foreign Affairs and Trade Portfolio Additional Estimates Statement."

² Austrade's funding has been absorbed within existing resources.
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 support and advice. Austrade's full range of services will be delivered in Asian and growth and emerging markets that offer commercial potential and provide opportunities aligned with Australian capability.

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.	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.1: Trade, education and investment development		
Departmental expenses		
Departmental appropriation ¹	170,424	168,340
Expenses not requiring appropriation in the Budget year ²	18,520	17,944
Total for Program 1.1	188,944	186,284
Program 1.2: Export Market Development Grants Scheme		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	125,400	125,400
Total for Program 1.2	125,400	125,400
Program 1.3: Asian Century Business Engagement		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	1,500
Total for Program 1.3	-	1,500
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	125,400	126,900
Departmental expenses		
Departmental appropriation ¹	170,424	168,340
Expenses not requiring appropriation in the Budget year ²	18,520	17,944
Total expenses for Outcome 1	314,344	313,184
Average Staffing Level (number)	925	895

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 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

	2012-13 Revised budget ('000)	2013-14 Budget (\$'000)	2014-15 Forward year 1 (\$'000)	2015-16 Forward year 2 (\$'000)	2016-17 Forward year 3 (\$'000)
Annual departmental expenses:					
Departmental item	170,424	168,340	170,926	171,215	172,953
Expenses not requiring appropriation in the Budget year ¹	18,520	17,944	15,050	14,828	15,002
Total program expenses	188,944	186,284	185,976	186,043	187,955

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

Australia's trade and economic interests are maximised through:

- Delivering market-related services and advice to assist Australian firms and education institutions in international business.
- Identifying general and specific international business opportunities for Australian firms and education institutions, particularly in Asia and 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.
- Building linkages and networks with key decision-makers, buyers, investors and institutions and facilitating access to them in international markets.
- Assisting Australian firms and education institutions with 'behind the border' barriers to trade and investment, consistent with legal obligations including anti-bribery and corruption laws both in Australia and overseas.
- Working with partner Commonwealth Government agencies in the agreed priority areas of major infrastructure; tourism infrastructure; innovation and

clean energy, to assist in the promotion and attraction of productive, direct foreign investment.

- Partnering with State and Territory government agencies to implement productive, direct foreign investment strategies for agreed multi-state priorities of digital economy; food and agribusiness; and resources.
- Identifying potential foreign investors and presenting the business case for investing in Australia; introducing leads to States and Territories and Commonwealth partners.
- Helping to increase demand for Australia's education services, positioning Australia as a provider of high quality services to international students including through the *Future Unlimited* brand in order to assist in building a sustainable Australian international education sector.
- Promoting Australia through the nation brand, *Australia Unlimited* in target markets to advance Australia's image and reputation covering trade, investment and education.
- Assessing 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.
- Drawing on Austrade's global, commercial perspective to provide advice to Government.

Program 1.1 Key Performance Indicators

- High level of satisfaction by Ministers, Australian business community and education institutions with Austrade's services.
- Provision of valued practical market focused services, advice and information to Australian businesses and education institutions.
- Identification and distribution of opportunities to Australian businesses and education institutions.
- Achievement of agreed inwards investment objectives for priority areas in target markets, by working in conjunction with Commonwealth, State and Territory government agencies.
- Effective promotion of Australia as a destination for productive foreign direct investment; a source of competitive high quality goods and services; and as a world class international education destination and supplier of education and

training services.

- Effective contribution to whole-of-government policy development using Austrade's global, commercial perspective on export, investment and international education.

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

Program Objective

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

Program Expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Administered item	125,400	125,400	125,400	125,400	125,400
Total program expenses	125,400	125,400	125,400	125,400	125,400

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	2012-13 Revised budget	2013-14 Budget
Number of grant applications	3,045	3,000-3,500
Number of grant recipients	2,800	2,800-3,300

Program 1.3: Trade development schemes – Asian Century Business Engagement Plan (ACBE)

Program Objective

Provide member-based business organisations with support to develop new initiatives to strengthen business linkages between Australia and Asia and harness commercial opportunities in Asia for small to medium sized Australian businesses.

Program Expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
(('000)					
Annual administered expenses:					
Administered item	-	1,500	1,500	1,500	1,500
Total program expenses	-	1,500	1,500	1,500	1,500

Program 1.3 Deliverables

Administration of the Asian Century Business Engagement Plan, providing partial reimbursement for expenditure on eligible business engagement activities.

Program 1.3 Key Performance Indicators

- Number of grant applications.
- Number of grant recipients.

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 2.1.1 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 through timely and responsive consular and passport services in specific locations overseas	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 2.1: Consular and passport services		
Departmental expenses		
Departmental appropriation ¹	12,218	12,429
Total for Program 2.1	12,218	12,429
Outcome 2 Totals by appropriation type		
Departmental expenses		
Departmental appropriation ¹	12,218	12,429
Total expenses for Outcome 1	12,218	12,429
	2012-13	2013-14
Average Staffing Level (number)	35	35

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 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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
('000)					
Annual departmental expenses:					
Departmental item	12,218	12,429	12,658	12,714	12,944
Total program expenses	12,218	12,429	12,658	12,714	12,944

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, location 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:

- Delivery of effective, efficient, timely and responsive consular services.
- Delivery of effective, efficient, timely and responsive passport services, with routine passports issued within ten working days and urgent passport issues dealt with in a timely and responsive manner.

- Anticipating high-risk events and scenarios through consular contingency planning, valid and viable procedures and networks, and through regular reviews and tests of plans.

Key Performance Indicators	2012-13 Revised budget	2013-14 Budget
Passport applications received	11,500	12,000
Number of notarial acts	11,850	12,750

Please note the 2012-13 revised budget figures on both passports and notarial acts have been lowered due to the closure of the Atlanta office in August 2012.

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 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds Between Years

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

There has been no movement of administered funds between years for Austrade since the 2012-13 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) for each account used by Austrade.

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2013-14 2012-13	Receipts 2013-14 2012-13	Payments 2013-14 2012-13	Adjustments 2013-14 2012-13	Closing balance 2013-14 2012-13
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Admin Payments and receipts for Other Entities Special Account ¹ (A)	1	100	9,200	(9,200)	-	100
Total Special Accounts 2013-14 Budget estimate		100	9,200	(9,200)	-	100
<i>Total Special Accounts 2012-13 estimated actual</i>		<i>100</i>	<i>9,200</i>	<i>(9,200)</i>	<i>-</i>	<i>100</i>

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

(A) = Administered

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

Outcome	Appropriations		Other	Total	Program
	Bill No. 1 \$'000	Total approp \$'000	\$'000	\$'000	
Austrade					
Outcome 1					
Departmental 2013-14	160	160	-	160	1.1
Departmental 2012-13	74	74	-	74	1.1
Total outcome 2013-14	160	160	-	160	
Total outcome 2012-13	74	74	-	74	
Total AGIE 2013-14	160	160	-	160	
Total AGIE 2012-13	74	74	-	74	

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 2012-13 and the estimated revenue and expenses for 2013-14 and forward years.

Total income in 2013-14 is estimated to be \$180.9 million, which represents a decrease of \$1.9 million in appropriations from the 2012-13 estimated actual shown at Table 3.2.1. The decrease is primarily a result of:

- terminating programs – Brand Australia – a decrease of \$5.0 million; and
- measures agreed in prior years with a full year net impact in 2013-14 of \$2.1 million.

Partially offset by:

- foreign exchange and parameter adjustments – a net increase of \$2.6 million; and
- funding for transferring OPO utilities responsibility from DFAT to Austrade – an increase of \$0.3 million.

Austrade is receiving funding of \$11.2 million to fund the Departmental Capital Budget which is treated as an equity injection. Austrade has also obtained approval for an additional \$4.8 million of capital expenditure, funded by unspent prior years' appropriation.

Total estimated expenses for 2013-14 have decreased by \$2.5 million to reflect the reduction in income and a \$0.6 million reduction in estimated 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 2013-14 of \$48.7 million represents an decrease of \$6.6 million from the 2012-13 estimated actual in table 3.2.2 due to the variation between capital program funding (\$11.2 million) and estimated depreciation expense (\$17.8 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 2013-14 is estimated to be \$48.7 million, a decrease of \$6.6 million due to the variation between capital program funding (\$11.2 million) and depreciation expense (\$17.8 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 2013-14 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.

