

**PORTFOLIO BUDGET STATEMENTS 2014-15**  
**BUDGET RELATED PAPER NO. 1.9**

**FOREIGN AFFAIRS AND TRADE PORTFOLIO**

**BUDGET INITIATIVES AND EXPLANATIONS OF  
APPROPRIATIONS SPECIFIED BY OUTCOMES  
AND PROGRAMMES BY AGENCY**

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**MINISTER FOR TRADE AND INVESTMENT**  
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 2014-15 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 blue ink, reading 'Julie Bishop'.

The Hon Julie Bishop MP  
Minister for Foreign Affairs

A handwritten signature in blue ink, reading 'Andrew Robb'.

The Hon Andrew Robb AO MP  
Minister for Trade and Investment

## **Abbreviations and conventions**

The following notation may be used:

NEC/nec	not elsewhere classified
..	nil
na	not zero, but rounded to zero
nfp	not applicable (unless otherwise specified)
\$m	not for publication
\$b	\$ million
	\$ 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 Paul Wood, Chief Financial Officer, Department of Foreign Affairs and Trade on (02) 6261 1111.

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 2014-15 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 2014-15 (or Appropriation Bill [Parliamentary Departments] No. 1 2014-15 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

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

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# PORTFOLIO OVERVIEW



# **FOREIGN AFFAIRS AND TRADE PORTFOLIO OVERVIEW**

## **Minister(s) and Portfolio Responsibilities**

The objective of Australia's foreign, trade and investment, development and international security policies is to advance Australia's national interest – the security and prosperity of Australians and promoting prosperity, reducing poverty and enhancing stability with a particular focus on our region, the Indian Ocean Asia Pacific.

The portfolio ministers are the Minister for Foreign Affairs, the Hon Julie Bishop MP, and the Minister for Trade and Investment, the Hon Andrew Robb AO MP. The Minister for Foreign Affairs is supported by the Parliamentary Secretary to the Minister for Foreign Affairs, Senator the Hon Brett Mason.

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

The coordination of work across the portfolio – particularly between DFAT, Austrade, Tourism Australia and ACIAR – has been given new importance by the Government's economic diplomacy agenda. This agenda prioritises efforts to promote Australian and global prosperity through four core objectives: trade, growth, investment and business. The completion of AusAID's integration into DFAT will ensure close alignment of Australia's efforts to promote economic growth and reduce poverty within Australia's broader national interests.

The department is implementing the New Colombo Plan, an Australian undergraduate study and internship program aimed at lifting knowledge of the Indian Ocean Asia Pacific in Australia and strengthening our people-to-people and institutional relationships in the region.

In 2014-15, DFAT will enhance the security and prosperity of Australians by strengthening our relationships with key partners and advancing Australia's core strategic and economic interests. DFAT will promote a clear understanding of the Government's foreign, trade and aid policy priorities and project a positive image of Australia.

Through Australia's aid program, DFAT will contribute to sustainable economic growth to reduce poverty and lift living standards, with a particular focus on the Indian Ocean Asia Pacific region. Australia's overseas development budget will be driven by a new paradigm which promotes a prosperous, growing region that is more stable and secure, and reduces poverty. The aid program will help build an effective

## *Portfolio Overview*

and efficient private sector, support aid for trade, invest in infrastructure, promote better health and education outcomes and help empower women and girls. Australia will continue to be an effective and principled humanitarian donor. The Government's new approach to development will be underpinned by a set of benchmarks that will improve aid program performance, value for money and results. DFAT is committed to delivering a more efficient and effective aid program that has a strong culture of accountability and performance.

Australia's prosperity depends on open and transparent international markets. DFAT will contribute to increasing the international competitiveness of the Australian economy and boosting jobs and economic growth by opening up markets for Australian exporters. It will achieve this by strengthening our trading relationships and pursuing priority bilateral and regional trade agreements, adding urgency to plurilateral and multilateral trade negotiations, and challenging protectionist policies around the world.

DFAT will 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 contribute to Australia's economic prosperity by promoting Australia's international trade, investment and education interests, with a particular focus on growth and emerging markets, including those in Asia, that offer commercial potential and which provide opportunities aligned with Australian comparative advantage in areas such as agribusiness, resources and energy, tourism and a range of services. Within these markets, there is a clear role for Austrade, as a Government agency, to support Australian businesses and education institutions. In established markets and other emerging markets, Austrade will partner with State and Territory governments and other Commonwealth Government agencies to attract productive foreign direct investment in priority sectors. It will also promote Australia as a preferred education destination and provider of education services and continue to administer several grant programs.

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

The Foreign Affairs and Trade portfolio now has responsibility for international tourism promotion, tourism policy, international tourism engagement, research and programs. The Tourism Division of the former Department of Resources, Energy and Tourism has been transferred to Austrade and will continue to provide policy advice and research and support the implementation of the national long-term tourism strategy, Tourism 2020. The international tourism engagement function, including bilateral tourism relations with other governments and international bodies, is being led by DFAT.

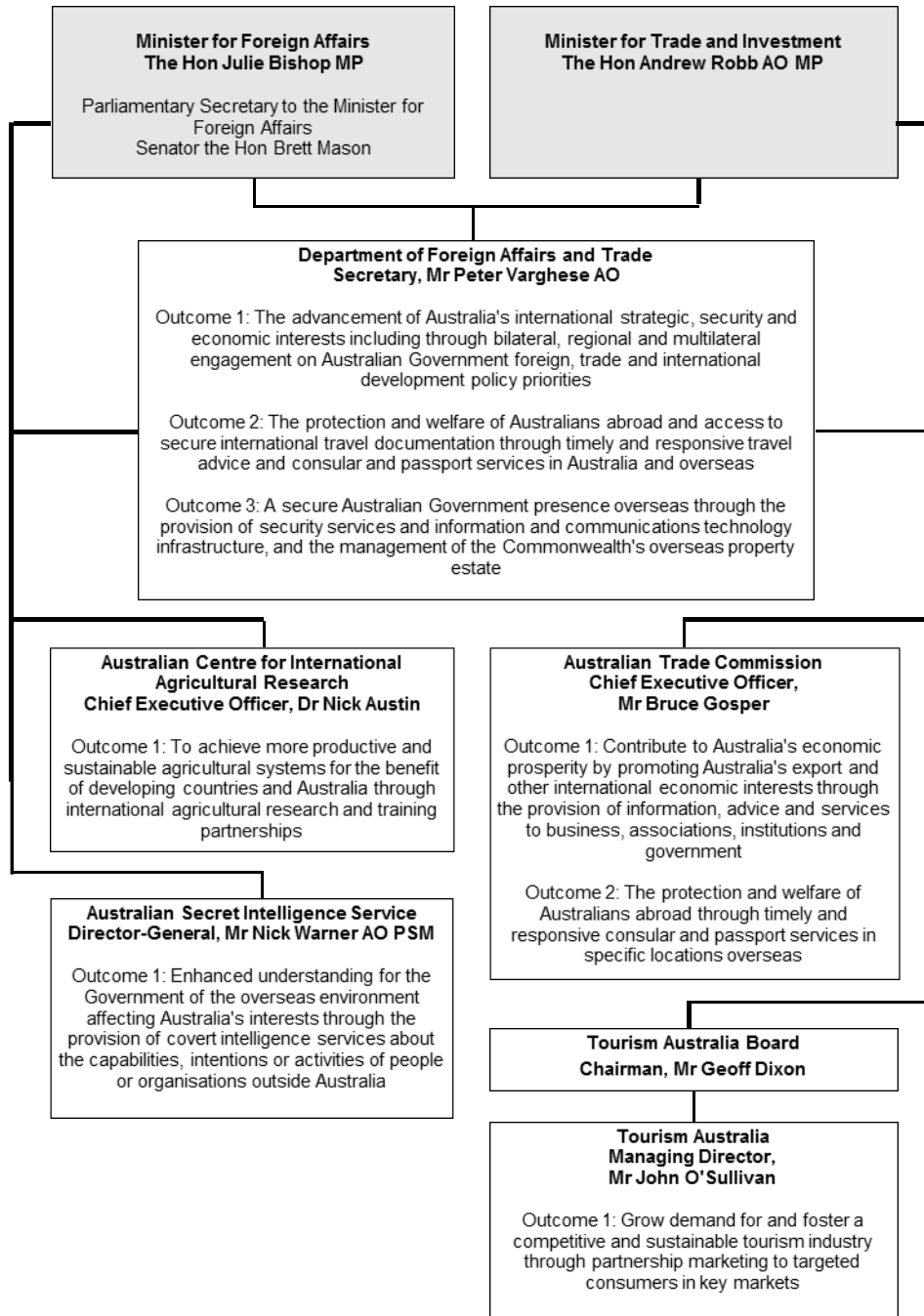
Tourism Australia is the Australian Government agency responsible for promoting Australia as an international destination for tourists and business travellers. Working in partnership with state and territory tourism organisations, industry and commercial partners, Tourism Australia aims to increase the economic benefits of tourism to Australia by building demand and increasing visitation and visitor spending.

ACIAR's work underpins Australia's national interest by contributing to economic growth and poverty reduction. ACIAR will continue to improve the productivity and profitability of agricultural systems, primarily in the Indian Ocean Asia Pacific region, through international agricultural research partnerships. ACIAR's research partnerships will have a stronger focus on developing market opportunities for smallholder farmers and will tackle gender inequality in the design, delivery and impacts of its activities. ACIAR will maintain its core mandate of producing excellent research, and will work through others to achieve up-scaling and broader development outcomes. ACIAR will also continue to administer and manage Australia's investment in multilateral innovation through the CGIAR.

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 helps Australian exporters and companies investing in projects overseas to gain access to finance and insurance services. EFIC provides financial facilities for exporters, including loans, guarantees, medium-term credit insurance, bonds and political risk insurance, with a focus on small and medium enterprises (SMEs) and those seeking to do business in new and emerging markets. EFIC will continue to work closely with DFAT and Austrade in the delivery of these services. It will also manage the National Interest Account on behalf of the Commonwealth.

**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 2014-15 budget year by agency.

**Table 1: Portfolio Resources 2014-15**

	Appropriation			Receipts	Total
	Bill No. 1	Bill No. 2	Special		
	\$m	\$m	\$m	\$m	\$m
<b>Department of Foreign Affairs and Trade</b>					
Administered appropriations	4,526.6	212.7	-	-	4,739.3
Departmental appropriations	1,324.0	80.8	-	172.2	1,577.0
<b>Total:</b>	<b>5,850.6</b>	<b>293.5</b>	<b>-</b>	<b>172.2</b>	<b>6,316.3</b>
<b>Australian Trade Commission</b>					
Administered appropriations	139.4	-	-	-	139.4
Departmental appropriations	198.3	1.5	-	19.8	219.6
<b>Total:</b>	<b>337.7</b>	<b>1.5</b>	<b>-</b>	<b>19.8</b>	<b>359.0</b>
<b>Australian Centre for International Agricultural Research</b>					
Administered appropriations	86.3	-	-	-	86.3
Departmental appropriations	10.1	-	-	1.7	11.7
<b>Total:</b>	<b>96.3</b>	<b>-</b>	<b>-</b>	<b>1.7</b>	<b>98.0</b>
<b>Australian Secret Intelligence Service</b>					
Administered appropriations	-	-	-	-	-
Departmental appropriations	220.8	2.7	-	34.5	258.0
<b>Total:</b>	<b>220.8</b>	<b>2.7</b>	<b>-</b>	<b>34.5</b>	<b>258.0</b>
<b>Tourism Australia</b>					
Administered appropriations	-	-	-	-	-
Departmental appropriations	129.9	-	-	30.0	159.9
<b>Total:</b>	<b>129.9</b>	<b>-</b>	<b>-</b>	<b>30.0</b>	<b>159.9</b>
<b>Portfolio total</b>	<b>6,635.2</b>	<b>297.8</b>	<b>-</b>	<b>258.3</b>	<b>7,191.2</b>
Less amounts transferred within portfolio					-
<b>Resources available within portfolio:</b>					<b>7,191.2</b>





# 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**

The Department of Foreign Affairs and Trade (DFAT) supports Ministers in the delivery of Australia's foreign, trade and investment, development and international security policy priorities. In 2014-15, the department will strengthen Australia's relations with key partners and advance Australia's core strategic and economic interests, particularly within the Indian Ocean Asia Pacific region. Economic diplomacy will guide the department's international engagement, drawing together foreign, trade and development policies and diplomatic resources to deliver greater prosperity for Australia, the region and world. The department will help strengthen Australia's trade relationships, including by finalising free trade negotiations. Australia's aid program will invest in the drivers of economic growth to help reduce poverty and lift living standards. New performance targets will ensure a focus on results and value for money.

Australia has global interests, but it is important we focus on the Indian Ocean Asia Pacific region where Australia's future prosperity and success lies. Strengthening Australia's key regional partnerships will be a priority for the department. The United States is Australia's main strategic ally and makes a crucial contribution to global security and stability, including in the Asia-Pacific region. The department will work to strengthen our ties with the United States and support continued US engagement in the region. Australia will build on our close economic and strategic partnership with Japan and strengthen links with the Republic of Korea – both relationships are underpinned by significant shared values, and newly negotiated free trade agreements. Strengthening Australia's partnership with China, which is based on shared interests and mutual respect, will also be an important focus. The department will continue to work effectively with Indonesia across a broad spectrum of issues including regional security, trade and investment, education and development. The department will also work to enhance Australia's strategic and economic relationship with India.

It is in Australia's interest to have secure and prosperous neighbours, including in the Pacific. Broadening, deepening and diversifying Australia's economic, business and strategic partnership with Papua New Guinea (PNG) is one of the department's highest priorities. The department is working to align the aid program with the shared political and economic objectives of Australia and PNG. Australia is committed to supporting Fiji's return to parliamentary democracy and will work closely with Fiji and other international donors to support democratic elections by September 2014.

Australia will coordinate and lead RAMSI as it continues to build the capacity of Solomon Islands police out to mid-2017. As RAMSI draws down, the department will look to strengthen the bilateral architecture with a country that remains our third largest aid partner. The Solomon Islands bilateral program in 2014-15 will concentrate efforts on the reconstruction and recovery following the April 2014 floods.

Fostering closer ties between Australia and the region and developing stronger people-to-people links will also have a renewed focus. The New Colombo Plan will contribute to an overall increase in the number of Australian undergraduate students undertaking study and internships in the region. In 2014, the pilot phase will be rolled out in Indonesia, Japan, Singapore and Hong Kong.

The department will contribute to whole-of-government efforts to prevent people-smuggling. Through the measure *International Engagement to Prevent and Disrupt Maritime People Smuggling*, the department will engage with key countries on preventive people smuggling initiatives in support of Operation Sovereign Borders.

Australia will continue to maintain strong cooperative partnerships with the nations of Southeast Asia, including Singapore, Malaysia and Vietnam and with the Association of Southeast Asian Nations (ASEAN), across a range of areas including trade, security, education, development and disaster relief. Australia will continue efforts to build the East Asia Summit (EAS) as the premier security forum for East Asia. The Asia-Pacific Economic Cooperation (APEC) is the Asia-Pacific region's pre-eminent economic forum. The department will work closely with China, the 2014 host, and the Philippines, the 2015 host, to support APEC in promoting economic growth and prosperity in the region.

The department will support cooperation in the Indian Ocean region through the Indian Ocean Rim Association (IORA), which Australia will chair until 2015. As part of the MIKTA (Mexico, Indonesia, the Republic of Korea, Turkey and Australia) group of economically like-minded countries, Australia will continue to discuss global issues of common interest and strategies to enhance bilateral and plurilateral ties.

Australia's aid program is being re-shaped to ensure it is effective in promoting economic growth and poverty reduction, reflecting our national interests and the changed international context. The Government's decision to integrate management of Australia's aid program into DFAT strengthens the platform to deliver an improved aid program.

Australia's aid program will have economic development at its heart, and will promote prosperity by improving the enabling environment for the private sector to drive growth; build the capacity of developing countries to participate in the global trading system; explore new partnerships between the private sector and government; leverage changing sources of finance for development; and help poorer countries effectively mobilise their own domestic resources for development. Australia will help tackle infrastructure bottlenecks in the region, and build functioning, predictable



institutions that provide the foundations for economic growth, private sector investment and trade.

Gender equality and women's empowerment will be a key priority across the aid program. Australia will continue to take a lead role on gender equality and women's empowerment in our aid program and advocacy, including through the Ambassador for Women and Girls.

Australia's aid program investments will support the poor to become participants in, and contributors to, stronger economic development. Australia remains firmly committed to assisting the most disadvantaged, including people with disability, find pathways out of poverty. Australia will continue to be an effective and principled humanitarian donor and will help build the resilience of countries and communities to disasters, conflict and economic shocks.

A new development policy will guide the allocation of aid and drive reforms to the way Australian aid is managed at the country, sectoral and global levels. Linked to this policy, a set of benchmarks will improve aid program performance, value for money and results.

Australia depends on open and transparent international markets for jobs and economic growth. Economic diplomacy, which aims to achieve regional and global prosperity, is at the centre of Australia's foreign policy. The department is leading the government's economic diplomacy agenda which will be driven by four core objectives: trade, growth, investment and business. These apply across the department's work including foreign, trade, development, and tourism functions.

Australia is strengthening our trading relationships to help grow a stronger economy. The department will support the ratification and implementation of Free Trade Agreements recently negotiated with the Republic of Korea and Japan. Australia will work to progress FTAs with China, India and Indonesia. Australia will also work to conclude the Trans Pacific Partnership (involving twelve Pacific-rim members) and to progress the Regional Comprehensive Economic Partnership (involving ASEAN and the six countries that have FTAs with ASEAN), an agreement with the Pacific (through the Pacific Agreement on Closer Economic Relations - PACER Plus) and the Gulf Cooperation Council. The department will also explore opportunities, where appropriate, for new FTAs and continue to leverage the benefits of Australia's existing FTAs with the countries of South-East Asia, New Zealand, the United States and Chile.