Austrade Budget Statements

Administered expenses of \$126.9 million for 2013-14 relate to the EMDG Scheme (\$125.4 million) and ACBE Plan (\$1.5 million). The EMDG Scheme is comprised of \$119.1 million in grant expenditure and \$6.3 million in expenditure for the costs of administration on behalf of the Government. The ACBE Plan is comprised of \$1.5 million in grant expenditure.

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 2013-14 are estimated at \$0.1 million and \$10.9 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 relevant programs.

3.2.2 Budgeted Financial Statements Tables

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
EXPENSES					
Employee benefits	103,713	101,360	105,922	104,175	106,468
Suppliers	79,087	79,567	77,820	79,754	79,429
Depreciation and amortisation	18,362	17,786	14,892	14,828	15,002
Total expenses	201,162	198,713	198,634	198,757	200,899
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	19,592	19,592	19,592	19,750	19,750
Rental income	500	500	500	500	500
Other	1,500	1,500	1,500	1,500	1,500
Total own-source revenue	21,592	21,592	21,592	21,750	21,750
Gains					
Sale of assets	250	250	250	250	250
Other	158	158	158	-	-
Total gains	408	408	408	250	250
Total own-source income	22,000	22,000	22,000	22,000	22,000
Net cost of (contribution by) services	179,162	176,713	176,634	176,757	178,899
Revenue from Government	160,800	158,927	161,742	161,929	163,897
Surplus (Deficit) attributable to the Australian Government	(18,362)	(17,786)	(14,892)	(14,828)	(15,002)
Total comprehensive income (loss)	(18,362)	(17,786)	(14,892)	(14,828)	(15,002)
Total comprehensive income (loss) attributable to the Australian Government	(18,362)	(17,786)	(14,892)	(14,828)	(15,002)

Table continued on the following page.

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

Note: Impact of Net Cash Appropriation Arrangements					
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income					
(loss) excluding depreciation/amortisation					
expenses previously funded through					
revenue appropriations.	(18,362)	(17,786)	(14,892)	(14,828)	(15,002)
less depreciation/amortisation expenses					
previously funded through revenue					
appropriations ¹	-	-	-	-	-
Total Comprehensive Income					
(loss) - as per the Statement of					
Comprehensive Income	(18,362)	(17,786)	(14,892)	(14,828)	(15,002)

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

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
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,500	5,500	5,500	5,500	5,500
Trade and other receivables	53,405	50,105	50,105	50,105	50,105
Total financial assets	58,905	55,605	55,605	55,605	55,605
Non-financial assets					
Land and buildings	10,254	9,798	10,378	11,405	12,977
Property, plant and equipment	18,976	20,192	20,006	18,577	17,290
Intangibles	15,032	12,521	11,850	12,138	11,753
Other non-financial assets	2,777	2,777	2,777	2,777	2,777
Total non-financial assets	47,039	45,288	45,011	44,897	44,797
Total assets	105,944	100,893	100,616	100,502	100,402
LIABILITIES					
Payables					
Suppliers	9,451	9,451	9,451	9,451	9,451
Other payables	4,202	4,202	4,202	4,202	4,202
Total payables	13,653	13,653	13,653	13,653	13,653
Provisions					
Employee provisions	32,443	33,943	33,943	33,943	33,943
Other provisions	4,593	4,593	4,593	4,593	4,593
Total provisions	37,036	38,536	38,536	38,536	38,536
Total liabilities	50,689	52,189	52,189	52,189	52,189
Net assets	55,255	48,704	48,427	48,313	48,213
EQUITY*					
Parent equity interest					
Interest					
Contributed equity	62,572	73,807	88,422	103,136	118,038
Reserves	57,814	57,814	57,814	57,814	57,814
Retained surplus (accumulated deficit)	(65,131)	(82,917)	(97,809)	(112,637)	(127,639)
Total non-controlling interest	55,255	48,704	48,427	48,313	48,213
Total Equity	55,255	48,704	48,427	48,313	48,213

* '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 2013-14)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2013					
Balance carried forward from previous period	(65,131)	19,089	38,725	62,572	55,255
Adjusted opening balance	(65,131)	19,089	38,725	62,572	55,255
Comprehensive income					
Surplus (deficit) for the period	(17,786)				(17,786)
Total comprehensive income	(17,786)	-	-	-	(17,786)
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCBs)				11,235	11,235
Sub-total transactions with owners	-	-	-	11,235	11,235
Estimated closing balance as at 30 June 2014	(82,917)	19,089	38,725	73,807	48,704
Closing balance attributable to the Australian Government	(82,917)	19,089	38,725	73,807	48,704

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	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	161,190	162,227	161,742	161,929	163,897
Sale of goods and rendering of services	20,092	20,092	20,092	20,250	20,250
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	188,496	189,533	189,048	189,393	191,361
Cash used					
Employees	102,213	99,860	105,922	104,175	106,468
Suppliers	78,929	79,409	77,662	79,754	79,429
Net GST paid	5,714	5,714	5,714	5,714	5,714
Total cash used	186,856	184,983	189,298	189,643	191,611
Net cash from (used by) operating activities	1,640	4,550	(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	18,492	16,035	14,615	14,714	14,902
Total cash used	18,492	16,035	14,615	14,714	14,902
Net cash from (used by) investing activities	(18,242)	(15,785)	(14,365)	(14,464)	(14,652)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	18,492	11,235	14,615	14,714	14,902
Total cash received	18,492	11,235	14,615	14,714	14,902
Net cash from (used by) financing activities	18,492	11,235	14,615	14,714	14,902
Net increase (decrease) in cash held	1,890	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	3,610	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	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	18,492	11,235	14,615	14,714	14,902
Total new capital appropriations	18,492	11,235	14,615	14,714	14,902
Provided for:					
Purchase of non-financial assets	18,492	11,235	14,615	14,714	14,902
Total Items	18,492	11,235	14,615	14,714	14,902
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	18,492	16,035 ²	14,615	14,714	14,902
TOTAL	18,492	16,035	14,615	14,714	14,902
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	18,492	16,035	14,615	14,714	14,902
Total cash used to acquire assets	18,492	16,035	14,615	14,714	14,902

¹ Does not include annual finance lease costs. Include purchase from current and previous years' Departmental Capital budget (DCBs).

² Includes \$4.8m in prior years' unspent Departmental Capital budget (DCBs).

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (2013-14)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2013				
Gross book value	18,944	41,304	53,136	113,384
Accumulated depreciation/amortisation and impairment	(8,690)	(22,328)	(38,104)	(69,122)
Opening net book balance	10,254	18,976	15,032	44,262
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services ¹	4,762	8,796	2,477	16,035
Total additions	4,762	8,796	2,477	16,035
Other movements				
Depreciation/amortisation expense	(5,218)	(7,580)	(4,988)	(17,786)
Total other movements	(5,218)	(7,580)	(4,988)	(17,786)
As at 30 June 2014				
Gross book value	23,706	50,100	55,613	129,419
Accumulated depreciation/amortisation and impairment	(13,908)	(29,908)	(43,092)	(86,908)
Closing net book balance	9,798	20,192	12,521	42,511

¹ "Appropriation ordinary annual services" refer to funding provided through Appropriation Bill No. 1 (2013-14) for depreciation / amortisation expenses, DCBs 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	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employee benefits	4,600	4,600	4,600	4,600	4,600
Suppliers	1,670	1,670	1,670	1,670	1,670
Grants	119,130	120,630	120,630	120,630	120,630
Total expenses administered on behalf of Government	125,400	126,900	126,900	126,900	126,900
LESS:					
OWN-SOURCE INCOME					
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	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Other financial assets	52	52	52	52	52
Total financial assets	52	52	52	52	52
Total assets administered on behalf of Government	52	52	52	52	52
LIABILITIES					
Payables					
Suppliers	73	73	73	73	73
Other payables	159	159	159	159	159
Total payables	232	232	232	232	232
Provisions					
Employee provisions	2,378	2,378	2,378	2,378	2,378
Other provisions	8,370	8,370	8,370	8,370	8,370
Total provisions	10,748	10,748	10,748	10,748	10,748
Total liabilities administered on behalf of Government	10,980	10,980	10,980	10,980	10,980
Net assets/(liabilities)	(10,928)	(10,928)	(10,928)	(10,928)	(10,928)

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
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	195	195	195	195	195
Total cash received	195	195	195	195	195
Cash used					
Grant	119,130	120,630	120,630	120,630	120,630
Suppliers	2,170	2,170	2,170	1,670	1,670
Net GST paid	195	195	195	195	195
Employees	4,100	4,100	4,100	4,600	4,600
Total cash used	125,595	127,095	127,095	127,095	127,095
Net cash from (used by) operating activities	(125,400)	(126,900)	(126,900)	(126,900)	(126,900)
Net increase (decrease) in cash held	(125,400)	(126,900)	(126,900)	(126,900)	(126,900)
Cash and cash equivalents at beginning of reporting period	1	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	125,399	126,900	126,900	126,900	126,900
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

3.2.3 Notes to the Financial Statements

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

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

Departmental

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

Administered

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

Australian Agency for International Development (AusAID)

Agency resources and planned performance

AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (AUSAID)

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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 2013-14 Budget implements the Government's Comprehensive Aid Policy Framework and emphasises our focus on our neighbours in the Asia Pacific region where around 900 million people still live in poverty.

This year's budget reinforces Australia's commitment to helping countries in our region to achieve the Millennium Development Goals (MDGs). The new measure *Enhancing Australia's commitment to development in the Asia Pacific region* will assist countries in the Asia Pacific achieve the MDGs and ensure sustainability of these development gains beyond 2015. Through this measure we will be targeting reductions in poverty and malnutrition (MDG1), increasing the number of boys and girls with access to a quality basic education (MDG2) and improving maternal health (MDG5).

In addition, the Government has approved funding to continue Australia's support for the Solomon Islands during the transition phase of the Regional Assistance Mission to Solomon Islands by providing renewed funding for key development programs in the Law and Justice and Governance sectors. These activities will form an important part of Australia's bilateral development assistance to the Solomon Islands.

For detail on official development assistance flows, the Comprehensive Aid Policy Framework, and 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 2013-14, 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 2013-14 as at Budget May 2013

	Estimate of prior + year amounts available in 2013- 14 \$'000	Proposed at Budget = 2013- 14 \$'000	Total estimate 2013- 14 \$'000	Actual available appropriation 2012- 13 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	62,001	-	62,001	-
Departmental appropriation ³	-	365,993	365,993	324,191
s31 Relevant agency receipts ⁴	-	300	-	-
Total	62,001	366,293	427,994	324,191
Administered expenses				
Outcome 1 ⁵	1,603,232	4,595,104	6,198,336	3,841,489
Total	1,603,232	4,595,104	6,198,336	3,841,489
Total ordinary annual services	A 1,665,233	4,961,397	6,626,330	4,165,680
Departmental non- operating				
Equity injections ⁶	-	14,523	14,523	15,123
Total	-	14,523	14,523	15,123
Administered non- operating				
Administered assets and liabilities ⁶	507,384	604,144	1,111,528	507,384
Total	507,384	604,144	1,111,528	507,384
Total other services	B 507,384	618,667	1,126,051	522,507
Total available annual appropriations	2,172,617	5,580,064	7,752,381	4,688,187
Special appropriations	-	-	-	-
Total special appropriations	C -	-	-	-
Total appropriations excluding Special Accounts	2,172,617	5,580,064	7,752,381	4,688,187

**Table 1.1: AusAID Resource Statement — Budget
Estimates for 2013-14 as at Budget May 2013 (continued)**

	Estimate of prior + year amounts available in 2013- 14 \$'000	Proposed at Budget = 2013- 14 \$'000	Total estimate 2013- 14 \$'000	Actual available appropriation 2012- 13 \$'000
Special Accounts				
Opening balance ⁷	136,722	-	136,722	-
Non- appropriation receipts to Special Accounts	-	5,000	5,000	-
Total Special Account	D 136,722	5,000	141,722	-
Total resourcing				
A+B+C+D				
Total net resourcing for AusAID	2,309,339	5,585,064	7,894,103	4,688,187

1 Appropriation Bill (No.1) 2013-14.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$12.242m in 2013-14 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 \$2.505m in 2013-14 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 2013-14 Budget measures

Part 1: Measures announced since the 2012-13 MYEFO

	Program	2012-13	2013-14	2014-15	2015-16	2016-17
		\$'000	\$'000	\$'000	\$'000	\$'000
Expense measures						
Official development assistance - Enhancing Australia's Commitment to Development in the Asia-Pacific Region ¹						
Administered expenses	1.1, 1.2, 1.3, 1.6	-	11,000	-	-	124,500
Departmental expenses	DS	-	1,163	-	-	-
Total		-	12,163	-	-	124,500
Regional Assistance Mission to Solomon Islands - transition ²						
Administered expenses	1.1	-	-	-	30,000	30,000
Departmental expenses	DS	-	-	-	6,780	6,912
Total		-	-	-	36,780	36,912
Official development assistance - Australian Membership of the African Development Bank Group						
Administered expenses	1.5	-	-	nfp	nfp	nfp
Total		-	-	nfp	nfp	nfp
Australia in the Asian Century - Asian Century Awards						
Administered expenses	1.3	-	-	-	-	-
Departmental expenses	DS	-	-	-	-	-
Total		-	-	-	-	-
Official development assistance - Enterprise Resource Planning system						
Administered expenses	1.3	-	(1,501)	-	-	-
Total		-	(1,501)	-	-	-
Targeted savings - public service efficiencies						
Departmental expenses	DS	-	(712)	(1,043)	(1,151)	(1,035)
Total		-	(712)	(1,043)	(1,151)	(1,035)
Official development assistance - Deferring Australia's Growth Target						
Administered expenses	all	-	-	(326,502)	(688,160)	(906,500)
Total		-	-	(326,502)	(688,160)	(906,500)

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Agency 2013-14 Budget measures (cont)

		Program	2012-13	2013-14	2014-15	2015-16	2016-17
			\$'000	\$'000	\$'000	\$'000	\$'000
Expense measures (cont)							
Official development assistance - offsetting savings							
Administered expenses	all		-	(56,933)	(97,766)	(41,719)	(42,156)
Departmental expenses	DS		(42)	-	-	-	-
Total			(42)	(56,933)	(97,766)	(41,719)	(42,156)
Total expense measures							
Administered			-	(47,434)	(424,268)	(699,879)	(794,156)
Departmental			(42)	451	(1,043)	5,629	5,877
Capital measures							
Official development assistance - Enhancing Australia's Commitment to Development in the Asia-Pacific Region ³							
Departmental	DS		-	350	-	-	-
Total			-	350	-	-	-
Regional Assistance Mission to Solomon Islands - transition ⁴							
Departmental	DS		-	-	-	-	-
Total			-	-	-	-	-
Official development assistance - Australian Membership of the African Development Bank Group							
Administered	1.5		-	-	nfp	nfp	nfp
Total			-	-	nfp	nfp	nfp
Official development assistance - Enterprise Resource Planning system							
Departmental	DS		-	1,501	-	-	-
Total			-	1,501	-	-	-
Nairobi Chancery - construction							
Departmental	DS		-	11	56	45	372
Total			-	11	56	45	372
Total capital measures							
Administered			-	-	-	-	-
Departmental			-	1,862	56	45	372
Total			-	1,862	56	45	372

Prepared on a Government Finance Statistics (fiscal) basis.

1 This measure includes \$253.2 million absorbed from within existing AusAID resources.

2 This measure includes \$79.0 million absorbed from within existing AusAID resources.

3 This measure includes \$0.7 million absorbed from within existing AusAID resources.

4 This measure includes \$7.7 million absorbed from within existing AusAID resources.

Refer to 2013-14 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 2013-14, 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	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.1: Official Development Assistance - PNG & Pacific		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	923,727	943,663
Other services (Appropriation Bill No. 2)	3,970	4,054
Total for Program 1.1	927,697	947,717
Program 1.2: Official Development Assistance - East Asia		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	947,911	1,113,375
Total for Program 1.2	947,911	1,113,375
Program 1.3: Official Development Assistance - Africa, South and Central Asia, Middle East and Other		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	999,698	1,159,921
Expenses not requiring appropriation in the Budget year	2,713	1,507
Special Accounts	5,000	5,000
Total for Program 1.3	1,007,411	1,166,428
Program 1.4: Official Development Assistance - Emergency, Humanitarian and Refugee Program		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	293,806	383,900
Total for Program 1.4	293,806	383,900
Program 1.5: Official Development Assistance - Multilateral Replenishments		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	125,854	373,180
Expenses not requiring appropriation in the Budget year	433,415	520,090
Other services (Appropriation Bill No. 2)	503,414	600,090
Total for Program 1.5	1,062,683	1,493,360
Program 1.6: Official Development Assistance - UN Commonwealth and Other International Organisations		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	364,530	396,271
Total for Program 1.6	364,530	396,271
Program 1.7: Official Development Assistance - NGO, Volunteer and Community Programs		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	179,301	222,289
Total for Program 1.7	179,301	222,289

Table 2.1: Budgeted Expenses for Outcome 1

	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program Support		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1) ¹	316,990	354,051
Expenses not requiring appropriation in the Budget year ²	16,785	20,850
Total for Program Support	333,775	374,901
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,834,827	4,592,599
Other services (Appropriation Bill No. 2)	507,384	604,144
Special Accounts	5,000	5,000
Expenses not requiring appropriation in the Budget year	436,128	521,597
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1) ¹	316,990	354,051
Expenses not requiring appropriation in the Budget year ²	16,785	20,850
Total expenses for Outcome 1	5,117,114	6,098,241
	2012-13	2013-14
Average Staffing Level (number)	1,944	1,982

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.