Australia is committed to the multilateral trading system which provides the best way to improve global economic growth and remove barriers to trade. The department will work to conclude the Doha Round of multilateral trade negotiations quickly. We will support Australian agriculture and agribusiness by pushing for agricultural trade reform through the Cairns Group and seek to open up new opportunities for exports of manufactures, services, and mineral and energy products. Australia will also

provide leadership in major sectoral negotiations, including the Trade in Services Agreement, which provide impetus to multilateral liberalisation.

The department will continue to drive Australia's growing economic, strategic and security interests in South Asia, Europe, the Americas, the Middle East and Africa, including by identifying further opportunities for trade and investment.

The department will maintain its current level and focus of engagement in Afghanistan, including in making preparations for post-transition arrangements in 2014. Through the measure *Australia's diplomatic engagement in Afghanistan - continuation* the department will support Australia's diplomatic presence and political engagement with Afghanistan. The department will also seek to strengthen Australia's political and economic relations with Europe including by sustaining momentum in Australia-UK Ministerial (AUKMIN) meetings and the strategic partnerships with France and Germany.

Australia remains committed to the global multilateral system and will support institutions that advance our national interests, such as the United Nations and the Commonwealth. Australia will continue to serve on the United Nations Security Council until the end of our term in December 2014. The department will promote Australia's national interests in advancing global environmental sustainability in multilateral forums. The department will also work to maintain Australia's economic competitiveness and seek broad-based international action and agreement, in the UN climate negotiations, other international climate forums, and through bilateral climate change engagement with major economies.

As President of the Group of Twenty (G20) in 2014, Australia will work to ensure that the G20 delivers on its agenda to lift growth and build global economic resilience against future shocks. Along with the Department of the Prime Minister and Cabinet, Treasury and other agencies, the department will support the forum to achieve positive outcomes in the areas of economic growth, infrastructure, employment, financial and tax reforms. The department will lead on the trade and development agendas: Australia will emphasise the contribution trade makes to global growth and job creation and ensure that the G20's work focuses on activities that lift growth across developed and developing countries. During Australia's year as G20 chair, the department is developing and deepening its engagement with major emerging economies which are of growing political and economic significance to Australia, and which contribute to solving global problems of shared concern.

Australia's alliances, partnerships and our involvement in multilateral forums will ensure we can adequately anticipate and respond to international security, human rights and related challenges. The department will continue to work towards countering the proliferation of nuclear weapons and constraining the illicit arms trade. Australia will continue to contribute to international stabilisation efforts in Afghanistan and pursue non-proliferation and disarmament objectives related to Iran and the Democratic People's Republic of Korea. The department will coordinate

Australia's cooperation with partner countries to enhance the effectiveness of programs to counter terrorism. The department will support work to elaborate how international law applies to states' use of cyberspace and will also contribute to efforts to finalise and promote adherence to the proposed International Code of Conduct for Outer Space Activities.

Through public diplomacy, cultural and media activities, the department will project a positive and contemporary image of Australia as a destination for business, investment, tourism and study. Strengthening people-to-people and institutional links, and promoting Australia's foreign, trade, investment, economic, development and cultural ties will be a priority. The department will also develop new sports diplomacy programmes which will promote Australia's sporting assets as a basis for building understanding of our culture and values and strengthen links with institutions and professionals in the region.

The department will continue to give high priority to the delivery of effective consular services and helping Australians to help themselves, including through the development of a three year Consular Strategy. The department will also promote safe travel messages through accurate and timely travel advice, including through the *Smartertraveller* campaign. The department will sustain its investment in the development and testing of strong contingency plans across its network of overseas posts.

The department will continue to deliver an efficient passport service for Australian citizens. In 2014-15, the department will introduce the new 'P-series' passport. The department's work to develop a new Australian travel document issuance system will deliver increased processing capability, improved client services and enhanced fraud and investigation controls.

The safety of Australian Government personnel overseas and the security of its missions will remain an enduring priority. This includes responding promptly to a changing, and often worsening, international security environment, especially in high-threat locations. Co-location with the United Kingdom in Baghdad is an example of a cost-effective approach to security. The department will address safety and security requirements for staff attached to the Australian Embassy in Baghdad through the measure *Baghdad Embassy - relocation*.

The department will maintain a professional workforce that will respond effectively and flexibly to emerging foreign, trade and economic, international security, development and consular challenges. It will continue to manage the integration of staff working on Australia's aid program, international climate change negotiations and tourism policy. The department will also manage its resources efficiently through careful prioritisation and regular review of budget allocations.

In 2014-15, the department will take forward a range of initiatives and reforms in response to the recent Australian Public Service Commission Capability Review of DFAT. The department's Capability Action Plan will help build a more resilient,

*DFAT Budget Statements*

flexible and cohesive department that can deliver the Government's agenda. The department will also support the Government's wider deregulation agenda through streamlining, where possible, its engagement with Australian individuals, business and the not-for-profit sector.

## 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 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	372,143	-	372,143	308,865
Departmental appropriation <sup>3</sup>	-	1,323,984	1,323,984	989,153
s31 Relevant agency receipts <sup>4</sup>	-	81,599	81,599	81,599
<b>Total</b>	<b>372,143</b>	<b>1,405,583</b>	<b>1,777,726</b>	<b>1,379,617</b>
<b>Administered expenses</b>				
Outcome 1	265,089	4,525,850	4,790,939	605,997
Outcome 2	-	750	750	750
Outcome 3	-	-	-	-
Payments to CAC Act bodies <sup>5</sup>	-	132,911	132,911	85,981
<b>Total</b>	<b>265,089</b>	<b>4,659,511</b>	<b>4,924,600</b>	<b>692,728</b>
<b>Total ordinary annual services</b>	<b>A 637,232</b>	<b>6,065,094</b>	<b>6,702,326</b>	<b>2,072,345</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Prior year departmental appropriation <sup>2</sup>	253,640	-	253,640	197,728
Equity injections <sup>6</sup>	-	80,816	80,816	76,633
<b>Total</b>	<b>253,640</b>	<b>80,816</b>	<b>334,456</b>	<b>274,361</b>
<b>Administered non-operating</b>				
Administered assets and liabilities	2,740,589	212,698	2,953,287	2,790,589
<b>Total</b>	<b>2,740,589</b>	<b>212,698</b>	<b>2,953,287</b>	<b>2,790,589</b>
<b>Total other services</b>	<b>B 2,994,229</b>	<b>293,514</b>	<b>3,287,743</b>	<b>3,064,950</b>
<b>Total available annual appropriations</b>	<b>3,631,461</b>	<b>6,358,608</b>	<b>9,990,069</b>	<b>5,137,295</b>
<b>Special appropriations</b>				
<b>Special appropriations limited by criteria/entitlement</b>				
FMA Act 1997 s.28				
Passport Refunds	-	1,010	1,010	1,010
<b>Total special appropriations</b>	<b>C -</b>	<b>1,010</b>	<b>1,010</b>	<b>1,010</b>
<b>Total appropriations excluding Special Accounts</b>	<b>3,631,461</b>	<b>6,359,618</b>	<b>9,991,079</b>	<b>5,138,305</b>

Table continued on the following page.

**Table 1.1: Department of Foreign Affairs and Trade Resource Statement — Budget Estimates for 2014-15 as at Budget May 2013 (continued)**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget = 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Special Accounts</b>				
Opening balance <sup>7</sup>	287,328	36,605	323,933	508,841
Appropriation receipts <sup>8</sup>	-	53,692	53,692	52,273
Appropriation receipts				
- other agencies <sup>9</sup>	-	30,842	30,842	30,091
Non-appropriation receipts to Special Accounts	-	6,074	6,074	7,023
<b>Total Special Account</b>	<b>D 287,328</b>	<b>127,213</b>	<b>414,541</b>	<b>598,228</b>
<b>Total resourcing</b>				
A+B+C+D	3,918,789	6,486,831	10,405,620	5,736,533
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	(53,692)	(53,692)	(52,273)
<b>Total net resourcing for DFAT</b>	<b>3,918,789</b>	<b>6,433,139</b>	<b>10,351,928</b>	<b>5,684,260</b>

1 Appropriation Bill (No. 1) 2014-15.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$53.032m in 2014-15 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 DFAT has received \$129.872m under an instrument of variation from Industry for payments to Tourism Australia.

6 Appropriation Bill (No. 2) 2014-15

7 Estimated opening balance for Special Accounts (less 'Special Public Money' held in the following accounts: Administered Payments and Receipts for Other Entities Special Account; Service for Other Entities and Trust Moneys Special Accounts (SOETM); consular Services Special Account (CSSA)). For further details on special accounts see Table 3.1.2.

8 Appropriation receipts from DFAT annual and special appropriations for 2014-15 included above.

9 Appropriation receipts from other agencies credited to DFAT's special accounts.

Reader note: All figures are GST exclusive.

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

	2014-15 \$'000	2013-14 \$'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	3,039	3,860
Tourism Australia Appropriation Acts 1 & 3	129,872	82,121

### **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 2014-15 Budget measures****Part 1: Measures announced since the 2013-14 MYEFO**

	Program	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Expense measures</b>						
International Engagement to Prevent and Disrupt Maritime People Smuggling	1.1					
Departmental expenses		-	3,219	3,178	-	-
<b>Total</b>		-	<b>3,219</b>	<b>3,178</b>	-	-
Australia's diplomatic engagement in Afghanistan - continuation	1.1, 3.1					
Departmental expenses		-	49,444	-	-	-
<b>Total</b>		-	<b>49,444</b>	-	-	-
Baghdad Embassy - relocation	1.1, 3.1					
Departmental expenses		-	27,416	-	-	-
<b>Total</b>		-	<b>27,416</b>	-	-	-
Efficiency Dividend - a further temporary increase of 0.25 per cent	1.1, 2.1, 2.2, 3.1, ODA-DS					
Departmental expenses		-	(3,153)	(6,105)	(9,123)	(9,200)
<b>Total</b>		-	<b>(3,153)</b>	<b>(6,105)</b>	<b>(9,123)</b>	<b>(9,200)</b>
Smaller Government - Department of Foreign Affairs and Trade - realising efficiencies	ODA-DS					
Departmental expenses		-	(109,744)	(101,651)	(94,944)	(90,835)
<b>Total</b>		-	<b>(109,744)</b>	<b>(101,651)</b>	<b>(94,944)</b>	<b>(90,835)</b>
Official Development Assistance - seventeenth replenishment of the World Bank's International Development Association <sup>1</sup>	1.11					
Administered expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Official Development Assistance - Global Green Growth Institute <sup>2</sup>	1.9					
Administered expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Timor-Leste Police Development Programme - continuation <sup>3</sup>	1.7					
Administered expenses		-	(8,001)	(7,999)	(7,000)	(6,007)
<b>Total</b>		-	<b>(8,001)</b>	<b>(7,999)</b>	<b>(7,000)</b>	<b>(6,007)</b>



**Part 1: Measures announced since the 2013-14 MYEFO (continued)**

	Program	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
1.6, 1.7, Official Development Assistance - 1.9, 1.10, reprioritised funding <sup>4</sup> 1.12, 1.13						
Administered expenses		- (599,105)	(1,221,186)	(1,687,908)	(3,519,612)	
<b>Total</b>		- <b>(599,105)</b>	<b>(1,221,186)</b>	<b>(1,687,908)</b>	<b>(3,519,612)</b>	
Transferring T-Qual Accreditation to industry 1.14						
Administered expenses		- 600	-	-	-	
<b>Total</b>		- <b>600</b>	-	-	-	
Australia Network - Termination of the ABC Contract 1.3						
Administered expenses		- (10,588)	(21,643)	(22,052)	(22,537)	
<b>Total</b>		- <b>(10,588)</b>	<b>(21,643)</b>	<b>(22,052)</b>	<b>(22,537)</b>	
<b>Total expense measures</b>						
Administered		- (617,094)	(1,250,828)	(1,716,960)	(3,548,156)	
Departmental		- (32,818)	(104,578)	(104,067)	(100,035)	
<b>Total</b>		- <b>(649,912)</b>	<b>(1,355,406)</b>	<b>(1,821,027)</b>	<b>(3,648,191)</b>	
<b>Capital measures</b>						
Australia's diplomatic engagement in Afghanistan - continuation 1.1, 3.1						
Departmental capital		- 2,042	-	-	-	
<b>Total</b>		- <b>2,042</b>	-	-	-	
Baghdad Embassy - relocation 1.1, 3.1						
Departmental capital		- 8,227	-	-	-	
<b>Total</b>		- <b>8,227</b>	-	-	-	
Efficiency Dividend - a further temporary increase of 0.25 per cent 1.1, 2.1, 2.2, 3.1, ODA-DS						
Departmental capital		- (136)	(269)	(403)	(370)	
<b>Total</b>		- <b>(136)</b>	<b>(269)</b>	<b>(403)</b>	<b>(370)</b>	

**Part 1: Measures announced since the 2013-14 MYEFO (continued)**

	Program	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Relocation of the Tehran Embassy - cessation	3.2					
Departmental capital		(79,447)	-	-	-	-
<b>Total</b>		<b>(79,447)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Export Finance and Insurance Corporation - capital injection <sup>5</sup>						
Administered Capital		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Timor-Leste Police Development Programme - continuation <sup>3</sup>						
Administered Capital		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total capital measures</b>						
Administered		-	-	-	-	-
Departmental		(79,447)	10,133	(269)	(403)	(370)
<b>Total</b>		<b>(79,447)</b>	<b>10,133</b>	<b>(269)</b>	<b>(403)</b>	<b>(370)</b>

1 This measure includes \$748.8 million absorbed from within existing DFAT resources.

2 This measure includes \$5.0 million absorbed from within existing DFAT resources.

3 The funding for this program has been transferred to the Australian Federal Police.

4 This measure includes the termination of \$2,043.0 million from the provision for increasing ODA. Please refer to the 2013-14 Additional Estimates Statements for the 2013-14 component of this measure.

5 In 2014-15 there has been a \$200 million capital injection in EFIC, although owing to the accounting treatment this will not have a fiscal impact.

Refer to 2014-15 Budget Paper 2 for further detail on the above measures.

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 programmes are the primary vehicle by which Government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, 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, trade and international development policy priorities.**

#### Outcome 1 Strategy

The department will assist the Government to meet its foreign, trade and economic, aid and international security objectives over 2014-15 and forward years through:

- strengthening further Australia's relations with key international partners and countries of growing significance to Australia's national interests;
- driving the economic diplomacy agenda through trade, growth, investment and business to encourage peace and prosperity;
- contributing to national prosperity by maximising Australia's trade opportunities and market access gains through multilateral, regional and bilateral means;
- assisting developing countries to reduce poverty and lift living standards, particularly in the Indo-Pacific region, through sustainable economic growth, better health and education outcomes, empowering women and girls, and leveraging private sector involvement;
- 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;

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- promoting and strengthening regional and global cooperation and governance in countering terrorism, people smuggling and nuclear proliferation; and
- developing and implementing programs and projects to enhance international awareness and understanding of Australia and Australian policies to advance our national interests.

As the lead agency managing Australia's external affairs, the department will also continue to provide leadership at Australia's diplomatic missions overseas, manage and maintain Australia's diplomatic network, including the provision of services to other agencies represented overseas, and deliver services to diplomatic and consular representatives in Australia.

### **Outcome Expense Statement**

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

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

<b>Outcome 1: The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign, trade and international development policy priorities</b>	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
<b>Programme 1.1: Foreign Affairs and Trade Operations</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	88,802	135,391
Departmental expenses		
Departmental appropriation <sup>1 &amp; 2</sup>	550,188	610,995
Expenses not requiring appropriation in the Budget year <sup>3 &amp; 4</sup>	47,505	48,828
<b>Total for Programme 1.1</b>	<b>686,495</b>	<b>795,214</b>
<b>Programme 1.2: Payments to International Organisations</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	299,532	298,546
<b>Total for Programme 1.2</b>	<b>299,532</b>	<b>298,546</b>
<b>Programme 1.3: Public Information Services and Public Diplomacy</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	25,396	29,132
<b>Total for Programme 1.3</b>	<b>25,396</b>	<b>29,132</b>
<b>Programme 1.4: International Climate Change Engagement Solution</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,588	3,000
<b>Total for Programme 1.4</b>	<b>2,588</b>	<b>3,000</b>
<b>Programme 1.5: New Colombo Plan - Transforming Relationships</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	5,372	10,958
<b>Total for Programme 1.5</b>	<b>5,372</b>	<b>10,958</b>
<b>Programme 1.6: Official Development Assistance - PNG &amp; Pacific</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	637,366	966,618
<b>Total for Programme 1.6</b>	<b>637,366</b>	<b>966,618</b>
<b>Programme 1.7: Official Development Assistance - East Asia</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	698,217	1,047,521
<b>Total for Programme 1.7</b>	<b>698,217</b>	<b>1,047,521</b>
<b>Programme 1.8: Official Development Assistance - East Asia AIPRD</b>		
Administered expenses		
AIPRD loans special account <sup>5</sup>	23,936	17,636
<b>Total for Programme 1.8</b>	<b>23,936</b>	<b>17,636</b>

Table continued on the following page.

**Table 2.1: Budgeted Expenses for Outcome 1 (Continued)**

<b>Outcome 1: The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign, trade and international development policy priorities</b>	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
<b>Programme 1.9: Official Development Assistance - Africa, South and Central Asia, Middle East and Other</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	606,011	1,129,828
Expenses not requiring appropriation in the Budget year <sup>3</sup>	685	1,507
<b>Total for Programme 1.9</b>	<b>606,696</b>	<b>1,131,335</b>
<b>Programme 1.10: Official Development Assistance - Emergency, Humanitarian and Refugee Programme</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	182,606	338,636
<b>Total for Programme 1.10</b>	<b>182,606</b>	<b>338,636</b>
<b>Programme 1.11: Official Development Assistance - Multilateral Replenishments</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	265,089	117,622
Expenses not requiring appropriation in the Budget year <sup>6</sup>	423,741	-
Other services (Appropriation Bill No. 2)	2,785,109	-
<b>Total for Programme 1.11</b>	<b>3,473,939</b>	<b>117,622</b>
<b>Programme 1.12: Official Development Assistance - UN Commonwealth and Other International Organisations</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	265,418	344,428
<b>Total for Programme 1.12</b>	<b>265,418</b>	<b>344,428</b>
<b>Programme 1.13: Official Development Assistance - NGO, Volunteer and Community Programmes</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	76,278	203,864
<b>Total for Programme 1.13</b>	<b>76,278</b>	<b>203,864</b>
<b>Programme 1.14: Programmes to Promote Australia's International Tourism Interests</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	16,801	15,220
<b>Total for Programme 1.14</b>	<b>16,801</b>	<b>15,220</b>
<b>ODA Programme Support</b>		
Departmental expenses		
Departmental appropriation <sup>1 &amp; 2</sup>	239,578	232,198
Expenses not requiring appropriation in the Budget year <sup>3</sup>	15,282	17,307
<b>Total for Programme Support</b>	<b>254,860</b>	<b>249,505</b>

*Table continued on the following page.*

**Table 2.1: Budgeted Expenses for Outcome 1 (Continued)**

	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,193,412	4,658,400
Expenses not requiring appropriation in the Budget year	424,426	1,507
Other services (Appropriation Bill No. 2)	2,785,109	-
Departmental expenses		
Departmental appropriation <sup>1 &amp; 2</sup>	789,766	843,193
Expenses not requiring appropriation in the Budget year <sup>3 &amp; 4</sup>	62,787	66,135
<b>Total expenses for Outcome 1</b>	<b>7,255,500</b>	<b>5,569,235</b>
<b>Average Staffing Level (number) <sup>7</sup></b>		
	4,120	3,704

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 \$53.692 million (2013-14: \$52.273 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 2013-14 and \$8.64 million in 2014-15.

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

6 Expenses not requiring appropriation in the Budget year relate to the concessional investment discount for the investment components for IDA and ADF.

7 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

### Programme 1.1: Foreign Affairs and Trade Operations

#### Programme 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, development and international security interests.
- To deliver accurate and timely policy advice to Ministers and other key 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.

#### Programme Expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
Administered items					
Export Finance and Insurance Corporation (EFIC) - National Interest Account Expenses	4,334	3,039	2,163	1,300	1,300
Personal Benefits - Locally Engaged Staff pension schemes	2,347	2,480	2,471	2,446	2,574
Tourism Australia <sup>1</sup>	82,121	129,872	129,141	128,733	130,121
Other Administered Items	504	566	591	618	647
Annual departmental expenses:					
Foreign Affairs and Trade Operations	550,188	610,995	576,391	571,406	568,584
Expenses not requiring appropriation in the Budget year <sup>2</sup>	38,175	38,588	38,579	38,561	38,561
Overseas development assistance - Debt-to-Health Swap with Government of Indonesia <sup>3</sup>	9,330	10,240	11,450	12,760	-
<b>Total programme expenses</b>	<b>686,999</b>	<b>795,780</b>	<b>760,786</b>	<b>755,824</b>	<b>741,787</b>

<sup>1</sup> The department was transferred appropriation to reflect the transfer of Tourism Australia as per AAO.

<sup>2</sup> Expenses not requiring appropriation in the Budget year include Depreciation and Amortisation expenses, Makegood Expense and Audit Fees.

<sup>3</sup> 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.



**Programme 1.1 Deliverables**

- Australia's foreign, trade and economic, development and international security 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;
  - enhanced engagement with Pacific island countries, including deepening our partnership with Papua New Guinea, supporting Fiji's return to democracy and supporting capacity building in the Solomon Islands;
  - a stronger partnership with the European Union and key European countries, and continued close ties with New Zealand, the United Kingdom and Canada;
  - sustained engagement with South Asia, the Middle East, Africa, the Americas, 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;
  - contribution to enhanced regional architecture through the East Asia Summit (EAS), dialogue with the Association of Southeast Asian Nations (ASEAN), the Asia-Pacific Economic Cooperation (APEC) forum, the Indian Ocean Rim Association (IORA) and MIKTA (Mexico, Indonesia, the Republic of Korea, Turkey and Australia); 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:
  - negotiating, finalising and implementing Australia's Free Trade Agreement (FTA) agenda and exploring opportunities for FTAs with other trading partners;
  - enhancing Australia's commitment to regional trade negotiations, including the TPP, RCEP and PACER Plus; and
  - 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.

- An enhanced environment for security and development, including through:
  - effective whole-of-government efforts to promote international stability and development, including 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 and West Africa, and in the Global Counter 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 the dignity of diplomatic missions and their personnel, upholding Australia's obligations under the Vienna Conventions; and
  - administration of the Export Finance and Insurance Corporation National Interest Account.

**Programme 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, development and international security interests.
- The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development 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.

**Programme 1.2: Payments to International Organisations**

**Programme Objective**

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

**Programme Expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
Administered item					
Payments to International Organisations	299,532	298,546	298,546	302,928	309,157
<b>Total programme expenses</b>	<b>299,532</b>	<b>298,546</b>	<b>298,546</b>	<b>302,928</b>	<b>309,157</b>

**Programme 1.2 Deliverables**

- Australian membership of international organisations and international treaty secretariats through payments of assessed and voluntary contributions.
- Effective participation in the United Nations and its Specialised Agencies, the World Trade Organisation and other multilateral forums in support of Australia's foreign, trade and economic, development and international security interests.

**Programme 1.2 Key Performance Indicators**

- Payments to international organisations are timely and within budget.
- The department's contributions influence multilateral outcomes which enhance Australia's security and prosperity, maximize the impact of Australia's aid programme and represent value for money.

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

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

**Programme Expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
International Relations Grants Programme	4,594	4,594	4,594	4,594	4,594
Australia Network	20,802	10,588	-	-	-
Bali Peace Park	-	450	-	-	-
Tourism Australia	-	13,500	14,000	14,000	14,000
<b>Total programme expenses</b>	<b>25,396</b>	<b>29,132</b>	<b>18,594</b>	<b>18,594</b>	<b>18,594</b>

**Programme 1.3 Deliverables**

- Promotion of people-to-people links and a contemporary and positive image of Australia as a destination for business, investment, tourism and study and support for the government's international policy goals, including through grants and other support to bilateral foundations, councils and institutes, alumni and diaspora community engagement and leadership dialogue.

**Programme 1.3 Key Performance Indicators**

- An understanding of contemporary Australia and the government's foreign, trade, investment and development credentials, and strengthened people-to-people and institutional links and trade, economic and cultural ties.

#### Programme 1.4: International Climate Change Engagement

##### Programme Objective

- To encourage the development of international policies and measures in relation to climate change through the pursuit of broad-based international climate action and agreement.

##### Programme Expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
Administered item	2,588	3,000	3,000	3,000	3,000
<b>Total programme expenses</b>	<b>2,588</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>

##### Programme 1.4 Deliverables

- Influence international climate change negotiations to advance Australia's national interests in global environmental sustainability and economic competitiveness.
- Promote broad-based climate action, especially by major economies and Australia's major trading partners.
- Strengthen strategic and practical climate change engagement with key partners, including major economies and Australia's trading partners, and other influential groupings.
- Promote understanding of the action Australia takes to address climate change.

##### Programme 1.4 Key Performance Indicators

- Climate negotiation outcomes advance global efforts to address climate change, protect Australia's economic competitiveness and are consistent with Australia's domestic policies and national circumstances.
- Engagement with key partners, including major economies and Australia's major trading partners, advances Australia's bilateral interests and wider interests in promoting broad-based, effective global action on climate change.
- Key countries and groups accept Australia's climate change positions.

**Programme 1.5: New Colombo Plan – Transforming Regional Relationships**
**Programme Objective**

- To foster closer people-to-people and institutional links between Australia and the Indian Ocean Asia Pacific by contributing to an overall increase in the number of Australian undergraduate students undertaking study and internships in the region.

**Programme Expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
Administered item	5,372	10,958	19,577	19,625	42,768
<b>Total programme expenses</b>	<b>5,372</b>	<b>10,958</b>	<b>19,577</b>	<b>19,625</b>	<b>42,768</b>

**Programme 1.5 Deliverables**

- Implementation of the New Colombo Plan (NCP) pilot phase in Indonesia, Japan, Singapore and Hong Kong in 2014.
- Successful design and implementation of the wider roll-out of the NCP across the Indian Ocean Asia Pacific region from 2015, informed by a robust evaluation of the pilot phase.

**Programme 1.5 Key Performance Indicators**

The Key Performance Indicators for Programme 1.5 reflect the metrics developed for the New Colombo Plan pilot phase. These indicators are subject to review in 2014 at the conclusion of the pilot phase.

- Provision of around 40 scholarships and a mobility grants programme that will benefit more than 700 Australian undergraduate students during the pilot phase.
- A substantial number of New Colombo Plan awardees undertake an internship, mentorship or other similar arrangement as part of their New Colombo Plan experience.
- Satisfaction of undergraduate students and universities participating in the New Colombo Plan.
- New Colombo Plan students, universities and other stakeholders are engaged in public diplomacy, outreach and alumni activities.

**Programme 1.6: Official Development Assistance – PNG and Pacific**

**Programme Objective and Deliverables**

- To assist developing countries in the Pacific region by contributing to sustainable economic growth to reduce poverty and lift living standards.

**Programme Expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
Administered item (Act No.1 & Bill No.3)	637,366	966,618	1,017,308	1,044,863	1,081,537
<b>Total programme expenses</b>	<b>637,366</b>	<b>966,618</b>	<b>1,017,308</b>	<b>1,044,863</b>	<b>1,081,537</b>

**Programme 1.6 Key Performance Indicators**

- Achievement of significant development results, including progress towards aid performance benchmarks which will provide a more rigorous approach to achieving value-for-money and results on the ground.
- Demonstrated organisational effectiveness, including against relevant strategic targets under the Making Performance Count performance framework which will be released in 2014.



**Programme 1.7: Official Development Assistance – East Asia****Programme Objective and Deliverables**

- To assist developing countries in the East Asia region by contributing to sustainable economic growth to reduce poverty and lift living standards.

**Programme Expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
Administered item	698,217	1,047,521	1,091,148	1,117,698	1,144,967
<b>Total programme expenses</b>	<b>698,217</b>	<b>1,047,521</b>	<b>1,091,148</b>	<b>1,117,698</b>	<b>1,144,967</b>

**Programme 1.7 Key Performance Indicators**

- Achievement of significant development results, including progress towards aid performance benchmarks which will provide a more rigorous approach to achieving value-for-money and results on the ground.
- Demonstrated organisational effectiveness, including against relevant strategic targets under the Making Performance Count performance framework which will be released in 2014.

**Programme 1.8: Official Development Assistance – East Asia AIPRD**

**Programme Objective and Deliverables**

- To assist developing countries in the East Asia region by contributing to sustainable economic growth to reduce poverty and lift living standards.

**Programme Expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
Special Account Expenses:					
AIPRD loans special account <sup>1</sup>	23,936	17,636	-	-	-
<b>Total programme expenses</b>	<b>23,936</b>	<b>17,636</b>	-	-	-

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

**Programme 1.8 Key Performance Indicators**

- Achievement of significant development results, including progress towards aid performance benchmarks which will provide a more rigorous approach to achieving value-for-money and results on the ground.
- Demonstrated organisational effectiveness, including against relevant strategic targets under the Making Performance Count performance framework which will be released in 2014.

**Programme 1.9: Official Development Assistance – Africa, South and Central Asia, Middle East and Other**
**Programme Objective and Deliverables**

- To assist developing countries in Africa, South and Central Asia, the Middle East and other regions by contributing to reducing poverty and lifting living standards through sustainable economic growth.

**Programme Expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
Administered item	606,011	1,129,828	1,079,605	1,122,418	1,438,534
Expenses not requiring appropriation in the budget year <sup>1</sup>	685	1,507	1,507	1,489	1,489
<b>Total programme expenses</b>	<b>606,696</b>	<b>1,131,335</b>	<b>1,081,112</b>	<b>1,123,907</b>	<b>1,440,023</b>

<sup>1</sup> Expenses not requiring appropriation in the Budget year include Depreciation and Amortisation expenses.

**Programme 1.9 Key Performance Indicators**

- Achievement of significant development results, including progress towards aid performance benchmarks which will provide a more rigorous approach to achieving value-for-money and results on the ground.
- Demonstrated organisational effectiveness, including against relevant strategic targets under the Making Performance Count performance framework which will be released in 2014.

**Programme 1.10: Official Development Assistance – Emergency, Humanitarian and Refugee Programme**

**Programme Objective and Deliverables**

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

**Programme Expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
Administered item	182,606	338,636	349,680	361,875	373,843
<b>Total programme expenses</b>	<b>182,606</b>	<b>338,636</b>	<b>349,680</b>	<b>361,875</b>	<b>373,843</b>

**Programme 1.10 Key Performance Indicators**

- Achievement of significant development results, including progress towards aid performance benchmarks which will provide a more rigorous approach to achieving value-for-money and results on the ground.
- Demonstrated organisational effectiveness, including against relevant strategic targets under the Making Performance Count performance framework which will be released in 2014.

**Programme 1.11: Official Development Assistance – Multilateral Replenishments**
**Programme Objective and Deliverables**

- To assist developing countries by contributing to sustainable economic growth to reduce poverty and lift living standards through contributions to multilateral organisations.

**Programme Expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
Administered item (Appropriation Bill1)	265,089	117,622	-	377,274	12,622
Expenses not requiring appropriation in the budget year <sup>1</sup>	423,741	-	-	953,505	-
Administered item (Appropriation Bill 2)	2,785,109	-	-	1,103,505	-
<b>Total programme expenses</b>	<b>3,473,939</b>	<b>117,622</b>	<b>-</b>	<b>2,434,284</b>	<b>12,622</b>

<sup>1</sup> Expenses not requiring appropriation in the Budget year relates to the concessional investment discount for the investment components for the International Development Association and the Asian Development Fund.

**Programme 1.11 Key Performance Indicators**

- Achievement of significant development results, including progress towards aid performance benchmarks which will provide a more rigorous approach to achieving value-for-money and results on the ground.
- Demonstrated organisational effectiveness, including against relevant strategic targets under the Making Performance Count performance framework which will be released in 2014.

**Programme 1.12: Official Development Assistance – UN, Commonwealth and Other International Organisations**

**Programme Objective and Deliverables**

- To assist developing countries reduce poverty and lift living standards through sustainable economic growth by providing contributions to UN, Commonwealth and other international organisations.

**Programme Expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
Administered item	265,418	344,428	342,941	421,170	424,614
<b>Total programme expenses</b>	<b>265,418</b>	<b>344,428</b>	<b>342,941</b>	<b>421,170</b>	<b>424,614</b>

**Programme 1.12 Key Performance Indicators**

- Achievement of significant development results, including progress towards aid performance benchmarks which will provide a more rigorous approach to achieving value-for-money and results on the ground.
- Demonstrated organisational effectiveness, including against relevant strategic targets under the Making Performance Count performance framework which will be released in 2014.

**Programme 1.13: Official Development Assistance – NGO, Volunteer and Community Programmes**
**Programme Objective and Deliverables**

- To assist developing countries by contributing to sustainable economic growth to reduce poverty and lift living standards through contributions to NGO, Volunteer and Community programs.

**Programme Expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
Administered item	76,278	203,864	208,710	213,679	218,770
<b>Total programme expenses</b>	<b>76,278</b>	<b>203,864</b>	<b>208,710</b>	<b>213,679</b>	<b>218,770</b>

**Programme 1.13 Key Performance Indicators**

- Achievement of significant development results, including progress towards aid performance benchmarks which will provide a more rigorous approach to achieving value-for-money and results on the ground.
- Demonstrated organisational effectiveness, including against relevant strategic targets under the Making Performance Count performance framework which will be released in 2014.

**Programme 1.14: Programmes to promote Australia's tourism interests**

**Programme Objective**

- To administer programmes that strengthen and stimulate growth in the tourism industry or support Australian businesses to become sustainable.

Linked to: Tourism Demand Driver Infrastructure payments are made through the National Partnership Payments arrangements – Programme Code SPP666.

**Programme Expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
T-Qual Grants	-	4,474	-	-	-
Tourism Industry Regional Development Fund	4,878	3,896	-	-	-
Tasmanian Regional Tourism Package	-	2,250	2,250	-	-
Transfer of T-Qual Accreditation to Industry	-	600	-	-	-
Cadbury	-	4,000	8,000	4,000	-
Tourism payment transfer	11,923	-	-	-	-
<b>Total programme expenses</b>	<b>16,801</b>	<b>15,220</b>	<b>10,250</b>	<b>4,000</b>	<b>-</b>

**Programme 1.14 Deliverables**

**T-QUAL Grants**

- Administration of the T-QUAL grants programme which provides competitive grants for innovative projects to stimulate sustainable economic growth in the Australian tourism industry. This programme terminates in 2014-15 and there will be no further grant rounds. All existing projects are due to be completed by June 2015.

Deliverables	2013-14 Estimated actual	2014-15 Budget
Estimated number of active projects to be completed by June 2015	64	128



**Tourism Industry Regional Development Fund (TIRF)**

- Administration of the Tourism Industry Regional Development Fund (TIRF) programme which provides competitive grants for innovative projects to improve the quality of accommodation and attractions in regional areas. This programme terminates in 2014-15 and there will be no further grant rounds. All existing projects are due to be completed by June 2015.

Deliverables	2013-14 Estimated actual	2014-15 Budget
Estimated number of active projects to be completed by June 2015	29	79

**Demand Driver Infrastructure Programme**

- Development and administration of the Demand Driver Infrastructure programme. In line with the Government's policy priorities for tourism, uncommitted funds allocated to the TIRF Programme will be refocused to a new programme that will deliver demand-driver infrastructure for the tourism industry. Funding will be disbursed to the states and territories, which will be responsible for implementing the projects that support tourism infrastructure needs.

Deliverables	2013-14 Estimated actual	2014-15 Budget	2015-16 Forward estimate	2016-17 Forward estimate	2017-18 Forward estimate
Number of projects to be supported	States and territories will be responsible for implementing projects. Funding will be disbursed to the states and territories through the Treasury.				