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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	923,727	943,663	1,053,143	1,233,273	1,351,737
Administered item (Bill 2)	3,970	4,054	-	-	-
Total program expenses	927,697	947,717	1,053,143	1,233,273	1,351,737

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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	947,911	1,113,375	1,263,243	1,396,845	1,543,188
Total program expenses	947,911	1,113,375	1,263,243	1,396,845	1,543,188

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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	999,698	1,159,921	1,271,909	1,558,881	1,788,175
Expenses not requiring appropriation in the budget year	2,713	1,507	1,507	1,507	1,489
Special Account Expenses:					
Services for other Governments and non agency bodies	5,000	5,000	5,000	5,000	5,000
Total program expenses	1,007,411	1,166,428	1,278,416	1,565,388	1,794,664

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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	293,806	383,900	446,300	595,080	629,850
Total program expenses	293,806	383,900	446,300	595,080	629,850

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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	125,854	373,180	212,475	-	553,452
Expenses not requiring appropriation in the budget year	433,415	520,090	181,324	-	1,064,335
Administered item (Bill 2)	503,414	600,090	221,234	-	1,234,587
Total program expenses	1,062,683	1,493,360	615,033	-	2,852,374

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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	364,530	396,271	396,279	493,583	544,207
Total program expenses	364,530	396,271	396,279	493,583	544,207

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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	179,301	222,289	241,629	258,661	281,982
Total program expenses	179,301	222,289	241,629	258,661	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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item (Bill 1)	316,990	354,051	336,733	343,721	349,132
Expenses not requiring appropriation in the Budget year	16,785	20,850	17,307	16,755	16,759
Total program expenses	333,775	374,901	354,040	360,476	365,891

Departmental Support Key Performance Indicators

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	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 2.1: East Asia		
AIPRD grant special account ¹	3,787	-
AIPRD loans special account ¹	30,000	30,000
Total for Program 2.1	33,787	30,000
Outcome 2 Totals by appropriation type		
AIPRD grant special account ¹	3,787	-
AIPRD loans special account ¹	30,000	30,000
Total expenses for Outcome 2	33,787	30,000

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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Special Account Expenses:					
AIPRD grants special account ¹	3,787	-	-	-	-
AIPRD loans special account ¹	30,000	30,000	30,513	-	-
Total program expenses	33,787	30,000	30,513	-	-

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 2013-14 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 2013-14 2012-13	Receipts 2013-14 2012-13	Payments 2013-14 2012-13	Adjustments 2013-14 2012-13	Closing balance 2013-14 2012-13
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other entities and Trust Moneys - AusAID Special Account	1	12,422	5,000	5,000	-	12,422
<i>Financial Management and Accountability Act 1997 s20 FMA Act Det 2011/05</i>		12,422	5,000	5,000	-	12,422
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>		3,787	-	3,787	-	-
Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account (A)	2	90,513	-	30,000	-	60,513
<i>Financial Management and Accountability Act 1997 s20 FMA Act Det 2005/03</i>		120,513	-	30,000	-	90,513
Total Special Accounts 2013-14 Budget estimate		102,935	5,000	35,000	-	72,935
<i>Total Special Accounts 2012-13 estimate actual</i>		136,722	5,000	38,787	-	102,935

(A) = Administered

(D) = Departmental

3.1.3 Australian Government Indigenous Expenditure

Outcome	Appropriations				Other	Total	Program
	Bill	Bill	Special	Total			
	No. 1	No. 2	approp	approp			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
AusAID							
Outcome 1							
Departmental 2013-14	200	-	-	200	-	200	DS
<i>Departmental 2012-13</i>	<i>200</i>	-	-	<i>200</i>	-	<i>200</i>	<i>DS</i>
Total outcome 2013-14	200	-	-	200	-	200	DS
<i>Total outcome 2012-13</i>	<i>200</i>	-	-	<i>200</i>	-	<i>200</i>	<i>DS</i>
Total AGIE 2013-14	200	-	-	200	-	200	DS
<i>Total AGIE 2012-13</i>	<i>200</i>	-	-	<i>200</i>	-	<i>200</i>	<i>DS</i>

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Agency Resourcing and Financial Statements

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

Asian Development Fund replenishments – investment component;

International Development Association replenishments – investment component;

African Development Fund 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 2013–14 is estimated to be \$353.8 million, an increase of \$37.0 million from the 2012–13 estimated actual.

Total expenses in 2013–14 are estimated to be \$374.9 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 2013–14 this is estimated at \$51.8 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 2013-14 is estimated to be \$75.2 million.

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 2013-14 AusAID will receive administered appropriation of \$4,595.1 million (excluding capital funding) for programs administered on behalf of the Government, representing an increase of \$756.1 million from the 2012-13 Budget.

Administered expenses for 'International Development Assistance' are budgeted at \$4,070.4 million, an increase of \$726.0 million from the 2012-13 estimated actual.

Administered expenses for 'Other – International Development Assistance program' are budgeted at \$396.3 million, an increase of \$31.7 million from the 2012-13 estimated actual. This program includes payments made to UN, Commonwealth and Other International Organisations.

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), the Asian Development Fund (ADF) and the African Development Fund (AfDF).

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 \$4,410.1 million by 30 June 2014, up from \$3,689.0 million 2012-13 estimated actual. This is mainly due to new multilateral replenishments being entered into.

Administered liabilities are estimated to total \$2,861.9 million by 30 June 2014, up from \$2,178.6 million 2012-13 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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	192,736	224,105	212,054	216,896	224,128
Suppliers	124,383	130,079	124,979	127,125	125,304
Depreciation and amortisation	16,656	20,717	17,168	16,612	16,612
Total expenses	333,775	374,901	354,201	360,633	366,044
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	231	300	300	300	300
Total own-source revenue	231	300	300	300	300
Gains					
Other	129	133	139	143	147
Total gains	129	133	139	143	147
Total own-source income	360	433	439	443	447
Net cost of services	333,415	374,468	353,762	360,190	365,597
Revenue from Government	316,759	353,751	336,594	343,578	348,985
Surplus (Deficit) attributable to the Australian Government	(16,656)	(20,717)	(17,168)	(16,612)	(16,612)
Total comprehensive income (loss)	(16,656)	(20,717)	(17,168)	(16,612)	(16,612)
Total comprehensive income (loss) attributable to the Australian Government	(16,656)	(20,717)	(17,168)	(16,612)	(16,612)
Note: Impact of Net Cash Appropriation Arrangements					
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations.	(16,656)	(20,717)	(17,168)	(16,612)	(16,612)
plus depreciation/amortisation expenses previously funded through revenue appropriations	16,656	20,717	17,168	16,612	16,612
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted Departmental Balance Sheet
(as at 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000	Forw ard estimate 2016-17 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	336	336	336	336	336
Trade and other receivables	62,001	62,897	63,832	64,075	64,319
Total financial assets	62,337	63,233	64,168	64,411	64,655
Non-financial assets					
Leasehold improvements	27,531	28,160	25,485	21,806	18,127
Infrastructure, plant and equipment	33,282	38,263	35,817	33,108	30,621
Intangibles	7,199	7,635	6,857	6,877	6,897
Other non-financial assets	8,856	8,856	8,856	8,856	8,856
Total non-financial assets	76,868	82,914	77,015	70,647	64,501
Total assets	139,205	146,147	141,183	135,058	129,156
LIABILITIES					
Payables					
Other payables	7,188	12,982	13,742	13,808	13,872
Total payables	7,188	12,982	13,742	13,808	13,872
Provisions					
Employee provisions	51,337	51,850	51,902	51,954	52,006
Other provisions	6,148	6,160	6,284	6,409	6,537
Total provisions	57,485	58,011	58,186	58,363	58,543
Total liabilities	64,673	70,993	71,928	72,171	72,415
Net assets	74,532	75,154	69,255	62,887	56,741
EQUITY*					
Parent entity interest					
Contributed equity	87,212	113,977	125,246	135,490	145,956
Reserves	626	626	626	626	626
Retained surplus (accumulated deficit)	(18,816)	(39,449)	(56,617)	(73,229)	(89,841)
Total parent entity interest	69,022	75,154	69,255	62,887	56,741
Total Equity	74,532	75,154	69,255	62,887	56,741