**Programme 1.14 Key Performance Indicators****T-QUAL Grants Programme**

For the T-QUAL Grants programme at its conclusion:

- Proportion of grant recipients that report an increase or maintenance of the level of business turnover and employment.
- The completion rate for T-QUAL Grants projects in accordance with executed funding agreements between the recipient and the Commonwealth will be at least 90 per cent.
- The level of additional investment will be at least 110 per cent of the amount of T-QUAL Grants awarded.

**Tourism Industry Regional Development Fund**

For the TIRF Grants programme at its conclusion:

- Proportion of grant recipients that report an increase or maintenance of the level of business turnover and employment levels in tourism businesses.
- The completion rate for TIRF Grant projects in accordance with executed funding agreements between the recipient and the Commonwealth will be at least 90 per cent.
- The level of additional investment will be at least 110 per cent of the amount of TIRF Grants awarded.
- TIRF Grants recipients eligible for T-QUAL accreditation to be T-QUAL accredited by completion of their funded project.

**Demand Driver Infrastructure (DDI) Programme**

- Budgeted DDI funding distributed to states and territories.
- DDI expenditure by states and territories is consistent with principles agreed by tourism ministers' meeting.

### Departmental ODA Programme Support: Outcome 1

#### Programme Objective

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

#### Programme Expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item	239,578	232,198	231,123	245,766	254,832
Expenses not requiring appropriation in the Budget year <sup>1</sup>	15,282	17,307	16,755	16,759	16,763
<b>Total programme expenses</b>	<b>254,860</b>	<b>249,505</b>	<b>247,878</b>	<b>262,525</b>	<b>271,595</b>

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

**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 the delivery of effective consular services and helping Australians to help themselves, including through the development of a three year Consular Strategy. The department will help Australians make informed decisions about their security, safety and wellbeing by maintaining its comprehensive system of travel advisories. The department's consular outreach program will continue in 2014-15, promoting safe travel messages and delivering accurate and timely travel advice, including through the *Smarttraveller* campaign and targeted outreach.

Practical planning for contingency and rapid crisis response will remain a focus through 2014-15. 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 2014-15, we will introduce the new 'P-series' passport. We will also continue work on development of the next generation Australian travel document issuance system.

**Outcome Expense Statement**

Table 2.1.2 provides an overview of the total expenses for outcome 2 by programme.

**Table 2.1.2: Budgeted Expenses for Outcome 2**

<b>Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas</b>	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
<b>Programme 2.1: Consular Services</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	200	200
Departmental expenses		
Departmental appropriation <sup>1 &amp; 2</sup>	70,412	79,203
Expenses not requiring appropriation in the Budget year <sup>3</sup>	5,587	5,626
<b>Total for Programme 2.1</b>	<b>76,199</b>	<b>85,029</b>
<b>Programme 2.2: Passport Services</b>		
Administered expenses		
Special appropriations	1,010	1,010
Departmental expenses		
Departmental appropriation <sup>1 &amp; 2</sup>	232,455	246,602
Expenses not requiring appropriation in the Budget year <sup>3</sup>	16,196	15,672
<b>Total for Programme 2.2</b>	<b>249,661</b>	<b>263,284</b>
<b>Outcome 2 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	200	200
Special appropriations	1,010	1,010
Departmental expenses		
Departmental appropriation <sup>1 &amp; 2</sup>	302,867	325,805
Expenses not requiring appropriation in the Budget year <sup>3</sup>	21,783	21,298
<b>Total expenses for Outcome 2</b>	<b>325,860</b>	<b>348,313</b>
	2013-14	2014-15
<b>Average Staffing Level (number) <sup>4</sup></b>	<b>1,111</b>	<b>1,078</b>

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

<sup>2</sup> These expenses include a portion of an intra-entity amount of \$53.692 million (2013-14: \$52.273 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).

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

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

### Programme 2.1: Consular Services

#### Programme 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.

#### Programme Expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
Administered items					
Consular Emergency Services <sup>1</sup>	200	200	200	200	200
Annual departmental expenses:					
Foreign Affairs and Trade Operations	70,412	79,203	78,583	78,090	78,498
Expenses not requiring appropriation in the Budget year <sup>2</sup>	5,587	5,626	5,627	5,627	5,627
<b>Total programme expenses</b>	<b>76,199</b>	<b>85,029</b>	<b>84,410</b>	<b>83,917</b>	<b>84,325</b>

<sup>1</sup> This expense does not include \$0.55 million for Traveller's Emergency Loans, as these are treated as receivables and form part of the receivable balance in Table 3.2.8.

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

#### Programme 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 the 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.

**Programme 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.
- Travel advisories are accurate and timely and provide clear guidance to a broad audience of potential risks and the extent of Australian Government assistance; public use of the Smartraveller website and the online registration service continues to grow.
- 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.

## Programme 2.2: Passport Services

### Programme Objective

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

### Programme Expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual administered expenses:					
Special Appropriations:					
FMA Act 1997 s.28					
Passport Refunds	1,010	1,010	1,010	1,010	1,010
Annual departmental expenses:					
Foreign Affairs and Trade Operations	232,455	246,602	256,598	249,176	250,509
Expenses not requiring appropriation in the Budget year <sup>1</sup>	16,196	15,672	15,674	15,674	15,674
<b>Total programme expenses</b>	<b>249,661</b>	<b>263,284</b>	<b>273,282</b>	<b>265,860</b>	<b>267,193</b>

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

### Programme 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.
- Introduction of the new ‘P-series’ Australian travel document.



**Programme 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.
- Successful introduction of the new P-series Australian travel document in mid-2014.
- Prevention, detection and prosecution of passport fraud.

**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 prioritise 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. To more efficiently manage the overseas estate, the department will examine where co-location of overseas missions with likeminded countries may be both practical and in our national interest. In managing the estate, the department will remain focused on providing the best possible protective security, and capability to respond promptly when new or unforeseen security-related challenges arise.

### **Outcome Expense Statement**

Table 2.1.3 provides an overview of the total expenses for outcome 3 by programme.

**Table 2.1.3: Budgeted Expenses for Outcome 3**

<b>Outcome 3: A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas owned estate</b>	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
<b>Programme 3.1: Other (Departmental)</b>		
Departmental expenses		
Departmental appropriation <sup>1 &amp; 2</sup>	178,959	183,831
Expenses not requiring appropriation in the Budget year <sup>3</sup>	9,937	10,023
<b>Total for Programme 3.1</b>	<b>188,896</b>	<b>193,854</b>
<b>Programme 3.2: Overseas Property</b>		
Departmental expenses		
Special Accounts	71,747	73,404
<b>Total for Programme 3.2</b>	<b>71,747</b>	<b>73,404</b>
<b>Outcome 3 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation <sup>1 &amp; 2</sup>	178,959	183,831
Special Accounts	71,747	73,404
Expenses not requiring appropriation in the Budget year <sup>3</sup>	9,937	10,023
<b>Total expenses for Outcome 3</b>	<b>260,643</b>	<b>267,258</b>
	2013-14	2014-15
<b>Average Staffing Level (number) <sup>4</sup></b>	<b>944</b>	<b>858</b>

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 \$53.692 million (2013-14: \$52.273 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 is made up of Depreciation Expense, Amortisation Expense, Makegood Expense, Audit Fees.

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

#### Programme 3.1: Foreign Affairs and Trade Operations

##### Programme 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.

##### Programme Expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual departmental expenses:					
Foreign Affairs and Trade Operations	178,959	183,831	131,189	131,181	133,225
Expenses not requiring appropriation in the Budget year <sup>1</sup>	9,937	10,023	10,026	10,026	10,026
<b>Total programme expenses</b>	<b>188,896</b>	<b>193,854</b>	<b>141,215</b>	<b>141,207</b>	<b>143,251</b>

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

##### Programme 3.1 Deliverables

- Enhanced protection through strengthened security measures in line with the evolving international 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.
- Ongoing implementation of the International Communications Network – upgrade programme.

**Programme 3.1 Key Performance Indicators**

- Effective threat and risk mitigation strategies appropriate to increased security risks, including timely and effective responses to all security incidents overseas.
- Security risks relating to classified information are minimised, as evidenced by a low number of sensitive security breaches.
- Client satisfaction with the accessibility, reliability and effectiveness of the secure cable network (Official Diplomatic Information Network) and the global secure telecommunications infrastructure.
- Staged delivery of the International Communications Network – upgrade programme within budget and against timelines.

**Programme 3.2: Overseas Property**

**Programme 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.

**Programme Expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Special Account Expenses:					
Overseas Property Special Account - <i>Finance Determination 2002-01 (D)</i>	71,747	73,404	75,778	84,699	99,071
<b>Total programme expenses</b>	<b>71,747</b>	<b>73,404</b>	<b>75,778</b>	<b>84,699</b>	<b>99,071</b>

**Programme 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 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.

**Programme 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 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme 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: Movement of Administered Funds Between Years<sup>1</sup>**

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Outcome 1:					
Public Information Services and Public Diplomacy	(450)	450	-	-	-
<b>Total Movement of Administered Funds</b>	<b>(450)</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> 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 <b>2014-15</b> 2013-14	Receipts <b>2014-15</b> 2013-14	Payments <b>2014-15</b> 2013-14	Adjustments <b>2014-15</b> 2013-14	Closing balance <b>2014-15</b> 2013-14
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Payments and Receipts for Other Entities Special Account - s20 FMA Act Det 2005/26 (A)	1	5,000	200,000	(200,000)	-	5,000
		5,000	200,000	(200,000)	-	5,000
Consular Services Special Account - s20 FMA Act Det 2005/38 (A)	2	44	100	(100)	-	44
		44	100	(100)	-	44
Expositions Special Accounts - s20 FMA Act Det 2007/14 (A)	1	994	-	-	-	994
		994	-	-	-	994
Australia-Indonesia Partnership for Reconstruction and Development (Grants) Special Account - s20 FMA Act Det	1	-	-	-	-	-
		-	-	-	-	-
Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account - s20 FMA Act Det	1	53,659	-	(17,636)	-	36,023
		77,595	-	(23,936)	-	53,659
Services for Other Entities and Trust Monies - s20 FMA Act Det 2009/25 (A)	1	9,234	7,000	(7,000)	-	9,234
		9,234	7,000	(7,000)	-	9,234
Overseas Property Special Account - DFAT - s20 FMA Act Det 2002/01 (D)	3	270,273	90,608	(218,565)	-	142,316
		431,246	89,387	(250,360)	-	270,273
<b>Total Special Accounts</b>						
<b>2014-15 Budget estimate</b>		<b>339,204</b>	<b>297,708</b>	<b>(443,301)</b>	<b>-</b>	<b>193,611</b>
<i>Total Special Accounts</i>						
<i>2013-14 estimated actual</i>		<i>524,113</i>	<i>296,487</i>	<i>(481,396)</i>	<i>-</i>	<i>339,204</i>

(A) = Administered

(D) = Departmental

### 3.1.3 Australian Government Indigenous Expenditure

**Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)**

Outcome	Appropriations				Other \$'000	Total \$'000	Program
	Bill	Bill	Special	Total			
	No. 1 \$'000	No. 2 \$'000	approp \$'000	approp \$'000			
<b>Department of Foreign and Trade</b>							
<b>Outcome 1</b>							
Administered 2014-15				-		-	
<i>Administered 2013-14</i>				-		-	
Departmental 2014-15	979			979		979	1.1
<i>Departmental 2013-14<sup>1</sup></i>	<i>1,929</i>			<i>1,929</i>		<i>1,929</i>	<i>1.1</i>
Total outcome 2014-15	979	-	-	979	-	979	
<i>Total outcome 2013-14</i>	<i>1,929</i>	-	-	<i>1,929</i>	-	<i>1,929</i>	
<b>Total AGIE 2014-15</b>	<b>979</b>	-	-	<b>979</b>	-	<b>979</b>	
<i>Total AGIE 2013-14</i>	<i>1,929</i>	-	-	<i>1,929</i>	-	<i>1,929</i>	

1 As part of machinery of government changes, AusAID formally integrated with DFAT on 1 November 2013. Figures include all Indigenous expenditure for former AusAID 2013-14. This figure also includes \$870,000 expended on 'Programmes to promote Australia's Tourism interest'.

## **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. DFAT has two programmes that are affected by this treatment:

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

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

### **3.2.2 Analysis of Budgeted Financial Statements**

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

Total budgeted appropriation in 2014-15 is \$1,271.0 million, which represents an increase of \$81.3 million in appropriations from 2013-14 as shown in Table 3.2.1. The increase is primarily attributable to:

- the absorption of the former AusAID's departmental funding into DFAT;
- the transfer of climate change and tourism responsibilities to the portfolio;
- funding for new measures;
- parameter adjustments for overseas inflation; and
- foreign exchange movements.

This is partially offset by:

- savings measures agreed in the 2013-14 Mid-Year Economic and Fiscal Outlook;
- savings measures agreed in the 2014-15 Budget; and
- reduced funding for passports reflecting expected decrease in demand.

The Income Statement shows a budgeted deficit in 2014-15 of \$70.9 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 \$40.1 million in 2014-15, 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 \$80.8 million in 2014-15 for the purchase or construction of new assets. The Department will also receive \$53.0 million through its Departmental Capital Budget to fund the replacement of existing assets.

For 2014-15, the Department's non-financial asset position is budgeted to be \$2,946.4 million at year-end. The major asset component is \$2,257.7 million for Land and Buildings which includes \$1,917.0 million managed in the Overseas Property Special Account.

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

In 2014-15 DFAT will receive administered appropriation of \$4,526.6 million (excluding capital funding) for programs administered on behalf of the Government. The significant increase of \$3,919.9 million from 2013-14 is due primarily to the absorption of the Australian Aid Programme from the former AusAID for the amount of \$4,153.1 million.

Administered expenses for 'International Development Assistance' are budgeted at \$3,686.5 million, an increase of \$1,587.7 million from the 2013-14 estimated actual.

Administered expenses for 'Other - International Development Assistance program' are budgeted at \$462.0 million, a decrease of \$76.3 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) and the Asian Development Fund (ADF).

This is offset by a forecast decrease in passport revenue (\$11.4 million) resulting from a reduction in the projected volume of passport issues; forecast decrease in estimated payments to international organisations (\$5.1 million) and United Nations Peacekeeping Operations (\$15.7 million).

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

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

Asset and liabilities administered on behalf of the Government are budgeted at \$4,549.5 million and \$2,415.4 million respectively for the year ending 30 June 2015.

Administered assets are expected to increase in 2014-15 by \$48.6 million. This is mainly due to new multilateral replenishments being entered into and a one-off cash capital injection for the Export Finance and Insurance Corporation (\$200.0 million).

Administered liabilities are expected to decrease in 2014-15 by \$161.6 million. This is primarily due to reduced liabilities for existing multilateral replenishments.

#### **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 2014-15 forecast of administered cash receipts of \$4,906.8 million primarily comprises receipts from passport and consular services, a dividend payment from the administered investments in EFIC and the absorption of the former AusAID's administered funding into DFAT.

Administered cash used is estimated to increase by \$948.6 million compared to 2013-14. This is primarily due to the absorption of the former AusAID's administered funding into DFAT.

### 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 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000	Forw ard estimate 2016-17 \$'000	Forw ard estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	626,625	666,057	658,642	675,132	682,715
Suppliers	629,865	677,506	602,258	591,166	599,801
Grants	11,795	5,000	5,000	4,930	4,930
Depreciation and amortisation	107,577	111,023	113,226	115,913	120,279
Losses from asset sales	252	-	-	1,120	4,038
Other expenses	105	103	103	102	102
<b>Total expenses</b>	<b>1,376,221</b>	<b>1,459,689</b>	<b>1,379,229</b>	<b>1,388,363</b>	<b>1,411,865</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	73,599	73,599	73,599	73,599	73,599
Rental income	34,481	35,359	36,711	39,241	39,875
Other	8,300	8,300	8,300	8,300	8,300
<b>Total own-source revenue</b>	<b>116,380</b>	<b>117,258</b>	<b>118,610</b>	<b>121,140</b>	<b>121,774</b>
<b>Gains</b>					
Other	544	550	554	558	562
<b>Total gains</b>	<b>546</b>	<b>550</b>	<b>554</b>	<b>558</b>	<b>562</b>
<b>Total own-source income</b>	<b>116,926</b>	<b>117,808</b>	<b>119,164</b>	<b>121,698</b>	<b>122,336</b>
<b>Net cost of (contribution by) services</b>	<b>1,259,295</b>	<b>1,341,881</b>	<b>1,260,065</b>	<b>1,266,665</b>	<b>1,289,529</b>
Revenue from Government	1,189,639	1,270,952	1,191,985	1,193,720	1,203,749
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(69,656)</b>	<b>(70,929)</b>	<b>(68,080)</b>	<b>(72,945)</b>	<b>(85,780)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(69,656)</b>	<b>(70,929)</b>	<b>(68,080)</b>	<b>(72,945)</b>	<b>(85,780)</b>

*Table continued on following page.*

**Note: Impact of Net Cash Appropriation Arrangements**

	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total Comprehensive Income</b>					
<b>(loss) excluding depreciation/amortisation</b>					
<b>expenses previously funded through</b>					
<b>revenue appropriations</b>	<b>37,921</b>	<b>40,094</b>	<b>45,146</b>	<b>42,968</b>	<b>34,499</b>
plus depreciation/amortisation expenses					
previously funded through revenue					
appropriations <sup>1</sup>	107,577	111,023	113,226	115,913	120,279
<b>Total Comprehensive Income</b>					
<b>(loss) - as per the Statement of</b>					
<b>Comprehensive Income</b>	<b>(69,656)</b>	<b>(70,929)</b>	<b>(68,080)</b>	<b>(72,945)</b>	<b>(85,780)</b>

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

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	61,259	61,259	61,259	61,259	61,259
Trade and other receivables	929,358	717,513	562,572	529,247	532,893
<b>Total financial assets</b>	<b>990,617</b>	<b>778,772</b>	<b>623,831</b>	<b>590,506</b>	<b>594,152</b>
<b>Non-financial assets</b>					
Land and buildings	2,169,156	2,257,663	2,503,233	2,669,957	2,630,243
Property, plant and equipment	114,808	206,260	347,211	363,519	403,162
Intangibles	24,101	24,875	28,294	25,265	20,494
Inventories	31,124	31,124	31,124	31,124	31,124
Other non-financial assets	298,797	426,502	304,124	189,990	199,663
<b>Total non-financial assets</b>	<b>2,637,986</b>	<b>2,946,424</b>	<b>3,213,986</b>	<b>3,279,855</b>	<b>3,284,686</b>
Assets held for sale	105	105	105	105	105
<b>Total assets</b>	<b>3,628,708</b>	<b>3,725,301</b>	<b>3,837,922</b>	<b>3,870,466</b>	<b>3,878,943</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	99,621	99,621	99,621	99,621	99,621
Other payables	37,285	37,285	37,285	37,285	37,285
<b>Total payables</b>	<b>136,906</b>	<b>136,906</b>	<b>136,906</b>	<b>136,906</b>	<b>136,906</b>
<b>Provisions</b>					
Employee provisions	215,511	216,203	216,203	216,203	216,203
Other provisions	26,701	26,701	26,701	26,701	26,701
<b>Total provisions</b>	<b>242,212</b>	<b>242,904</b>	<b>242,904</b>	<b>242,904</b>	<b>242,904</b>
<b>Total liabilities</b>	<b>379,118</b>	<b>379,810</b>	<b>379,810</b>	<b>379,810</b>	<b>379,810</b>
<b>Net assets</b>	<b>3,249,590</b>	<b>3,345,491</b>	<b>3,458,112</b>	<b>3,490,656</b>	<b>3,499,133</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	2,170,188	2,304,036	2,454,737	2,559,587	2,646,193
Reserves	702,549	735,531	765,531	783,705	854,620
Retained surplus (accumulated deficit)	376,853	305,924	237,844	147,364	(1,680)
<b>Total parent entity interest</b>	<b>3,249,590</b>	<b>3,345,491</b>	<b>3,458,112</b>	<b>3,490,656</b>	<b>3,499,133</b>
<b>Total Equity</b>	<b>3,249,590</b>	<b>3,345,491</b>	<b>3,458,112</b>	<b>3,490,656</b>	<b>3,499,133</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2014-15)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	376,853	702,549	-	2,170,188	3,249,590
<b>Adjusted opening balance</b>	<b>376,853</b>	<b>702,549</b>	<b>-</b>	<b>2,170,188</b>	<b>3,249,590</b>
<b>Comprehensive income</b>					
Other comprehensive income	-	32,982	-	-	32,982
Surplus (deficit) for the period	(70,929)	-	-	-	(70,929)
<b>Total comprehensive income</b>	<b>(70,929)</b>	<b>32,982</b>	<b>-</b>	<b>-</b>	<b>(37,947)</b>
of which:					
Attributable to the Australian Government	(70,929)	32,982	-	-	(37,947)
<b>Transactions with owners</b>					
<b>Distributions to owners</b>					
Returns of capital:					
Cash transfers to the OPA	-	-	-	-	-
<b>Contributions by owners</b>					
Equity Injection - Appropriation	-	-	-	80,816	80,816
Departmental Capital Budget (DCBs)	-	-	-	53,032	53,032
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133,848</b>	<b>133,848</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>305,924</b>	<b>735,531</b>	<b>-</b>	<b>2,304,036</b>	<b>3,345,491</b>
<b>Closing balance attributable to the Australian Government</b>	<b>305,924</b>	<b>735,531</b>	<b>-</b>	<b>2,304,036</b>	<b>3,345,491</b>

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000	Forw ard estimate 2016-17 \$'000	Forw ard estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	1,209,318	1,349,976	1,259,662	1,199,143	1,205,953
Sale of goods and rendering of services	107,714	108,958	110,040	112,840	113,474
Net GST received	30,545	31,375	31,375	31,375	31,375
Other	13,892	8,300	8,300	8,300	8,300
<b>Total cash received</b>	<b>1,361,469</b>	<b>1,498,609</b>	<b>1,409,377</b>	<b>1,351,658</b>	<b>1,359,102</b>
<b>Cash used</b>					
Employees	605,939	588,637	580,953	594,730	683,273
Suppliers	692,844	762,024	682,989	681,386	603,882
Net GST paid	31,375	31,375	31,375	31,375	31,375
Other	2,649	5,103	5,103	5,032	5,032
<b>Total cash used</b>	<b>1,332,807</b>	<b>1,387,139</b>	<b>1,300,420</b>	<b>1,312,523</b>	<b>1,323,562</b>
<b>Net cash from (used by) operating activities</b>	<b>28,662</b>	<b>111,470</b>	<b>108,957</b>	<b>39,135</b>	<b>35,540</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant, equipment and intangibles	1,091	-	-	19,775	67,302
<b>Total cash received</b>	<b>1,091</b>	<b>-</b>	<b>-</b>	<b>19,775</b>	<b>67,302</b>
<b>Cash used</b>					
Purchase of property, plant, equipment and intangibles	241,610	375,738	327,262	171,178	121,290
Other	179	-	-	-	-
<b>Total cash used</b>	<b>241,789</b>	<b>375,738</b>	<b>327,262</b>	<b>171,178</b>	<b>121,290</b>
<b>Net cash from (used by) investing activities</b>	<b>(240,698)</b>	<b>(375,738)</b>	<b>(327,262)</b>	<b>(151,403)</b>	<b>(53,988)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	125,210	133,422	150,701	104,726	86,628
Other	89,490	209,323	64,379	22,051	(4,957)
<b>Total cash received</b>	<b>214,700</b>	<b>342,745</b>	<b>215,080</b>	<b>126,777</b>	<b>81,671</b>
<b>Cash used</b>					
Dividends paid	-	79,447	-	-	-
Other	1,025	-	-	18,655	63,264
<b>Total cash used</b>	<b>1,025</b>	<b>79,447</b>	<b>-</b>	<b>18,655</b>	<b>63,264</b>
<b>Net cash from (used by) financing activities</b>	<b>213,675</b>	<b>263,298</b>	<b>215,080</b>	<b>108,122</b>	<b>18,407</b>
<b>Net increase (decrease) in cash held</b>	<b>1,639</b>	<b>(970)</b>	<b>(3,225)</b>	<b>(4,146)</b>	<b>(41)</b>
Cash and cash equivalents at the beginning of the reporting period	59,346	60,985	60,015	56,790	52,644
Effect of exchange rate movements on cash and cash equivalents at the beginning of reporting period	-	-	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>60,985</b>	<b>60,015</b>	<b>56,790</b>	<b>52,644</b>	<b>52,603</b>

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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	38,181	53,032	52,339	52,260	47,993
Equity injections - Bill 2	62,110	80,816	98,362	52,590	38,613
<b>Total new capital appropriations</b>	<b>100,291</b>	<b>133,848</b>	<b>150,701</b>	<b>104,850</b>	<b>86,606</b>
<b>Provided for:</b>					
Purchase of non-financial assets	100,291	133,848	150,701	104,850	86,606
<b>Total Items</b>	<b>100,291</b>	<b>133,848</b>	<b>150,701</b>	<b>104,850</b>	<b>86,606</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>1</sup>	66,754	152,512	165,398	52,903	39,695
Funded by capital appropriation - DCB <sup>2</sup>	24,397	52,230	255,429	191,234	24,136
Funded internally from departmental resources <sup>3</sup>	59,446	54,032	52,339	52,260	47,993
<b>TOTAL</b>	<b>150,597</b>	<b>258,774</b>	<b>473,166</b>	<b>296,397</b>	<b>111,824</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	150,597	258,774	473,166	296,397	111,824
<b>Total cash used to acquire assets</b>	<b>150,597</b>	<b>258,774</b>	<b>473,166</b>	<b>296,397</b>	<b>111,824</b>

<sup>1</sup> Includes both current Bill 2 and prior Act 2 & 4 appropriations.

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

<sup>3</sup> 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 (2014-15)**

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	L&B, IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>						
Gross book value	1,108,813	1,124,716	675,666	82,479	2,972	2,994,646
Accumulated depreciation/amortisation and impairment	-	(64,373)	(560,858)	(58,378)	(2,867)	(686,476)
<b>Opening net book balance</b>	<b>1,108,813</b>	<b>1,060,343</b>	<b>114,808</b>	<b>24,101</b>	<b>105</b>	<b>2,308,170</b>
<b>CAPITAL ASSET ADDITIONS</b>						
<b>Estimated expenditure on new or replacement assets</b>						
By purchase - appropriation equity <sup>1</sup>	-	115,542	136,124	7,108	-	258,774
appropriation ordinary annual services <sup>2</sup>						
<b>Total additions</b>	<b>-</b>	<b>115,542</b>	<b>136,124</b>	<b>7,108</b>	<b>-</b>	<b>258,774</b>
<b>Other movements</b>						
Depreciation/amortisation expense	-	(60,017)	(44,672)	(6,334)	-	(111,023)
Disposals <sup>3</sup>	-	-	-	-	-	-
Other	8,592	24,390	-	-	-	32,982
<b>Total other movements</b>	<b>8,592</b>	<b>(35,627)</b>	<b>(44,672)</b>	<b>(6,334)</b>	<b>-</b>	<b>(78,041)</b>
<b>As at 30 June 2015</b>						
Gross book value	1,117,405	1,264,648	811,790	89,587	2,972	3,286,402
Accumulated depreciation/amortisation and impairment	-	(124,390)	(605,530)	(64,712)	(2,867)	(797,499)
<b>Closing net book balance</b>	<b>1,117,405</b>	<b>1,140,258</b>	<b>206,260</b>	<b>24,875</b>	<b>105</b>	<b>2,488,903</b>

<sup>1</sup> 'Appropriation equity' refers to equity injections provided through Appropriation Bill (No. 2) 2013-14.

<sup>2</sup> 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013-14 for depreciation/amortisation expenses, DCBs or other operational expenses.

<sup>3</sup> 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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Employee benefits	2,347	2,480	2,471	2,446	2,574
Suppliers	29,977	36,852	37,319	37,755	38,269
International Development Assistance	2,100,773	3,686,467	3,746,451	3,860,533	4,257,651
Other - International Development Assistance	538,386	462,050	342,941	549,680	437,236
IDA/ADF grants	99,079	-	-	248,764	-
Concessional loan discount	25,500	14,991	-	-	-
Concessional investment discount	423,741	-	-	953,505	-
Grants and contributions	403,547	462,240	465,233	463,005	489,565
Depreciation and amortisation	685	1,507	1,507	1,489	1,489
Other expenses	13,664	13,279	13,613	14,060	1,300
<b>Total expenses administered on behalf of Government</b>	<b>3,637,699</b>	<b>4,679,866</b>	<b>4,609,535</b>	<b>6,131,237</b>	<b>5,228,084</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Sale of goods and rendering of services	398,447	439,479	489,189	527,825	541,170
Interest	10,240	9,641	1,062	97	97
Dividends	24,100	16,000	16,400	16,400	16,400
Other revenue	37,942	39,456	41,355	42,199	41,444
<b>Total non-taxation revenue</b>	<b>470,729</b>	<b>504,576</b>	<b>548,006</b>	<b>586,521</b>	<b>599,111</b>
<b>Total own-source revenues administered on behalf of Government</b>	<b>470,729</b>	<b>504,576</b>	<b>548,006</b>	<b>586,521</b>	<b>599,111</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>470,729</b>	<b>504,576</b>	<b>548,006</b>	<b>586,521</b>	<b>599,111</b>
<b>Net Cost of (contribution by) services</b>	<b>(3,166,970)</b>	<b>(4,175,290)</b>	<b>(4,061,529)</b>	<b>(5,544,716)</b>	<b>(4,628,973)</b>

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	24,705	24,705	24,705	24,705	24,705
Trade and other receivables	20,540	24,384	25,060	25,060	25,060
Loans and Receivables	106,978	110,174	110,341	110,891	110,891
Appropriation receivable - special accounts	30,000	17,637	-	-	-
Appropriation receivable - other	2,532,546	2,386,502	2,087,878	3,189,531	2,832,739
Investments AAP (IDA/ADF)	1,533,608	1,533,608	1,533,608	1,683,608	1,683,608
Investments accounted for using the equity method	238,687	438,687	438,687	438,687	438,687
Accrued Revenue	-	-	-	-	-
<b>Total financial assets</b>	<b>4,487,064</b>	<b>4,535,697</b>	<b>4,220,279</b>	<b>5,472,482</b>	<b>5,115,690</b>
<b>Non-financial assets</b>					
Leasehold improvements	4,259	4,282	5,103	5,982	5,468
Infrastructure, plant and equipment	871	1,115	1,130	1,145	2,613
Intangibles	6,092	6,074	6,056	6,056	6,056
Other non-financial assets	2,381	2,381	2,381	2,381	2,381
<b>Total non-financial assets</b>	<b>13,603</b>	<b>13,852</b>	<b>14,670</b>	<b>15,564</b>	<b>16,518</b>
<b>Total assets administered on behalf of Government</b>	<b>4,500,667</b>	<b>4,549,549</b>	<b>4,234,949</b>	<b>5,488,046</b>	<b>5,132,208</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	399	399	399	399	399
IDA/ADF grant component	451,760	376,614	299,791	466,433	388,858
IDA/ADF concessional component	1,512,864	1,273,528	1,022,472	1,850,142	1,590,837
Aid program payable	539,575	692,446	708,175	800,065	780,002
Other payables	23,213	23,213	23,213	23,213	23,213
<b>Total payables</b>	<b>2,527,811</b>	<b>2,366,200</b>	<b>2,054,050</b>	<b>3,140,252</b>	<b>2,783,309</b>
<b>Provisions</b>					
Employee provisions	49,152	49,152	49,152	49,152	49,152
<b>Total provisions</b>	<b>49,152</b>	<b>49,152</b>	<b>49,152</b>	<b>49,152</b>	<b>49,152</b>
<b>Total liabilities administered on behalf of Government</b>	<b>2,576,963</b>	<b>2,415,352</b>	<b>2,103,202</b>	<b>3,189,404</b>	<b>2,832,461</b>
<b>Net assets/(liabilities)</b>	<b>1,923,704</b>	<b>2,134,197</b>	<b>2,131,747</b>	<b>2,298,642</b>	<b>2,299,747</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows  
(for the period ended 30 June)**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services	396,623	439,479	489,189	527,825	541,170
Interest	7,244	7,607	126	97	97
Dividends	24,100	16,000	16,400	16,400	16,400
Return of prior year administered expenses	3,176	12,140	12,869	13,641	13,982
Net GST received	12,299	2,120	2,170	2,210	2,210
Other	3,526,901	4,429,428	4,761,254	4,030,635	5,613,318
<b>Total cash received</b>	<b>3,970,343</b>	<b>4,906,774</b>	<b>5,282,008</b>	<b>4,590,808</b>	<b>6,187,177</b>
<b>Cash used</b>					
Grant and contributions	670,714	1,116,228	1,133,360	1,292,943	1,330,526
Employees	-	-	-	-	-
Personal benefits	2,347	2,480	2,471	2,446	2,574
Suppliers	31,877	36,852	37,319	37,755	38,269
Net GST paid	2,080	2,120	2,170	2,210	2,210
Borrowing costs	2,177	1,419	644	-	-
International Development Assistance	3,692,411	4,191,079	4,306,712	4,461,114	4,825,262
<b>Total cash used</b>	<b>4,401,606</b>	<b>5,350,178</b>	<b>5,482,676</b>	<b>5,796,468</b>	<b>6,198,841</b>
<b>Net cash from (used by) operating activities</b>	<b>(431,263)</b>	<b>(443,404)</b>	<b>(200,668)</b>	<b>(1,205,660)</b>	<b>(11,664)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	2,506	2,293	2,325	2,383	2,443
Purchase of investment	22,447	200,000	-	-	-
<b>Total cash used</b>	<b>24,953</b>	<b>202,293</b>	<b>2,325</b>	<b>2,383</b>	<b>2,443</b>
<b>Net cash from (used by) investing activities</b>	<b>(24,953)</b>	<b>(202,293)</b>	<b>(2,325)</b>	<b>(2,383)</b>	<b>(2,443)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital Injections	510,976	225,231	27,302	1,134,100	2,593
<b>Total cash received</b>	<b>510,976</b>	<b>225,231</b>	<b>27,302</b>	<b>1,134,100</b>	<b>2,593</b>
<b>Net cash from (used by) financing activities</b>	<b>510,976</b>	<b>225,231</b>	<b>27,302</b>	<b>1,134,100</b>	<b>2,593</b>
<b>Net increase (decrease) in cash held</b>	<b>54,760</b>	<b>(420,466)</b>	<b>(175,691)</b>	<b>(73,943)</b>	<b>(11,514)</b>
Cash and cash equivalents at beginning of reporting period	24,705	24,705	24,705	24,705	24,705
Net Effect	54,760	(420,466)	(175,691)	(73,943)	(11,514)
<b>Cash and cash equivalents at end of reporting period</b>	<b>24,705</b>	<b>24,705</b>	<b>24,705</b>	<b>24,705</b>	<b>24,705</b>

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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (ACB)	2,505	2,293	2,325	2,383	2,443
Administered Assets and Liabilities - Bill 2	2,800,510	212,698	13,527	1,118,957	150
<b>Total new capital appropriations</b>	<b>2,803,015</b>	<b>214,991</b>	<b>15,852</b>	<b>1,121,340</b>	<b>2,593</b>
<i>Provided for:</i>					
Purchase of non-financial assets	-	2,293	2,325	2,383	2,443
Other Items	2,800,510	212,698	13,527	1,118,957	150
<b>Total Items</b>	<b>2,800,510</b>	<b>214,991</b>	<b>15,852</b>	<b>1,121,340</b>	<b>2,593</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>1</sup>	-	-	-	-	-
Funded by capital appropriation - ACB <sup>2</sup>	2,505	2,293	2,325	2,383	2,443
<b>TOTAL AMOUNT SPENT</b>	<b>2,505</b>	<b>2,293</b>	<b>2,325</b>	<b>2,383</b>	<b>2,443</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	2,505	2,293	2,325	2,383	2,443
<b>Total cash used to acquire assets</b>	<b>2,505</b>	<b>2,293</b>	<b>2,325</b>	<b>2,383</b>	<b>2,443</b>

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

<sup>2</sup> Does not include annual finance lease costs. Includes purchase from current and previous years' Administered Capital Budgets (ACBs).