* '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 2013-14)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2013					
Balance carried forward from previous period	(18,816)	626	-	87,212	69,022
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(18,816)	626	-	87,212	69,022
Comprehensive income					
Other comprehensive income	(20,633)	-	-	-	(20,633)
Surplus (deficit) for the period	-	-	-	-	-
Total comprehensive income	(20,633)	-	-	-	(20,633)
Transactions with owners					
Contributions by owners					
Equity Injection - Appropriation	-	-	-	14,523	14,523
Departmental Capital Budget (DCBs)	-	-	-	12,242	12,242
Sub-total transactions with owners	-	-	-	26,765	26,765
Estimated closing balance as at 30 June 2014	(39,449)	626	-	113,977	75,154
Closing balance attributable to the Australian Government	(39,449)	626	-	113,977	75,154

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000	Forw ard estimate 2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	315,195	352,991	335,902	343,578	348,985
Sale of goods and rendering of services	-	-	-	-	-
Net GST received	5,689	5,831	5,977	6,126	6,280
Total cash received	320,884	358,822	341,879	349,704	355,265
Cash used					
Employees	191,172	218,946	211,364	216,896	224,128
Suppliers	129,712	139,876	130,515	132,808	131,137
Total cash used	320,884	358,822	341,879	349,704	355,265
Net cash from (used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of infrastructure, plant equipment and intangibles	22,513	26,765	11,269	10,244	10,466
Total cash used	22,513	26,765	11,269	10,244	10,466
Net cash from (used by) investing activities	(22,513)	(26,765)	(11,269)	(10,244)	(10,466)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	15,123	14,523	1,546	435	412
Departmental Capital Budget	7,390	12,242	9,723	9,809	10,054
Total cash received	22,513	26,765	11,269	10,244	10,466
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (used by) financing activities	22,513	26,765	11,269	10,244	10,466
Net increase (decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	336	336	336	336	336
Cash and cash equivalents at the end of the reporting period	336	336	336	336	336

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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	7,390	12,242	9,723	9,809	10,054
Equity injections - Bill 2	15,123	14,523	1,546	435	412
Total new capital appropriations	22,513	26,765	11,269	10,244	10,466
Provided for:					
Purchase of non-financial assets	22,513	26,765	11,269	10,244	10,466
Total Items	22,513	26,765	11,269	10,244	10,466
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	15,123	14,523	1,546	435	412
Funded by capital appropriation - DCB ²	7,390	12,242	9,723	9,809	10,054
Funded internally from departmental resources	-	-	-	-	-
TOTAL	22,513	26,765	11,269	10,244	10,466
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	22,513	26,765	11,269	10,244	10,466
Total cash used to acquire assets	22,513	26,765	11,269	10,244	10,466

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 (2013-14)

	Other property, plant and equipment \$'000	L&B, IP&E \$'000	Other \$'000	Total \$'000
As at 1 July 2013				
Gross book value	38,271	56,619	17,270	112,160
Accumulated depreciation/amortisation and impairment	(10,740)	(23,337)	(10,071)	(44,148)
Opening net book balance	27,531	33,282	7,199	68,012
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity ¹	1,630	11,192	1,701	14,523
By purchase - appropriation ordinary annual services ²	4,354	6,888	1,000	12,242
Total additions	5,984	18,080	2,701	26,765
Other movements				
Depreciation/amortisation expense	(5,355)	(13,099)	(2,265)	(20,719)
Total other movements	(5,355)	(13,099)	(2,265)	(20,719)
As at 30 June 2014				
Gross book value	44,255	74,699	19,971	138,925
Accumulated depreciation/amortisation and impairment	(16,095)	(36,436)	(12,336)	(64,867)
Closing net book balance	28,160	38,263	7,635	74,058

Prepared on Australian Accounting Standards basis.

1 "Appropriation equity" refers to equity injections provided through Appropriation Bill (No.2) 2013-14.

2 "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2013-14 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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Non-taxation revenue					
Interest	6,846	7,229	7,612	8,002	-
Return of prior year administered expenses	10,412	11,453	12,140	12,869	13,641
Total non-taxation revenue	17,258	18,682	19,752	20,871	13,641
Total revenues administered on behalf of Government	17,258	18,682	19,752	20,871	13,641
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
International Development Assistance	3,344,443	4,070,422	4,393,854	5,042,740	5,843,460
Other - International Development Assistance	364,530	396,271	396,279	493,583	544,207
IDA/ADF/AfDF grants	125,854	122,910	94,853	-	304,942
Concessional loan discount	25,500	25,500	25,970	-	-
Concessional Investment discount	433,415	520,090	181,324	-	1,064,335
Depreciation and amortisation	2,713	1,507	1,507	1,507	1,489
Total expenses administered on behalf of Government	4,296,455	5,136,700	5,093,787	5,537,830	7,758,433

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 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	39,282	39,282	39,282	39,282	39,282
Loans and Receivables	84,947	89,447	94,031	93,648	93,648
Investments	1,340,513	1,420,513	1,460,513	1,460,513	1,630,765
Appropriation receivable - other	2,110,616	2,776,053	2,791,393	2,308,585	2,761,437
Appropriation receivable - special accounts	90,554	60,554	-	-	-
GST input credit receivable	13,229	13,394	13,562	13,731	13,903
Total financial assets	3,679,141	4,399,243	4,398,781	3,915,759	4,539,035
Non-financial assets					
Leasehold improvements	2,540	3,386	4,197	5,018	5,897
Infrastructure, plant and equipment	236	407	400	415	430
Intangibles	6,411	6,393	6,375	6,357	6,357
Other non-financial assets	696	696	696	696	696
Total non-financial assets	9,883	10,882	11,668	12,486	13,380
Total assets administered on behalf of Government	3,689,024	4,410,125	4,410,449	3,928,245	4,552,415
LIABILITIES					
Payables					
IDA/ADF/AfDF grant component	416,097	477,026	462,026	347,972	364,730
IDA/ADF/AfDF concessional component	1,275,209	1,636,222	1,528,898	1,176,399	1,574,231
Aid program payable	144,595	350,082	403,837	322,389	349,137
Other payables	342,741	398,609	464,595	529,842	541,356
Total payables	2,178,642	2,861,939	2,859,356	2,376,602	2,829,454
Total liabilities administered on behalf of Government	2,178,642	2,861,939	2,859,356	2,376,602	2,829,454
Net assets/(liabilities)	1,510,382	1,548,186	1,551,093	1,551,643	1,722,961

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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Return of prior year administered expenses	10,412	11,453	12,140	12,869	13,641
Net GST received	83,890	84,939	86,000	87,075	88,164
Total cash received	94,302	96,392	98,140	99,944	101,805
Cash used					
International Development Assistance	4,053,340	4,553,412	5,337,266	5,910,640	7,367,876
Total cash used	4,053,340	4,553,412	5,337,266	5,910,640	7,367,876
Net cash from (used by) operating activities	(4,147,642)	(4,649,804)	(5,435,406)	(6,010,584)	(7,469,681)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	2,461	2,505	2,293	2,325	2,383
Total cash used	2,461	2,505	2,293	2,325	2,383
Net cash from (used by) investing activities	(2,461)	(2,505)	(2,293)	(2,325)	(2,383)
Net increase (decrease) in cash held	(4,709,060)	(5,329,498)	(5,763,435)	(6,129,636)	(8,847,118)
Cash and cash equivalents at beginning of reporting period	39,282	39,282	39,282	39,282	39,282
Cash from Official Public Account for:					
- Appropriations	4,129,933	4,653,566	5,460,023	6,088,029	7,570,866
- Appropriations ACB	2,461	2,506	2,293	2,325	2,383
- Capital Appropriations	509,845	606,649	233,617	2,325	1,236,970
- Special Accounts	30,000	30,000	30,513	-	-
	4,711,521	5,332,003	5,765,728	6,131,961	8,849,501
Cash to Official Public Account for:					
- GST to the OPA	83,890	84,939	86,000	87,075	88,164
Cash and cash equivalents at end of reporting period	39,282	39,282	39,282	39,282	39,282

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of Administered Capital Budget Statement

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (ACB)	2,461	2,505	2,293	2,325	2,383
Administered Assets and Liabilities - Bill 2	507,384	604,144	221,324	-	1,234,587
Total new capital appropriations	509,845	606,649	223,617	2,325	1,236,970
<i>Provided for:</i>					
Purchase of non-financial assets	2,461	2,505	2,293	2,325	2,383
Other Items	507,384	604,144	221,324	-	1,234,587
Total Items	509,845	606,649	223,617	2,325	1,236,970
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	-	-	-	-	-
Funded by capital appropriation - ACB ²	2,461	2,505	2,293	2,325	2,383
TOTAL AMOUNT SPENT	2,461	2,505	2,293	2,325	2,383
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,461	2,505	2,293	2,325	2,383
Total cash used to acquire assets	2,461	2,505	2,293	2,325	2,383

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).