Prepared on Australian Accounting Standards basis.



**Table 3.2.11: Statement of Administered Asset Movements (2014-15)**

	Buildings	Other property, plant and equipment	Other	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>				
Gross book value	6,347	6,607	10,677	23,631
Accumulated depreciation/amortisation and impairment	(2,876)	(5,485)	(4,585)	(12,946)
<b>Opening net book balance</b>	<b>3,471</b>	<b>1,122</b>	<b>6,092</b>	<b>10,685</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity <sup>1</sup>	-	-	-	-
By purchase - appropriation ordinary annual services <sup>2</sup>	1,820	473	-	2,293
<b>Total additions</b>	<b>1,820</b>	<b>473</b>	<b>-</b>	<b>2,293</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(1,009)	(480)	(18)	(1,507)
<b>Total other movements</b>	<b>(1,009)</b>	<b>(480)</b>	<b>(18)</b>	<b>(1,507)</b>
<b>As at 30 June 2015</b>				
Gross book value	8,167	7,080	10,677	25,924
Accumulated depreciation/amortisation and impairment	(3,885)	(5,965)	(4,603)	(14,453)
<b>Closing net book balance</b>	<b>4,282</b>	<b>1,115</b>	<b>6,074</b>	<b>11,471</b>

<sup>1</sup> 'Appropriation equity' refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Act No. 2 and Bill No. 4 2013-14, including CDABs.

<sup>2</sup> 'Appropriation ordinary annual services' refers to funding provided through Appropriation Act No. 1 and Bill No. 3 2013-14 for depreciation/amortisation expenses, ACBs or other operational expenses.

<sup>3</sup> Net proceeds may be returned to the OPA.

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 programmes;
- 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 programmes; 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 \$438.7 million as at 30 June 2015. This investment is revalued once each financial year based on the net asset position of EFIC as at 30 June.

#### *Asset Valuation*

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

# **Australian Trade Commission (Austrade)**

## **Agency Resources and Planned Performance**



## AUSTRALIAN TRADE COMMISSION (AUSTRADE)

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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. It is a vital component in the promotion of the Government's 'open for business' message internationally. It also has responsibility for tourism policy and research where the Government's focus is on international tourism. Austrade operates as a statutory authority within the Foreign Affairs and Trade portfolio.

Austrade's outcomes are:

- Contribute to Australia's economic prosperity by promoting Australia's export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government; and
- The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas.

Austrade contributes to Australia's economic prosperity by helping Australian businesses, education institutions, associations, and governments as they develop international markets, win productive foreign investment, promote international education, and strengthen the Australian tourism industry.

In a challenging international trading environment, Austrade will provide practical support to businesses and institutions in markets around the world. Drawing on its commercial knowledge, its international network, and its relationships and connections with international customers, investors and decision makers, Austrade will identify valuable trade and other international business opportunities for Australian businesses and institutions.

A critical component will be Austrade taking the lead role with regard to international trade and business missions led by ministers and the Prime Minister, including by encouraging participation by Australian companies, institutions and business associations.

It will also provide information on market conditions and emerging export opportunities, and local culture and regulations, along with targeted, firm-specific advice and services. Austrade's unique perspective gained from its international market presence and its firm-level, commercial knowledge will also inform its policy advice to Government on both tourism and economic matters more generally.

### *Austrade Budget Statements*

For Australian businesses and institutions, Austrade's 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 Austrade's status as a government agency is highest. Austrade's network of offices across 48 markets is therefore weighted towards Asian and other growth and emerging markets that have high potential. Austrade's activities in those markets will continue to have a strong focus on international trade and education opportunities which align with the comparative advantage of Australian businesses and where there is a clear role for government. 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, while making greater use of partners, referrals and online information and services to support Australian businesses trade development activities. Attracting productive foreign direct investment will become a higher priority for Austrade this year. Working in partnership with state and territory governments, Austrade's focus on attracting and facilitating productive direct foreign investment will be aligned with the agreed government priorities of food and agribusiness, resources and energy, economic infrastructure, tourism infrastructure, and advanced manufacturing, services and technologies.

Austrade, through its trade promotion and investment attraction activities contributes to economic diplomacy, which is at the core of the Australian Government's international engagement, delivering greater prosperity for Australia. In international markets, this work will be closely coordinated with that of the Department of Foreign Affairs and Trade and other portfolio agencies, including through the development of complementary country and market plans.

Within Australia, Austrade operates in 11 locations. Its reach is extended through the TradeStart network managed in partnership with state, territory and local governments and industry bodies in multiple locations in metropolitan and regional Australia. TradeStart offices deliver the trade and education services of Austrade.

Austrade also engages with Australian Government partners, state and territory governments and industry to implement the national long-term tourism strategy, *Tourism 2020*, and provides informed policy advice to Government. The Government has identified tourism as one of Australia's key economic strengths also listing it among five National Investment Priorities. Tourism is a significant industry for Australia's prosperity, accounting for approximately 10 per cent of Australia's export earnings. However, the global market is not only very competitive, but is sensitive to economic conditions. Austrade works on projects, programmes and research under *Tourism 2020*, to strengthen Australia's tourism industry and help grow Australia's tourism market share. The China Approved Destination Status (ADS) Scheme provides tour quality monitoring arrangements that underpin the Chinese inbound tourism



market. With inbound tourism from Asia and particularly China expected to grow significantly over the 2013-20 period, the Government has provided new funding of \$10 million to extend the China ADS Scheme for a further four years from 2014-15.

Austrade administers five grants schemes on behalf of the Australian Government:

- The Export Market Development Grants (EMDG) Scheme assists small and medium-sized Australian businesses meet the challenges associated with undertaking promotion in export markets and achieving international business growth.
- The Asian Business Engagement Plan (ABE) assists member-based Australian business organisations and, through them, small and medium-sized Australian enterprises, to harness commercial opportunities in the Asian region.
- The T-QUAL grants scheme provides competitive merit based grants for innovative projects to stimulate sustainable economic growth in the Australian tourism industry. The 2013 round, announced on 26 July 2013, was the final funding round for the programme with all existing projects due to be completed by June 2015.
- The Tourism Industry Regional Development Fund (TIRF) programme provides competitive grants for innovative projects which improve the quality of accommodation and attractions in regional areas. There will be no further TIRF grant rounds with existing projects due to be completed by June 2015.
- The Demand Driver Infrastructure Programme which, in line with the Government's policy priorities for tourism, will use uncommitted funds allocated to the TIRF grants programme. This new programme will be developed to deliver demand-driver infrastructure for the tourism industry through the states and territories.

Austrade also continues to deliver timely consular and passport services to Australians in 16 locations overseas. This accounts for approximately 16 per cent of the Australian Government's overseas consular presence, and represents a significant commitment of Austrade's resources.

To support the delivery of Austrade's outcomes, Austrade remains focused on developing staff capabilities and language skills to align with the delivery of its stated objectives and activities.

The additional budget savings to be delivered by Austrade in 2014-15, as part of whole of Government savings requirements, will be made within this overall strategic context.

## 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 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	+	Proposed at Budget 2014-15 \$'000	=	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Ordinary annual services <sup>1</sup></b>						
<b>Departmental appropriation</b>						
Prior year departmental appropriation	51,004	<sup>4</sup>	-		51,004	50,652
Departmental appropriation <sup>2</sup>	-		198,267		198,267	183,027
s31 Relevant agency receipts <sup>3</sup>	-		19,842		19,842	21,842
<b>Total</b>	<b>51,004</b>		<b>218,109</b>		<b>269,113</b>	<b>255,521</b>
<b>Administered expenses</b>						
Outcome <sup>5</sup>	-		139,400		139,400	139,400
<b>Total</b>	<b>-</b>		<b>139,400</b>		<b>139,400</b>	<b>139,400</b>
<b>Total ordinary annual services</b>	<b>A 51,004</b>		<b>357,509</b>		<b>408,513</b>	<b>394,921</b>
<b>Other services</b>						
<b>Departmental non-operating</b>						
Equity injections	-		1,500		1,500	-
<b>Total</b>	<b>-</b>		<b>1,500</b>		<b>1,500</b>	<b>-</b>
<b>Total other services</b>	<b>B -</b>		<b>1,500</b>		<b>1,500</b>	<b>-</b>
<b>Total available annual appropriations</b>	<b>51,004</b>		<b>359,009</b>		<b>410,013</b>	<b>394,921</b>
<b>Total net resourcing for Austrade</b>	<b>51,004</b>		<b>359,009</b>		<b>410,013</b>	<b>394,921</b>

<sup>1</sup> Appropriation Bill (No.1&2) 2014-15.

<sup>2</sup> Includes an amount of \$15.8m in 2014-15 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

<sup>3</sup> s31 Relevant Agency receipts — estimate.

<sup>4</sup> Estimated adjusted balance carried from previous year to Annual Appropriations.

<sup>5</sup> Administered appropriation relating to Tourism Grants programmes are reflected in the Department of Foreign Affairs and Trade Resource Statement.

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 2014-15 Budget measures**

**Part 1: Measures announced since the 2013-14 MYEFO**

	Program	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Expense measures</b>						
International Tourism – China Approved Destination Status Scheme	1.1					
Administered expenses		-	(2,300)	(2,600)	(2,600)	(2,600)
Departmental expenses		-	2,300	2,600	2,600	2,600
<b>Total</b>		-	-	-	-	-
International Tourism - Australia Week in China	1.1					
Departmental expenses		-	200	1,800	-	-
<b>Total</b>		-	<b>200</b>	<b>1,800</b>	-	-
International Tourism - Demand Driver Infrastructure	1.1					
Administered expenses <sup>1</sup>		-	(11,029)	(9,985)	(9,985)	(9,985)
Departmental expenses		-	-	(690)	(690)	(690)
<b>Total</b>		-	<b>(11,029)</b>	<b>(10,675)</b>	<b>(10,675)</b>	<b>(10,675)</b>
Efficiency Dividend – a further temporary increase of 0.25 per cent	1.1					
Departmental expenses		-	(461)	(932)	(1,376)	(1,391)
<b>Total</b>		-	<b>(461)</b>	<b>(932)</b>	<b>(1,376)</b>	<b>(1,391)</b>
<b>Total expense measures</b>						
Administered <sup>2</sup>		-	(13,329)	(12,585)	(12,585)	(12,585)
Departmental		-	2,039	2,778	534	519
<b>Total</b>		-	<b>(11,290)</b>	<b>(9,807)</b>	<b>(12,051)</b>	<b>(12,066)</b>

<sup>1</sup> Grant funding is reflected in Department of Treasury under the national partnership estimates – SPP 666.

<sup>2</sup> Administered appropriations from the former Department of Resources, Energy and Tourism were transferred to Foreign Affairs and trade Portfolio as a result of the Administrative Arrangement Orders of 3 October 2013 and were not shown in previous portfolio statements. Net impact on Austrade's administered appropriation is \$0.

Table continued on the following page.

**Part 1: Measures announced since the 2013-14 MYEFO (continued)**

	Program	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Capital measures</b>						
Efficiency Dividend – a further temporary increase of 0.25 per cent	1.1					
Departmental capital		-	(37)	(73)	(111)	(111)
<b>Total</b>		-	(37)	(73)	(111)	(111)
<b>Total capital measures</b>						
Departmental		-	(37)	(73)	(111)	(111)
<b>Total</b>		-	(37)	(73)	(111)	(111)

Prepared on a Government Finance Statistics (fiscal) basis.

**Table 1.3 Changes to the Outcome and Programme Structures since the Last Portfolio Statement**

**Outcome Changes**

<b>New Outcome 1</b>	<i>Contribute to Australia's economic prosperity by promoting Australia's export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government.</i>
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Change Description:

New outcome, created for Budget 2014-15, supersedes the old Outcome 1.

Old Statement:

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

**Programme Changes**

Programme No.	Programme Title	Change Description
1.1	Promotion of Australia's export and other international economic interests	PBS programme name change to incorporate the transfer of Tourism division to Austrade.
1.2	Programmes to promote Australia's export and other international economic interests	PBS programme name change to consolidate administered programmes.

## **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 programmes are the primary vehicle by which Government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

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

**Outcome 1: Contribute to Australia's economic prosperity by promoting Australia's export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government.**

#### **Outcome 1 Strategy**

Austrade will promote Australia's export and other international economic interests by providing information, advice and services to businesses, associations, institutions and government.

In relation to trade promotion, Australian businesses and institutions face a range of barriers in different markets that impede successful market entry and the identification of relevant commercial opportunities. Austrade can provide the most value to Australian businesses and institutions by focussing on markets where those barriers are strongest: where different language and business cultures can be challenging, where there is less openness of regulatory frameworks and transparency of business processes, where there are difficulties accessing distribution channels and commercial connections, and where the value of the 'badge of government' is highest. Austrade will therefore direct more of its resources to Asian and other growth and emerging markets that offer commercial potential and that provide opportunities aligned with Australian comparative advantage, particularly in agribusiness and food, services sectors including tourism, wealth management, education and training, advanced manufacturing, mining and gas equipment technology and services, plus knowledge-based and other innovative industries.

Australia's international education sector is highly competitive, but faces new challenges, including from the increasing spread of digital education platforms and emerging technologies. Currently education and training is one of Australia's largest service export industries. While the number of international students is forecast to

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grow globally by nearly 100 per cent from 4.3 million in 2011 to 8 million by 2025 <sup>1</sup>, the market is highly competitive. Austrade, through the use of the *Future Unlimited* brand, provides a single and focused message and a coordinated national approach to the international marketing and promotion of the Australian education and training sector. This helps to maximise international student enrolments and position Australia's education system as world-class and globally connected. Through Austrade's international network, quality commercial opportunities are identified and timely market intelligence is provided to the Australian education sector to assist it make informed decisions, shape strategies, and develop international relationships and business. As a key priority, Austrade will work to increase diversification within the education sector, focusing on opportunities in Asia and other growth and emerging markets.

To attract productive foreign direct investment into Australia, Austrade works in partnership with Australian government departments and the states and territory governments to provide a coordinated national approach to promoting, attracting and facilitating investment. New senior investment specialists will provide Austrade with additional resources to work with potential investors and finalise investments, in conjunction with the state and territory governments. This activity, enhanced by Austrade's status as a government organisation, the knowledge of specialist investment staff, and Austrade's broad network of in-market contacts, is centred on markets which have significant investment stock in Australia (Europe, Japan and North America) or show increasing outward foreign direct investment flows (China, India, Singapore and South Korea).

Working across government, Austrade will ensure tourism interests are taken into account in broader government policy development and implementation, including in relation to labour and skills, infrastructure development, and regulatory issues. Austrade will continue to progress agreed *Tourism 2020* priorities for 2014 including implementing policy reforms and encouraging industry to make use of the tools and programmes *Tourism 2020* has delivered. Austrade will also work with stakeholders to develop a longer term strategic implementation plan for *Tourism 2020* to achieve the growth target of \$140 billion by 2020. The *Tourism 2020 Strategic Plan (2015-2020)* will be presented to tourism ministers for endorsement in the second half of 2014. Austrade will also support policy development and the tourism sector by providing economic research, analysis and forecasting.

1. OECD, *Education at a Glance 2013*, and Institute of International Education, *Project Atlas Workshop*, 2014

## Outcome Expense Statement

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

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

<b>Outcome 1: Contribute to Australia's economic prosperity by promoting Australia's export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government.</b>	2013-14	2014-15
	Estimated	Estimated
	actual	expenses
	expenses	
	\$'000	\$'000
<b>Program 1.1: Promotion of Australia's export and other international economic interests</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	181,165	189,504
Expenses not requiring appropriation in the Budget year <sup>2</sup>	17,944	17,658
<b>Total for Program 1.1</b>	<b>199,109</b>	<b>207,162</b>
<b>Program 1.2: Programmes to promote Australia's exports and other international economic interests</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1) <sup>3</sup>	139,400	139,400
<b>Total for Program 1.2</b>	<b>139,400</b>	<b>139,400</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	139,400	139,400
Departmental expenses		
Departmental appropriation <sup>1</sup>	181,165	189,504
Expenses not requiring appropriation in the Budget year <sup>2</sup>	17,944	17,658
<b>Total expenses for Outcome 1</b>	<b>338,509</b>	<b>346,562</b>
	2013-14	2014-15
<b>Average Staffing Level (number)</b>	<b>974</b>	<b>957</b>

<sup>1</sup> Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1, 2 & 5)' and 'Revenue from independent sources (s31)'.

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

<sup>3</sup> Administered appropriation relating to Tourism Grants programmes are reflected in the Department of Foreign Affairs and Trade Resource Statement.

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**

### **Programme 1.1: Promotion of Australia's export and other international economic interests**

#### **Programme Objectives**

- Identify international commercial opportunities that match Australian comparative advantage, particularly in the agribusiness and food, services sectors (including tourism, wealth management and education and training), advanced manufacturing, mining and gas equipment technology and services, plus knowledge-based and other innovative industries.
- Provide market information, specific services and advice to help businesses and institutions capitalise on opportunities that Austrade or others identify.
- Contribute to the growth in demand for Australian education, the repositioning of Australia as a provider of high quality education services to international students, and the building of a sustainable Australian international education sector by promoting Australia's education sector overseas.
- Working in partnership with Australian government departments and state and territory governments, to effectively influence foreign companies to make productive foreign investment into Australia, particularly in the priority areas of food and agribusiness, resources and energy, economic infrastructure, tourism infrastructure, and advanced manufacturing, services and technologies.
- Provide access to in-market networks and decision makers.
- Lead the development and implementation of the tourism policy to maintain and promote a competitive tourism sector and facilitate the growth of domestic and international tourism.
- Provide tourism research and statistics to guide policy development and support business marketing and decision making.
- Effectively co-ordinate with other Australian Government agencies, and the States and Territories.