Note: Other Items relates to the investment component for multilateral replenishments (IDA, ADF & AfDF)

Table 3.2.11: Statement of Administered Asset Movements (2013-14)

	Buildings	Other property, plant and equipment	Other	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2013				
Gross book value	4,385	6,228	9,262	19,875
Accumulated depreciation/amortisation and impairment	(1,845)	(5,992)	(2,851)	(10,688)
Opening net book balance	2,540	236	6,411	9,187
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity ¹	-	-	-	-
By purchase - appropriation ordinary annual services ²	1,855	651	-	2,506
Total additions	1,855	651	-	2,506
Other movements				
Depreciation/amortisation expense	(1,009)	(480)	(18)	(1,507)
Total other movements	(1,009)	(480)	(18)	(1,507)
As at 30 June 2014				
Gross book value	6,240	6,879	9,262	22,381
Accumulated depreciation/amortisation and impairment	(2,854)	(6,472)	(2,851)	(12,195)
Closing net book balance	3,386	407	6,411	10,186

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) 2013-14.

² "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2013-14 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)

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AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH (ACIAR)

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

In 2013–14 the Australian Centre for International Agricultural Research (ACIAR) will continue to enhance bilateral and multilateral agricultural research for development to support the Australian Government's aid program and contribute to poverty reduction through:

- 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 2013–14 ACIAR will continue to support Australia's commitment to sustainable economic development, and the United Nation's Millennium Development Goals, with particular focus on ending poverty and hunger.

ACIAR's Strategic Plan to 2015-16 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 outlined in *An Effective Aid Program for Australia: Making a real difference – Delivering real results*. Consistent with this strategic goal, ACIAR's program will focus on the key development objective: improving food security by investing in smallholder agricultural productivity, market access and through research and production capacity building.

ACIAR's research for development investment also complements and, where applicable, operates in partnership with of a number of AusAID programs.

The overarching themes will be implemented through agreed programs and projects with partners in the Pacific, East Asia, South and West Asia (including Afghanistan and Pakistan), sub-Saharan Africa, North Africa and the Middle East. The approaches continue to focus on improving productivity, engagement with markets (domestic and international) and improving utilisation by including nutrition.

A new initiative in Myanmar, developed with AusAID, will deliver a multidisciplinary program, focused on improving food security and rural livelihoods in the central dry zone and the Ayeyarwaddy Delta. The program is targeting, through research, development and extension, the immediate needs of the generally vulnerable

Myanmar people. There will also be a strong focus on capacity building both for people and institutions, as many of Myanmar's agricultural scientists have been isolated from international cooperation over recent years.

In Indonesia, agricultural research plays an important role in supporting the main policy priorities of the Indonesian Government, including improved productivity for key commodities; achieving national food security; balancing the needs of producers and consumers; increasing farmer welfare through higher incomes; diversification of food sources away from cereals; increasing the competitiveness of agricultural production and value add processing; and managing the effects of climate change. There are substantial benefits flowing to farmers and the agricultural sector as a whole through the development of technologies and innovations, with recent evidence from Indonesia showing that returns on public investment in agricultural research are substantial and sustained with an estimated real rate of return of 13% from an increase in investment in agriculture research.

Regional allocations for ACIAR's research and development (R&D) project budget in 2013-14 are:

- Pacific 16%
- East Asia 46%
- South and West Asia (including Afghanistan and Pakistan) 21%
- Sub-Saharan Africa 15%
- North Africa and the Middle East 2%

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 centres of the CGIAR and their major Research Programs (CRPs) that are supported by many donors, including the Australian Government.

ACIAR 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 2013-14, the majority on two fellowship schemes integrated into the Australia Awards, the John Allwright and John Dillon Fellowships. Through the ATSE Crawford Fund, ACIAR also supports training activities that complement the Centre's projects.

ACIAR will also continue to administer Australia's contributions to and involvement with the reformed CGIAR, formerly the Consultative Group on International

Agricultural Research. 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 2013-14 as at Budget May 2013

	Estimate of prior ¹ year amounts available in 2013-14 \$'000	Proposed at Budget ² 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	3,430	-	3,430	3,169
Departmental appropriation ³	-	10,610	10,610	10,694
s31 Relevant agency receipts ⁴	-	1,234	1,234	635
Total	3,430	11,844	15,274	14,498
Administered expenses				
Outcome 1	-	83,720	83,720	82,332
Total	-	83,720	83,720	82,332
Total ordinary annual services A	3,430	95,564	98,994	96,830
Other services⁵				
Departmental non- operating				
Equity injections	-	1	1	146
Total	-	1	1	146
Total other services B	-	1	1	146
Total available annual appropriations	3,430	95,565	98,995	96,976
Total appropriations excluding Special Accounts	3,430	95,565	98,995	96,976
Special Accounts				
Opening balance ⁶	24,326	-	24,326	24,326
Non- appropriation receipts to Special Accounts	-	35,054	35,054	35,563
Total Special Account C	24,326	35,054	59,380	59,889
Total resourcing				
A+B+C	27,756	130,619	158,375	156,865
Total net resourcing for ACIAR	27,756	130,619	158,375	156,865

1 Appropriation Bill (No.1) 2013-14.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$0.254m in 2013-14 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) 2013-14.

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

Budget measures related to ACIAR are detailed in Budget Paper No. 2 and are summarised below.

Part 1: Measures announced since the 2012-13 MYEFO

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Expense measures						
Targeted savings - public service efficiencies	1.					
Departmental expenses		-	(31)	(287)	(325)	(322)
Total		-	(31)	(287)	(325)	(322)
Total expense measures						
Departmental		-	(31)	(287)	(325)	(322)
Total		-	(31)	(287)	(325)	(322)
Capital measures						
Nairobi Chancery - construction	1.					
Departmental capital		-	1	3	3	-
Total		-	1	3	3	-
Total capital measures						
Departmental		-	1	3	3	-
Total		-	1	3	3	-

Prepared on a Government Finance Statistics (fiscal) basis

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Measures						
Targeted savings - public service efficiencies	1.					
Departmental expenses		(37)	(33)	(33)	(33)	(33)
Total		(37)	(33)	(33)	(33)	(33)
Total measures						
Departmental		(37)	(33)	(33)	(33)	(33)
Total		(37)	(33)	(33)	(33)	(33)

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.

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 research for development program partnerships between Australian agricultural researchers and their bilateral and multilateral counterparts in developing countries. 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 are outlined in ACIAR's Strategic Plan to 2015-16 and described in greater detail in the Centre's Annual Operational Plan 2013-14 (aciarc.gov.au).

ACIAR will continue to manage and administer Australia's contribution to the CGIAR through funding of projects together with unrestricted funding directed to the core activities of those centres and support for emerging programs.

ACIAR will also administer and manage, in partnership with 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.	2012-13	2013-14
	Estimated actual expenses	Estimated expenses
	\$'000	\$'000
Program 1.1: International Agricultural Research and Development		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	82,332	83,720
Special Accounts	35,563	35,054
Departmental expenses		
Departmental appropriation ¹	11,075	11,590
Expenses not requiring appropriation in the Budget year ²	278	278
Total for Program 1.1	129,248	130,642
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	82,332	83,720
Special Accounts	35,563	35,054
Departmental expenses		
Departmental appropriation ¹	11,075	11,590
Expenses not requiring appropriation in the Budget year ²	278	278
Total expenses for Outcome 1	129,248	130,642
	2012-13	2013-14
Average Staffing Level (number)	69	73

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.