## Programme Expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
(('000))					
Annual departmental expenses:					
Departmental item	181,165	189,504	188,582	185,469	187,429
Expenses not requiring appropriation in the Budget year <sup>1</sup>	17,944	17,658	17,658	17,658	18,658
<b>Total program expenses</b>	<b>199,109</b>	<b>207,162</b>	<b>206,240</b>	<b>203,127</b>	<b>206,087</b>

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

### Programme 1.1 Deliverables

Australia's export and other economic interests are maximised through a strategic approach. Austrade works with other Australian government agencies, state and territory governments, and industry associations on the planning and execution of work programmes to provide a coordinated approach to assist Australian businesses take advantage of identified opportunities and broaden Austrade's impact and reach. In international markets work programmes target international business opportunities that align with Australian industries comparative advantage. Within Australia, Austrade uses its unique commercial information and insight gathered within its international and domestic network to provide government with policy advice and economic information.

Austrade's deliverables are to:

- Assist Australian businesses and institutions access in-market opportunities identified by Austrade and others, through the provision of relevant and commercially useful information and market-related services and advice.
- Build linkages and networks with key decision-makers, buyers, investors and institutions, and facilitate access for Australian businesses and institutions in international markets.
- Assist and facilitate Australian businesses' and institutions' participation at international business events and on ministerial-led overseas business delegations.
- Assist Australian firms and 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.
- Provide Australian businesses and education providers with quality referrals to third party professional and business service providers to assist them in complex and unfamiliar international services markets.

- Help increase demand for Australia's education services, particularly transnational education, by 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.
- Manage the *Study in Australia* website, which promotes the benefits of studying in Australia to international students, provides information on courses that meet Australia's registration, accreditation and quality assurance standards in their own country, as well as guides to study costs, and information about living in Australia.
- Assess applications for the income tax exemption available under Section 23AF of the *Income Tax Assessment Act 1936*, to assist the international competitiveness of Australian companies and government organisations competing to win international tenders.
- Partnering with state and territory government agencies implement productive, direct foreign investment strategies in agreed priority areas of food and agribusiness, resources and energy, economic infrastructure, tourism infrastructure, and advanced manufacturing services and technologies.
- Proactively target potential investors, promoting specific investment opportunities, promoting Australia's economic credentials and detailing the regulatory environment.
- Introducing potential foreign investors to state and territory governments.
- Continue to promote Australia using collateral developed through the *Australia Unlimited* brand programme in target markets to advance Australia's image and reputation in trade, investment and education.
- Administer and manage the main Austrade website, which provides information and online services to Australian businesses and institutions, showcases Australia's capability and potential to international buyers and investors, and provides a centralised point of contact and engagement between businesses, institutions and Austrade staff.
- Implement *Tourism 2020* to improve the productive capacity of the tourism industry, including contributing to the delivery of 2014 priorities agreed by tourism ministers and development of the *Tourism 2020 Strategic Plan*.
- Engage with key tourism stakeholders to ensure their interests are taken into account within policy development and implementation, including in relation to labour and skills, infrastructure development and regulatory issues that impact tourism.

- Deliver an enhanced China Approved Destination Status (ADS) Scheme, to ensure a quality tourism experience for Chinese group leisure tourists.
- Transition the National Tourism Accreditation Framework (T-QUAL Accreditation) to industry.
- Produce and disseminate strategic tourism research and forecasts, including the *2014 State of the Industry report*.
- Administer and manage the Tourism Research Australia website which provides information and research services that underpin tourism policy development and help improve the performance of the tourism industry for the benefit of the Australian community.
- Draw on Austrade's global and commercial perspective to provide policy advice and economic insight to government.

#### **Programme 1.1 Key Performance Indicators**

##### **Satisfaction**

- High level of satisfaction by ministers, Australian business community, institutions and key partners with Austrade's services.

##### **Trade**

- Proportion of Australian businesses which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities.
- Proportion of Australian businesses which have engaged with Austrade, and say they achieved some form of commercial outcome as a result of working with Austrade.

##### **Education**

- Proportion of Australian education institutions which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities.
- Proportion of Australian education institutions which have engaged with Austrade, and say they achieved some form of commercial outcome as a result of working with Austrade.

### **Investment**

Austrade has a shared set of Key Performance Indicators with the states and territories:

- The number of investment outcomes facilitated.
- The amount of capital expenditure associated with foreign direct investment outcomes facilitated.
- The number of new jobs created/retained (ongoing full time equivalents) as a direct result of investment outcomes facilitated.
- The anticipated annual exports from investment outcomes facilitated.

*Noting that investments can have gestation times that span multiple years from the initial investor contact to actual investment commitment, results will not be fully realised in the short term. In the shorter term, in accordance with the protocols developed with the states and territories, Austrade is responsible for proactively promoting Australia as an attractive investment destination measured by:*

- The number of investment promotional events and roundtables conducted.
- The number of information, project and visitation requests generated from potential investors.
- The number of investor introductions provided to the states and territories.

### **Tourism**

- Priorities and outputs outlined in the Tourism 2020 Implementation Plan for 2014 progressed in accordance with agreed timeframes.
- Proportion of tourism operators which use Austrade's tourism research and information and say it helped support their marketing and business decisions.

### **Whole of Government**

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

**Programme 1.2: Programmes to promote Australia's export and other international economic interests**

**Programme Objective**

Administer programmes that support Australian businesses engagement in international business, provide an incentive for small to medium business to enter into export and grow to become sustainable exporters.

**Programme Expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
(('000)					
Annual administered expenses:					
EMDG	137,900	137,900	137,900	137,900	137,900
ABE	1,500	1,500	1,500	1,500	1,500
<b>Total program expenses</b>	<b>139,400</b>	<b>139,400</b>	<b>139,400</b>	<b>139,400</b>	<b>139,400</b>

**Programme 1.2 Deliverables**

**Export Market Development Grants Scheme (EMDG)**

Administration of the Export Market Development Grants Scheme (EMDG), providing partial reimbursement for expenditure on eligible export promotion activities.

	2013-14 Estimated actual	2014-15 Budget	2015-16 Forward estimate	2016-17 Forward estimate	2017-18 Forward estimate
Deliverables					
Number of grant applications	3,000- 3,500	3,000- 3,500	3,000- 3,500	3,000- 3,500	3,000- 3,500
Number of grant recipients	2,800- 3,300	2,800- 3,300	2,800- 3,300	2,800- 3,300	2,800- 3,300

### Asian Business Engagement (ABE) Plan

Administration of the Asian Business Engagement Plan (ABE), which is a competitive, merit-based grant programme in accordance with the ABE Plan and the Commonwealth Grant Guidelines.

	2013-14 Estimated actual	2014-15 Budget	2015-16 Forward estimate	2016-17 Forward estimate	2017-18 Forward estimate
Deliverables					
Number of grant applications	95	68	40*	40*	40*

\* Estimation based on the decline in applications between the first and second year of the scheme.

### Programme 1.2 Key Performance Indicators

#### Export Market Development Grants Scheme

- Proportion of EMDG recipients reporting that the receipt of a grant supported their business to become a more sustainable exporter.
- Proportion of EMDG recipients reporting that the receipt of a grant enabled them to grow their international revenue.

#### Asian Business Engagement Plan

- Proportion of grant recipients reporting the receipt of a grant helped expand the capability of their organisation to assist member access in-market to business networks and develop new business relationships in Asia.

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

**Outcome 2 Strategy**

In overseas locations where Austrade has designated consular management responsibilities, Austrade will continue to give a high priority to helping Australians through to the delivery of effective consular services, efficient passport services and practical contingency planning in accordance with DFAT's Consular Services and Passports Client Services charters.

**Outcome Expense Statement**

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

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

<b>Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas</b>	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
<b>Program 2.1: Consular and passport services</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	12,684	12,818
<b>Total for Program 2.1</b>	<b>12,684</b>	<b>12,818</b>
<b>Outcome 2 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	12,684	12,818
<b>Total expenses for Outcome 2</b>	<b>12,684</b>	<b>12,818</b>
	2013-14	2014-15
<b>Average Staffing Level (number)</b>	39	39

<sup>1</sup> 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

### Programme 2.1: Consular and Passport Services

#### Programme Objective

To support and assist Australians travelling and working overseas through the delivery of effective consular services, efficient passport services, access to travel advice and preparations for high-risk scenarios through practical contingency planning in locations overseas where Austrade has consular management responsibilities.

#### Programme Expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
(‘000)					
Annual departmental expenses:					
Departmental item	12,684	12,818	12,755	12,860	12,832
<b>Total program expenses</b>	<b>12,684</b>	<b>12,818</b>	<b>12,755</b>	<b>12,860</b>	<b>12,832</b>

#### Programme 2.1 Deliverables

- Comprehensive, responsive, high quality consular services are delivered to an increasing number of Australian travellers and citizens living overseas, including notarial services and assistance with welfare issues, whereabouts enquiries, arrest or detention matters, death and medical emergencies.
- High quality passport services are provided to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud.
- Consular contingency planning is reviewed and updated annually and undertake effective 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.

Deliverables	2013-14 Estimated actual	2014-15 Budget	2015-16 Forward estimate	2016-17 Forward estimate	2017-18 Forward estimate
Number of passport applications received	12,000	12,000	12,000	12,000	12,000
Number of notarial acts	12,750	14,500	14,500	14,500	14,500



**Programme 2.1 Key Performance Indicators**

In accordance with the Department of Foreign Affairs Passport Client Services Charter

- Normal passport applications are scanned within 24 hours – three per cent tolerance.
- Routine passports are issued within ten working days – three per cent tolerance.
- Urgent passport issues are dealt with in a timely responsive manner. Where a priority processing fee is paid, the passport is to be provided within two working days.

In accordance with the Department of Foreign Affairs Consular Services Charter

- Notarial services are to be delivered within three working days of the lodgement of documents from a client.

## **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 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme 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 2013-14 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	Receipts	Payments	Adjustments	Closing balance
		<b>2014-15</b>	<b>2014-15</b>	<b>2014-15</b>	<b>2014-15</b>	<b>2014-15</b>
		<i>2013-14</i>	<i>2013-14</i>	<i>2013-14</i>	<i>2013-14</i>	<i>2013-14</i>
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Admin Payments and receipts for Other Entities Special Account <sup>1</sup> (A)	1	100	9,200	(9,200)	-	100
Services for Other Entities and Trust Moneys Special Account <sup>2</sup> (D)	1	930	-	(930)	-	-
<b>Total Special Accounts</b>						
<b>2014-15 Budget estimate</b>		<b>1,030</b>	<b>9,200</b>	<b>(10,130)</b>	<b>-</b>	<b>100</b>
<i>Total Special Accounts</i>						
<i>2013-14 estimated actual</i>		<i>1,315</i>	<i>9,200</i>	<i>(9,485)</i>	<i>-</i>	<i>1,030</i>

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

2 s20 Financial Management and Accountability Act, 1997 Determination 2008/05

(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 No. 1 \$'000	Total approp \$'000			
			\$'000	\$'000	
<b>Austrade</b>					
<b>Outcome 1</b>					
Departmental 2014-15	160	160	-	160	1.1
Departmental 2013-14	157	157	-	157	1.1
Total outcome 2014-15	160	160	-	160	
Total outcome 2013-14	157	157	-	157	
<b>Total AGIE 2014-15</b>	<b>160</b>	<b>160</b>	<b>-</b>	<b>160</b>	
Total AGIE 2013-14	157	157	-	157	

## **3.2 Budgeted financial statements**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

There has been no difference between the resource information presented in the Budget Papers and in Austrade's Portfolio Budget Statements.

### **3.2.2 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 2013-14 and the estimated revenue and expenses for 2014-15 and forward years.

Total income in 2014-15 is estimated to be \$202.5 million, which represents an increase of \$10.5 million in appropriations and a decrease of \$0.2 million in own-source income from the 2013-14 estimated actual shown at Table 3.2.1. The increase is a result of:

- Continuation of Australia Week in China (AWIC) – an increase of \$0.2 million;
- Continuation of Australia – China Approved Destination Status Scheme programme – an increase of \$2.3 million;
- Transfer of Tourism function to Austrade – a net increase of \$2.6 million;
- Foreign exchange variation – an increase of \$5.0 million;
- Measures agreed in prior years with a full year net increase in 2014-15 of \$1.2 million; and
- Parameters adjustments in prior years with a full year impact – a net increase in 2014-15 of \$1.6 million.

Offset by:

- Reduction of estimated rendering of services revenue – a decrease of \$0.2 million;

- Ceasing of Funding to Assist with management of Staff Reductions – a decrease of \$0.8 million;
- Public Service Efficiencies and Reforms to APS management and efficient procurement of agency software – a net decrease of \$0.2 million; and
- Parameters adjustments – a net decrease of \$1.4 million.

Austrade is receiving funding of \$15.8 million to fund the Departmental Capital Budget which is treated as an equity injection.

Total estimated expenses for 2014-15 have increased by \$8.2 million to reflect the increase in income and a \$0.3 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 2014-15 of \$59.0 million represents an increase of \$0.8 million from the 2013-14 estimated actual in table 3.2.2 due to the variations between capital program funding (\$15.8 million), estimated fair value movement (\$2.5 million) and estimated depreciation expense (\$17.5 million).

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

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

Total equity at the end of 2014-15 is estimated to be \$59.0 million, an increase of \$0.8 million due to the variations between capital program funding (\$15.8 million), estimated fair value movement (\$2.5 million) and estimated depreciation expense (\$17.5 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 2014-15 is estimated to be \$5.5 million.

#### **Departmental capital budget statement**

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

**Departmental statement of asset movements**

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

**Schedule of administered activity**

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

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

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

Administered expenses of \$139.4 million for 2014-15 relate to the EMDG Scheme (\$137.9 million) and ABE Plan (\$1.5 million). The EMDG Scheme is comprised of \$131.0 million in grant expenditure and \$6.9 million in expenditure for the costs of administration on behalf of the Government. The ABE 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 2014-15 are estimated at \$0.1 million and \$9.0 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.

### 3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	109,713	119,040	117,398	117,226	117,272
Suppliers	84,294	83,440	84,097	81,261	83,147
Depreciation and amortisation	17,786	17,500	17,500	17,500	18,500
<b>Total expenses</b>	<b>211,793</b>	<b>219,980</b>	<b>218,995</b>	<b>215,987</b>	<b>218,919</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	19,592	17,592	17,592	17,592	17,592
Rental income	500	500	500	500	500
Other	1,500	1,500	1,500	1,500	1,500
<b>Total own-source revenue</b>	<b>21,592</b>	<b>19,592</b>	<b>19,592</b>	<b>19,592</b>	<b>19,592</b>
<b>Gains</b>					
Sale of assets	250	250	250	250	250
Other	158	158	158	158	158
<b>Total gains</b>	<b>408</b>	<b>408</b>	<b>408</b>	<b>408</b>	<b>408</b>
<b>Total own-source income</b>	<b>22,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Net cost of (contribution by) services</b>	<b>189,793</b>	<b>199,980</b>	<b>198,995</b>	<b>195,987</b>	<b>198,919</b>
Revenue from Government	172,007	182,480	181,495	178,487	180,419
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(17,786)</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>(18,500)</b>
<b>Total comprehensive income (loss)</b>	<b>(17,786)</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>(18,500)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(17,786)</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>(18,500)</b>

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)**

<b>Note: Impact of Net Cash Appropriation Arrangements</b>					
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total Comprehensive Income</b>					
<b>(loss) excluding depreciation/amortisation</b>					
<b>expenses previously funded through</b>					
<b>revenue appropriations.</b>	<b>(17,786)</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>(18,500)</b>
less depreciation/amortisation expenses					
previously funded through revenue					
appropriations <sup>1</sup>	-	-	-	-	-
<b>Total Comprehensive Income</b>					
<b>(loss) - as per the Statement of</b>					
<b>Comprehensive Income</b>	<b>(17,786)</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>(18,500)</b>

<sup>1</sup> 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 are 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
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	5,500	5,500	5,500	5,500	5,500
Trade and other receivables	54,659	53,729	53,729	53,729	53,729
<b>Total financial assets</b>	<b>60,159</b>	<b>59,229</b>	<b>59,229</b>	<b>59,229</b>	<b>59,229</b>
<b>Non-financial assets</b>					
Land and buildings	10,960	11,780	12,215	12,215	12,215
Property, plant and equipment	22,828	22,084	21,985	22,083	21,651
Intangibles	16,364	17,075	17,037	17,298	17,143
Other non-financial assets	7,176	7,176	7,176	7,176	7,176
<b>Total non-financial assets</b>	<b>57,328</b>	<b>58,115</b>	<b>58,413</b>	<b>58,772</b>	<b>58,185</b>
<b>Total assets</b>	<b>117,487</b>	<b>117,344</b>	<b>117,642</b>	<b>118,001</b>	<b>117,414</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	14,808	14,808	14,808	14,808	14,808
Other payables	5,312	4,382	4,382	4,382	4,382
<b>Total payables</b>	<b>20,120</b>	<b>19,190</b>	<b>19,190</b>	<b>19,190</b>	<b>19,190</b>
<b>Provisions</b>					
Employee provisions	35,378	35,378	35,378	35,378	35,378
Other provisions	3,786	3,786	3,786	3,786	3,786
<b>Total provisions</b>	<b>39,164</b>	<b>39,164</b>	<b>39,164</b>	<b>39,164</b>	<b>39,164</b>
<b>Total liabilities</b>	<b>59,284</b>	<b>58,354</b>	<b>58,354</b>	<b>58,354</b>	<b>58,354</b>
<b>Net assets</b>	<b>58,203</b>	<b>58,990</b>	<b>59,288</b>	<b>59,647</b>	<b>59,060</b>
<b>EQUITY*</b>					
<b>Parent equity interest</b>					
<b>Interest</b>					
Contributed equity	73,592	89,379	106,277	120,636	135,049
Reserves	63,818	66,318	67,218	70,718	74,218
Retained surplus (accumulated deficit)	(79,207)	(96,707)	(114,207)	(131,707)	(150,207)
<b>Total non-controlling interest</b>	<b>58,203</b>	<b>58,990</b>	<b>59,288</b>	<b>59,647</b>	<b>59,060</b>
<b>Total Equity</b>	<b>58,203</b>	<b>58,990</b>	<b>59,288</b>	<b>59,647</b>	<b>59,060</b>