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: Making a real difference – Delivering real results*, 2011:

- 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.

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.

Program expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Administered item	82,332	83,720	88,095	94,896	100,147
Special Account Expenses:					
ACIAR Special Account	35,563	35,054	26,235	25,239	24,156
Annual departmental expenses:					
Departmental items	11,075	11,590	11,660	11,971	12,336
Expenses not requiring appropriation in the Budget year ¹	278	278	277	279	348
Total program expenses	129,248	130,642	126,267	132,385	136,987

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

- Improved food security;
- Improved income, employment and enterprise opportunities;
- Reduced negative impacts of climate change and other environmental factors; and
- Increased individual and institutional research capacity.

Departmental Program

- Departmental costs are maintained within agreed budget parameters.

Program 1 Key Performance Indicators

Administered Program

- Increased availability of and access to meat, milk, grains, fruits and vegetables;
- Greater product utilisation and reduced post-harvest losses;
- Improved nutritional quality and diversity of diets;
- New and diversified enterprise options;
- Enhanced market chains for smallholder agriculture;
- Increased productivity, quality and market access for agriculture, aquaculture and forestry products;
- Greater resilience and diversity of production systems;
- Strengthened plant and animal biosecurity;
- Formal and informal institutional and individual capacity development; and
- Improved access to information and skills.

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 2013-14 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 2012-13 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 2013-14 2012-13	Receipts 2013-14 2012-13	Payments 2013-14 2012-13	Adjustments 2013-14 2012-13	Closing balance 2013-14 2012-13
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Australian Centre for International Agricultural Research Account (A)	1	24,326	35,054	(35,054)	-	24,326
Total Special Accounts 2013-14 Budget estimate		24,326	35,054	(35,054)	-	24,326
<i>Total Special Accounts 2012-13 estimated actual</i>		24,326	35,563	(35,563)	-	24,326

(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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	7,262	8,118	8,258	8,577	8,939
Suppliers	3,837	3,496	3,426	3,418	3,421
Depreciation and amortisation	254	254	253	255	324
Total expenses	11,353	11,868	11,937	12,250	12,684
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	635	1,234	1,697	1,958	2,225
Total own-source revenue	635	1,234	1,697	1,958	2,225
Gains					
Other	24	24	24	24	24
Total gains	24	24	24	24	24
Total own-source income	659	1,258	1,721	1,982	2,249
Net cost of (contribution by) services	10,694	10,610	10,216	10,268	10,435
Revenue from Government	10,440	10,356	9,963	10,013	10,111
Surplus (Deficit) attributable to the Australian Government	(254)	(254)	(253)	(255)	(324)
Total comprehensive income (loss) attributable to the Australian Government	(254)	(254)	(253)	(255)	(324)
Note: Impact of Net Cash Appropriation Arrangements					
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.	(254)	(254)	(253)	(255)	(324)
less depreciation/amort'n expenses previously funded through revenue appropriations ¹					
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(254)	(254)	(253)	(255)	(324)

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 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	68	68	68	68	68
Trade and other receivables	3,580	3,630	3,630	3,630	3,630
Total financial assets	3,648	3,698	3,698	3,698	3,698
Non-financial assets					
Land and buildings	470	397	326	412	270
Property, plant and equipment	591	667	743	819	895
Intangibles	155	153	151	150	151
Other non-financial assets	132	132	132	132	132
Total non-financial assets	1,348	1,349	1,352	1,513	1,448
Assets held for sale					
Total assets	4,996	5,047	5,050	5,211	5,146
LIABILITIES					
Payables					
Suppliers	100	100	100	100	100
Other payables	500	394	309	221	130
Total payables	600	494	409	321	230
Provisions					
Employee provisions	1,956	2,112	2,197	2,285	2,376
Total provisions	1,956	2,112	2,197	2,285	2,376
Liabilities included in disposal groups held for sale					
Total liabilities	2,556	2,606	2,606	2,606	2,606
Net assets	2,440	2,441	2,444	2,605	2,540
EQUITY*					
Parent entity interest					
Contributed equity	1,231	1,486	1,742	2,158	2,417
Reserves	708	708	708	708	708
Retained surplus (accumulated deficit)	501	247	(6)	(261)	(585)
Total parent entity interest	2,440	2,441	2,444	2,605	2,540
Total Equity	2,440	2,441	2,444	2,605	2,540

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity — Summary of Movement (Budget year 2013-14)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	501	708	1,231	2,440
Adjusted opening balance	501	708	1,231	2,440
Comprehensive income				
Surplus (deficit) for the period	(254)	-	-	(254)
Total comprehensive income	(254)	-	-	(254)
of which:				
Attributable to the Australian Government	(254)	-	-	(254)
Transactions with owners				
Contributions by owners				
Equity Injection - Appropriation	-	-	1	1
Departmental Capital Budget (DCBs)	-	-	254	254
Sub-total transactions with owners	-	-	255	255
Closing balance attributable to the Australian Government	247	708	1,486	2,441

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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	10,339	10,306	9,963	10,013	10,111
Sale of goods and rendering of services	635	1,234	1,697	1,958	2,225
Net GST received	230	230	230	230	230
Total cash received	11,204	11,770	11,890	12,201	12,566
Cash used					
Employees	7,212	7,962	8,174	8,489	8,848
Suppliers	3,993	3,808	3,716	3,712	3,718
Total cash used	11,205	11,770	11,890	12,201	12,566
Net cash from (used by) operating activities	(1)	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	400	255	256	416	259
Total cash used	400	255	256	416	259
Net cash from (used by) investing activities	(400)	(255)	(256)	(416)	(259)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	400	255	256	416	259
Total cash received	400	255	256	416	259
Net cash from (used by) financing activities	400	255	256	416	259
Net increase (decrease) in cash held	(1)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	69	68	68	68	68
Cash and cash equivalents at the end of the reporting period	68	68	68	68	68

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	254	254	253	255	259
Equity injections - Bill 2	146	1	3	161	-
Total new capital appropriations	400	255	256	416	259
Provided for:					
Purchase of non-financial assets	400	255	256	416	259
Total Items	400	255	256	416	259
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	146	1	3	161	-
Funded by capital appropriation - DCB ²	254	254	253	255	259
TOTAL	400	255	256	416	259
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	400	255	256	416	259
Total cash used to acquire assets	400	255	256	416	259

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

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

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (2013-14)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2013				
Gross book value	647	836	615	2,098
Accumulated depreciation/amortisation and impairment	(177)	(245)	(460)	(882)
Opening net book balance	470	591	155	1,216
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity ¹	1	-	-	1
By purchase - appropriation ordinary annual services ²	-	200	54	254
Total additions	1	200	54	255
Other movements				
Depreciation/amortisation expense	(74)	(124)	(56)	(254)
Total other movements	(74)	(124)	(56)	(254)
As at 30 June 2014				
Gross book value	648	1,036	669	2,353
Accumulated depreciation/amortisation and impairment	(251)	(369)	(516)	(1,136)
Closing net book balance	397	667	153	1,217

1 "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2013-14.

2 "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2013-14 for depreciation / amortisation expenses, DCBs 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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employee benefits	140	291	303	315	328
Suppliers	117,755	118,483	114,027	119,820	123,975
Total expenses administered on behalf of Government	117,895	118,774	114,330	120,135	124,303
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Sale of goods and rendering of services	35,563	35,054	26,235	25,239	24,156
Total non-taxation revenue	35,563	35,054	26,235	25,239	24,156
Total own-source revenues administered on behalf of Government	35,563	35,054	26,235	25,239	24,156
Total own-sourced income administered on behalf of Government	35,563	35,054	26,235	25,239	24,156
Net Cost of (contribution by) services	82,332	83,720	88,095	94,896	100,147
Surplus (Deficit)	(82,332)	(83,720)	(88,095)	(94,896)	(100,147)
Total comprehensive income (loss)	(82,332)	(83,720)	(88,095)	(94,896)	(100,147)

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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	24,326	24,326	24,326	24,326	24,326
Taxation receivables	1,403	1,403	1,403	1,403	1,403
Total financial assets	25,729	25,729	25,729	25,729	25,729
Non-financial assets					
Other non-financial assets	30	30	30	30	30
Total non-financial assets	30	30	30	30	30
Assets held for sale					
Total assets administered on behalf of Government	25,759	25,759	25,759	25,759	25,759
LIABILITIES					
Payables					
Suppliers	997	1,041	1,091	1,141	1,141
Unearned Income	24,283	24,283	24,283	24,283	24,283
Other payables	1,362	1,365	1,365	1,365	1,365
Total payables	26,642	26,689	26,739	26,789	26,789
Provisions					
Employee provisions	14	20	20	20	20
Total provisions	14	20	20	20	20
Total liabilities administered on behalf of Government	26,656	26,709	26,759	26,809	26,809
Net assets/(liabilities)	(897)	(950)	(1,000)	(1,050)	(1,050)

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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
External Funds	35,563	35,054	26,235	25,239	24,156
Net GST received	4,500	4,550	4,600	4,500	4,500
Total cash received	40,063	39,604	30,835	29,739	28,656
Cash used					
International development assistance					
Suppliers	117,477	118,436	113,978	119,770	123,975
Employees	127	285	303	315	328
Total cash used	117,604	118,721	114,281	120,085	124,303
Net cash from (used by) operating activities	(77,541)	(79,117)	(83,446)	(90,346)	(95,647)
Net increase (decrease) in cash held	(77,541)	(79,117)	(83,446)	(90,346)	(95,647)
Cash and cash equivalents at beginning of reporting period	24,326	24,326	24,326	24,326	24,326
Cash from Official Public Account for:					
- Appropriations	82,041	83,667	88,046	94,846	100,147
	82,041	83,667	88,046	94,846	100,147
Cash to Official Public Account for:					
- Appropriations	(4,500)	(4,550)	(4,600)	(4,500)	(4,500)
	(4,500)	(4,550)	(4,600)	(4,500)	(4,500)
Cash and cash equivalents at end of reporting period	24,326	24,326	24,326	24,326	24,326

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)

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AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

Section 1: Agency Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

In 2013-14 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 departmental classification.

Table 1.1: ASIS Resource Statement — Budget Estimates for 2013-14 as at Budget May 2013

	Estimate of prior + year amounts available in 2013-14 \$'000	Proposed at Budget = 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	49,735	-	49,735	59,430
Departmental appropriation ³	-	207,988	207,988	201,297
s31 Relevant agency receipts ⁴	-	37,465	37,465	39,465
Total	49,735	245,453	295,188	300,192
Total ordinary annual services A	49,735	245,453	295,188	300,192
Other services⁵				
Departmental non-operating				
Equity injections	-	2,266	2,266	6,080
Total	-	2,266	2,266	6,080
Total other services B	-	2,266	2,266	6,080
Total resourcing				
A+B	49,735	247,719	297,454	306,272
Total net resourcing for ASIS	49,735	247,719	297,454	306,272

1 Appropriation Bill (No.1) 2013-14.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount in 2013-14 for the Departmental Capital. For accounting purposes this amount has been designated as 'contributions by owners'.

4 s31 Relevant Agency receipts — estimate.

5 Appropriation Bill (No.2) 2013-14.

Reader note: All figures are GST exclusive.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to ASIS are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2013-14 Budget measures

Part 1: Measures announced since the 2012-13 MYEFO

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Measures						
Targeted savings - public service efficiencies						
Departmental expenses	1.1	-	317	146	58	-
Departmental expenses	1.2	-	106	49	20	-
Total		-	423	195	78	-

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Measures						
Targeted savings - public service efficiencies						
Departmental expenses	1.1	880	909	909	909	909
Departmental expenses	1.2	293	303	303	303	303
Total		1,173	1,212	1,212	1,212	1,212

Prepared on a Government Financial 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 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.

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: 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		
	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.1: Secret Intelligence		
Departmental expenses		
Departmental appropriation ¹	169,582	172,496
Expenses not requiring appropriation in the Budget year ²	19,045	16,988
Total for Program 1.1	188,627	189,484
Program 1.2: Other Services		
Departmental expenses		
Departmental appropriation ¹	56,527	57,499
Expenses not requiring appropriation in the Budget year ²	6,349	5,663
Total for Program 1.2	62,876	63,162
Outcome 1 Totals by appropriation type		
Departmental expenses		
Departmental appropriation ¹	226,109	229,995
Expenses not requiring appropriation in the Budget year ²	25,394	22,651
Total expenses for Outcome 1	251,503	252,646

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.

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:	169,582	172,496	176,188	177,690	168,520
Expenses not requiring appropriation in the Budget year ¹	19,045	16,988	17,165	14,301	14,626
Total program expenses	188,627	189,484	193,353	191,991	183,146

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.

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual departmental expenses:	56,527	57,499	58,729	59,230	56,173
Expenses not requiring appropriation in the Budget year ¹	6,349	5,663	5,722	4,767	4,875
Total program expenses	62,876	63,162	64,451	63,997	61,048

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 2013-14 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	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Total expenses	251,503	252,646	257,804	255,988	244,194
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	39,465	37,465	37,465	37,465	37,465
Total own-source revenue	39,465	37,465	37,465	37,465	37,465
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	39,465	37,465	37,465	37,465	37,465
Net cost of (contribution by) services	212,038	215,181	220,339	218,523	206,729
Revenue from Government	186,644	192,530	197,452	199,454	187,228
Surplus (Deficit) attributable to the Australian Government	(25,394)	(22,651)	(22,887)	(19,069)	(19,501)
Total comprehensive income (loss) attributable to the Australian Government	(25,394)	(22,651)	(22,887)	(19,069)	(19,501)

Note: Impact of Net Cash Appropriation Arrangements

	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000

Total Comprehensive Income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
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less depreciation/amortisation expenses previously funded through revenue appropriations ¹	25,394	22,651	22,887	19,069	19,501
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Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(25,394)	(22,651)	(22,887)	(19,069)	(19,501)
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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.

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted Departmental Balance Sheet
(as at 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000	Forw ard estimate 2016-17 \$'000
ASSETS					
Financial assets	68,806	66,595	67,642	68,119	65,812
Non-financial assets	121,092	119,217	112,244	108,841	102,499
Total assets	189,898	185,812	179,886	176,960	168,311
LIABILITIES					
Payables	26,895	27,231	27,658	27,831	26,772
Interest bearing liabilities	-	-	-	-	-
Provisions	30,664	31,170	31,790	32,094	30,846
Total liabilities	57,559	58,401	59,448	59,925	57,618
Net assets	132,339	127,411	120,438	117,035	110,693
EQUITY*					
Parent entity interest					
Contributed equity	108,733	126,456	142,370	158,036	171,195
Reserves	54,000	54,000	54,000	54,000	54,000
Retained surplus (accumulated deficit)	(30,394)	(53,045)	(75,932)	(95,001)	(114,502)
Total parent entity interest	132,339	127,411	120,438	117,035	110,693
Total Equity	132,339	127,411	120,438	117,035	110,693

* '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 2013-14)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2013					
Balance carried forward from previous period	(30,394)	-	54,000	108,733	132,339
Adjusted opening balance	(30,394)	-	54,000	108,733	132,339
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus (deficit) for the period	(22,651)	-	-	-	(22,651)
Total comprehensive income	(22,651)	-	-	-	(22,651)
of which:					
Attributable to the Australian Government	(22,651)	-	-	-	(22,651)
Transactions with owners					
Contributions by owners					
Equity Injection - Appropriation	-	-	-	2,266	2,266
Departmental Capital Budget (DCBs)	-	-	-	15,458	15,458
Sub-total transactions with owners	-	-	-	17,724	17,724
Estimated closing balance as at 30 June 2014	(53,045)	-	54,000	126,456	127,411
Closing balance attributable to the Australian Government	(53,045)	-	54,000	126,456	127,411

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	196,338	194,741	196,405	198,978	189,535
Other	44,465	42,465	42,465	42,465	42,465
Total cash received	240,803	237,206	238,870	241,443	232,000
Cash used					
Other	240,550	234,153	238,870	241,443	232,000
Total cash used	240,550	234,153	238,870	241,443	232,000
Net cash from (used by) operating activities	253	3,053	-	-	-
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	23,986	20,777	15,914	15,666	13,158
Total cash used	23,986	20,777	15,914	15,666	13,158
Net cash from (used by) investing activities	(23,986)	(20,777)	(15,914)	(15,666)	(13,158)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	20,733	17,724	15,914	15,666	13,158
Other	-	-	-	-	-
Total cash received	20,733	17,724	15,914	15,666	13,158
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (used by) financing activities	20,733	17,724	15,914	15,666	13,158
Net increase (decrease) in cash held	(3,000)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	19,000	16,000	16,000	16,000	16,000
Cash and cash equivalents at the end of the reporting period	16,000	16,000	16,000	16,000	16,000

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.