\* 'Equity' is the residual interest in assets after deduction of liabilities.  
Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2014-15)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	(79,207)	25,093	38,725	73,592	58,203
<b>Adjusted opening balance</b>	<b>(79,207)</b>	<b>25,093</b>	<b>38,725</b>	<b>73,592</b>	<b>58,203</b>
<b>Comprehensive income</b>					
Surplus (deficit) for the period	(17,500)	2,500	-	-	(15,000)
<b>Total comprehensive income</b>	<b>(17,500)</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>(15,000)</b>
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity Injection - Appropriation				1,500	1,500
Departmental Capital Budget (DCB)				14,287	14,287
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,787</b>	<b>15,787</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>(96,707)</b>	<b>27,593</b>	<b>38,725</b>	<b>89,379</b>	<b>58,990</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(96,707)</b>	<b>27,593</b>	<b>38,725</b>	<b>89,379</b>	<b>58,990</b>

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
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	174,611	182,480	181,495	178,487	180,419
Sale of goods and rendering of services	20,092	18,092	18,092	18,092	18,092
Net GST received	5,714	5,714	5,714	5,714	5,714
Other	1,500	1,500	1,500	1,500	1,500
<b>Total cash received</b>	<b>201,917</b>	<b>207,786</b>	<b>206,801</b>	<b>203,793</b>	<b>205,725</b>
<b>Cash used</b>					
Employees	105,491	119,040	117,398	117,226	117,272
Suppliers	84,136	83,282	83,939	81,103	82,989
Net GST paid	5,714	5,714	5,714	5,714	5,714
<b>Total cash used</b>	<b>195,341</b>	<b>208,036</b>	<b>207,051</b>	<b>204,043</b>	<b>205,975</b>
<b>Net cash from (used by) operating activities</b>	<b>6,576</b>	<b>(250)</b>	<b>(250)</b>	<b>(250)</b>	<b>(250)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	250	250	250	250	250
<b>Total cash received</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	15,820	15,787	16,898	14,359	14,413
<b>Total cash used</b>	<b>15,820</b>	<b>15,787</b>	<b>16,898</b>	<b>14,359</b>	<b>14,413</b>
<b>Net cash from (used by) investing activities</b>	<b>(15,570)</b>	<b>(15,537)</b>	<b>(16,648)</b>	<b>(14,109)</b>	<b>(14,163)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	11,020	15,787	16,898	14,359	14,413
<b>Total cash received</b>	<b>11,020</b>	<b>15,787</b>	<b>16,898</b>	<b>14,359</b>	<b>14,413</b>
<b>Net cash from (used by) financing activities</b>	<b>11,020</b>	<b>15,787</b>	<b>16,898</b>	<b>14,359</b>	<b>14,413</b>
<b>Net increase (decrease) in cash held</b>	<b>2,026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	3,474	5,500	5,500	5,500	5,500
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	11,020	14,287	14,180	14,359	14,413
Equity injections - Bill 2	-	1,500	2,718	-	-
<b>Total new capital appropriations</b>	<b>11,020</b>	<b>15,787</b>	<b>16,898</b>	<b>14,359</b>	<b>14,413</b>
<b>Provided for:</b>					
Purchase of non-financial assets	11,020	15,787	16,898	14,359	14,413
<b>Total Items</b>	<b>11,020</b>	<b>15,787</b>	<b>16,898</b>	<b>14,359</b>	<b>14,413</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>1</sup>	-	1,500	2,718	-	-
Funded by capital appropriation - DCB <sup>2</sup>	15,820	14,287	14,180	14,359	14,413
<b>TOTAL</b>	<b>15,820</b>	<b>15,787</b>	<b>16,898</b>	<b>14,359</b>	<b>14,413</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	15,820	15,787	16,898	14,359	14,413
<b>Total cash used to acquire assets</b>	<b>15,820</b>	<b>15,787</b>	<b>16,898</b>	<b>14,359</b>	<b>14,413</b>

<sup>1</sup> Does not include annual finance lease costs. Include purchase from current and previous years' Departmental Capital Budget (DCB).

<sup>2</sup> Includes \$4.8m in prior years' unspent Departmental Capital Budget (DCB).

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>				
Gross book value	18,520	29,692	53,487	101,699
Accumulated depreciation/amortisation and impairment	(7,560)	(6,864)	(37,123)	(51,547)
<b>Opening net book balance</b>	<b>10,960</b>	<b>22,828</b>	<b>16,364</b>	<b>50,152</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity <sup>1</sup>	1,500	-	-	1,500
By purchase - appropriation ordinary annual services <sup>2</sup>	3,500	6,787	4,000	14,287
<b>Total additions</b>	<b>5,000</b>	<b>6,787</b>	<b>4,000</b>	<b>15,787</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(4,180)	(8,031)	(5,289)	(17,500)
Other <sup>3</sup>	-	500	2,000	2,500
<b>Total other movements</b>	<b>(4,180)</b>	<b>(7,531)</b>	<b>(3,289)</b>	<b>(15,000)</b>
<b>As at 30 June 2015</b>				
Gross book value	23,520	36,979	59,487	119,986
Accumulated depreciation/amortisation and impairment	(11,740)	(14,895)	(42,412)	(69,047)
<b>Closing net book balance</b>	<b>11,780</b>	<b>22,084</b>	<b>17,075</b>	<b>50,939</b>

<sup>1</sup> "Appropriation equity" refers to funding provided through equity injections Appropriation Bill No. 2 (2014-15).

<sup>2</sup> "Appropriation ordinary annual services" refer to funding provided through Appropriation Bill No. 1 (2014-15) for depreciation / amortisation expenses, DCBs or other operational expenses.

<sup>3</sup> Revaluation/fair value movements.

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
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Employee benefits	5,465	5,465	5,465	5,465	5,465
Suppliers	1,430	1,430	1,430	1,430	1,430
Grants	132,505	132,505	132,505	132,505	132,505
<b>Total expenses administered on behalf of Government</b>	<b>139,400</b>	<b>139,400</b>	<b>139,400</b>	<b>139,400</b>	<b>139,400</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Total own-sourced income administered on behalf of Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	46	-	-	-	-
Other financial assets	44	90	90	90	90
<b>Total financial assets</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>
<b>Total assets administered on behalf of Government</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	79	79	79	79	79
Other payables	160	160	160	160	160
<b>Total payables</b>	<b>239</b>	<b>239</b>	<b>239</b>	<b>239</b>	<b>239</b>
<b>Provisions</b>					
Employee provisions	2,331	2,331	2,331	2,331	2,331
Other provisions	6,438	6,438	6,438	6,438	6,438
<b>Total provisions</b>	<b>8,769</b>	<b>8,769</b>	<b>8,769</b>	<b>8,769</b>	<b>8,769</b>
<b>Total liabilities administered on behalf of Government</b>	<b>9,008</b>	<b>9,008</b>	<b>9,008</b>	<b>9,008</b>	<b>9,008</b>
<b>Net assets/(liabilities)</b>	<b>(8,918)</b>	<b>(8,918)</b>	<b>(8,918)</b>	<b>(8,918)</b>	<b>(8,918)</b>

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
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	195	195	195	195	195
<b>Total cash received</b>	<b>195</b>	<b>195</b>	<b>195</b>	<b>195</b>	<b>195</b>
<b>Cash used</b>					
Grant	132,505	132,505	132,505	132,505	132,505
Suppliers	1,976	1,930	1,430	1,430	1,430
Net GST paid	195	195	195	195	195
Employees	4,965	4,965	5,465	5,465	5,465
<b>Total cash used</b>	<b>139,641</b>	<b>139,595</b>	<b>139,595</b>	<b>139,595</b>	<b>139,595</b>
<b>Net cash from (used by) operating activities</b>	<b>(139,446)</b>	<b>(139,400)</b>	<b>(139,400)</b>	<b>(139,400)</b>	<b>(139,400)</b>
<b>Net increase (decrease) in cash held</b>	<b>(139,446)</b>	<b>(139,400)</b>	<b>(139,400)</b>	<b>(139,400)</b>	<b>(139,400)</b>
Cash and cash equivalents at beginning of reporting period	46	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	139,400	139,400	139,400	139,400	139,400
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.



### **3.2.4 Notes to the Financial Statements**

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

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

#### **Departmental**

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

#### **Administered**

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



# **Australian 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**

ACIAR works to improve the productivity and profitability of agricultural systems in countries of the Asia-Pacific region and Indian Ocean rim, through international agricultural research partnerships. ACIAR will generate new technologies, new knowledge, greater capability and better decision-making through these research partnerships. By focusing on impact pathways, ACIAR will deliver benefits to farmers and consumers in developing countries and Australia.

ACIAR puts Australia's agricultural innovation system to work to reduce poverty and contribute to the long-term economic prosperity of developing countries. This work contributes to stronger economies and to poverty alleviation, and is central to Australia's aid agenda. ACIAR contributes to economic diplomacy through improving agricultural competitiveness and sustainability, increasing value chain efficiency and effectiveness, and overcoming regulatory impediments in relation to both domestic and international markets.

Stronger economies in our region assist Australian exporters and investors to access and profit from foreign markets. Support for more-productive, market-led agricultural systems, that engage smallholder farmers, encourages developing countries to effectively tap into new market opportunities. In these ways, ACIAR works towards a future of shared prosperity. Importantly, ACIAR's support to international research partnerships increases the numbers of skilled professionals at research, extension and farm levels which then builds the potential for sustained agricultural innovation in the region, an essential element for economic growth and development.

ACIAR will continue to focus research on four areas: crops; livestock and fisheries; natural resources and forestry; and socioeconomics and policy, with a stronger focus across all four on developing market opportunities for smallholder farmers. ACIAR will implement interdisciplinary research approaches between these focal areas and address key issues, such as gender inequality, that cut across these focal areas. The research will tackle gender inequality in the design, delivery and impacts of our projects. We will maintain our core mandate of producing excellent research, and work through others to achieve up-scaling (institutional development) and out-scaling (broader development).

ACIAR will deepen the existing partnerships and explore new and more diverse partnerships, with greater emphasis on the private sector and non-government

## *ACIAR Budget Statements*

organisations, and new, innovative partnerships with emerging economies. In Australia, ACIAR will move towards more-strategic institutional partnerships, and a more programmatic approach in delivery. ACIAR's partnership model will also adapt to the increasing skills and expertise in some of our partner countries. In Australia ACIAR will seek to increase our partnership base and support efforts to increase the involvement of young professionals in international agricultural research. In developing countries, ACIAR will continue to develop new partnership models increasing regional collaborations and approaches and developing greater collaboration with the commercial sector.

ACIAR's primary focus in 2014-15 will be in the Pacific, East Asia and South and West Asia (including Afghanistan and Pakistan) with modest investments in Africa and the Middle East. ACIAR's primary global engagement will be through the CGIAR.

In line with the re-focussing of the Australian aid programme, ACIAR will increase emphasis on the Pacific region, particularly Papua New Guinea. In Fiji, the recently renewed engagement with Australia will open opportunities for ACIAR to broaden collaboration aimed at sustainable economic development.

ACIAR will also marginally increase funding to East Asia, partly to be able to sustain a young but important programme in Burma. ACIAR will need to evolve the strong bilateral relationship with Indonesia to take account of Indonesia's rapidly changing institutional capacities. In Timor Leste, ACIAR will look to build on the successes of ACIAR's "Seeds of Life" programme to further increase the opportunity for economic growth and linkages with the private sector.

In West and South Asia, ACIAR will reduce, slightly, the engagement and monitor the security situation in Afghanistan that will define the future of our engagement in that country. ACIAR will reduce the scale of our engagement in Africa, in line with both the priorities of the Aid programme and the targets established in ACIAR's Strategic Plan 2014-18, but in that process consolidate our work with regional research organisations. The programme in the Middle East and North Africa will be phased out.

On a global level, ACIAR will contribute to the Agriculture agenda of the G20 as part of the whole of Government process and to support Australia's presidency of this forum. ACIAR will monitor the development of the ASEAN zone economic cooperation by 2015, which will see pressures for cooperation on cross border issues which intersect with ACIAR's interests, such as biosecurity, agrifood value chains and food safety. ACIAR will continue to engage in the CGIAR reform and monitor and support the midterm review to guide the future directions of our investments.



## 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 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	3,429	-	3,429	3,219
Departmental appropriation <sup>3</sup>	-	10,051	10,051	10,588
s31 Relevant agency receipts <sup>4</sup>	-	1,697	1,697	1,234
<b>Total</b>	<b>3,429</b>	<b>11,748</b>	<b>15,177</b>	<b>15,041</b>
<b>Administered expenses</b>				
Outcome 1	-	86,289	86,289	83,720
<b>Total</b>	<b>-</b>	<b>86,289</b>	<b>86,289</b>	<b>83,720</b>
<b>Total ordinary annual services</b>	<b>A 3,429</b>	<b>98,037</b>	<b>101,466</b>	<b>98,761</b>
<b>Other services<sup>5</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	-	3	3	1
<b>Total</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>1</b>
<b>Total other services</b>	<b>B -</b>	<b>3</b>	<b>3</b>	<b>1</b>
<b>Total available annual appropriations</b>	<b>3,429</b>	<b>98,040</b>	<b>101,469</b>	<b>98,762</b>
<b>Total appropriations excluding Special Accounts</b>	<b>3,429</b>	<b>98,040</b>	<b>101,469</b>	<b>98,762</b>
<b>Special Accounts</b>				
Opening balance <sup>6</sup>	21,177	-	21,177	21,177
Non-appropriation receipts to Special Accounts	-	26,235	26,235	35,054
<b>Total Special Account</b>	<b>D 21,177</b>	<b>26,235</b>	<b>47,412</b>	<b>56,231</b>
<b>Total resourcing</b>				
A+B+C+D	24,606	124,275	148,881	154,993
<b>Total net resourcing for ACIAR</b>	<b>24,606</b>	<b>124,275</b>	<b>148,881</b>	<b>154,993</b>

<sup>1</sup> Appropriation Bill (No. 1) 2014-15

<sup>2</sup> Estimated adjusted balance carried forward from previous year

<sup>3</sup> Includes an amount of \$0.249m in 2014-15 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

<sup>4</sup> s31 Relevant Agency receipts - estimate

<sup>5</sup> Appropriation Bill (No. 2) 2014-15

<sup>6</sup> Estimated opening balance for special accounts. For further information see Table 3.1.2

Reader note: All figures are GST exclusive.

### 1.3 BUDGET MEASURES

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

**Table 1.2: Agency 2014-15 Budget measures**

**Part 1: Measures announced since the 2013-14 MYEFO**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Expense measures</b>						
Efficiency Dividend - a further temporary increase of 0.25 per cent	1.					
Departmental expenses		-	(25)	(50)	(74)	(75)
<b>Total</b>		-	(25)	(50)	(74)	(75)
<b>Total expense measures</b>						
Departmental		-	(25)	(50)	(74)	(75)
<b>Total</b>		-	(25)	(50)	(74)	(75)

Prepared on a Government Finance Statistics (fiscal) basis

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

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Measures</b>						
More efficient management structures	1.					
Departmental expenses		(1)	(7)	(15)	(21)	-
<b>Total</b>		(1)	(7)	(15)	(21)	-
Revised occupational density targets	1.					
Departmental expenses		(15)	(22)	(22)	(22)	-
<b>Total</b>		(15)	(22)	(22)	(22)	-
Microsoft volume sourcing	1.					
Departmental expenses		(6)	(6)	(6)	-	-
<b>Total</b>		(6)	(6)	(6)	-	-
<b>Total measures</b>						
Departmental		(22)	(35)	(43)	(43)	-
<b>Total</b>		(22)	(35)	(43)	(43)	-

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 Programmes are the primary vehicle by which Government agencies achieve the intended results of their outcome statements. Agencies are required to identify the Programmes which contribute to Government outcomes over the Budget and forward years.

ACIAR's outcome is described below together with its related Programmes, 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

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

- concentrate efforts in developing countries of Asia and the Pacific, while also engaging in high-payoff partnerships in other regions in support of Australia's foreign policy objectives;
- work through bilateral (at least 70%) and multilateral (up to 30%) modalities;
- generate new technologies, new knowledge, greater capability and better decision-making from our research partnerships;
- focus research on four areas: crops; livestock and fisheries; natural resources and forestry; and socioeconomics and policy;
- develop a stronger focus on developing market opportunities for smallholder farmers;
- implement cross-disciplinary and interdisciplinary research approaches;
- tackle gender inequality, in the design, delivery and impacts of projects;
- maintain our core mandate of producing excellent research, and work through others to achieve up-scaling and broader development;
- deepen our existing partnerships and explore new and more diverse partnerships, with greater emphasis on the private sector and non-government organisations, and new, innovative partnerships with emerging economies; and

### *ACIAR Budget Statements*

- move towards more-strategic institutional partnerships, and a more programmatic approach in delivery.

### **Outcome Expense Statement**

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

**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.	2013-14	2014-15
	Estimated actual expenses	Estimated expenses
	\$'000	\$'000
<b>Programme 1.1: International Agricultural Research and Development</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	83,720	86,289
Special Accounts	35,054	26,235
Departmental expenses		
Departmental appropriation <sup>1</sup>	11,568	11,499
Expenses not requiring appropriation in the Budget year <sup>2</sup>	278	277
<b>Total for Programme 1.1</b>	<b>130,620</b>	<b>124,300</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	83,720	86,289
Special Accounts	35,054	26,235
Departmental expenses		
Departmental appropriation <sup>1</sup>	11,568	11,499
Expenses not requiring appropriation in the Budget year <sup>2</sup>	278	277
<b>Total expenses for Outcome 1</b>	<b>130,620</b>	<b>124,300</b>
	2013-14	2014-15
<b>Average Staffing Level (number)</b>	<b>70</b>	<b>70</b>

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

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

## Contributions to Outcome 1

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

#### **Programme Objective**

ACIAR has the single administered programme 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. The objective of the Programme is to contribute to economic diplomacy through improving agricultural competitiveness and sustainability, increasing value chain efficiency and effectiveness, and alleviating regulatory impediments in relation to both domestic and international markets.

### Programme Expenses

Aligned to the broader aid programme, ACIAR will refocus partnerships towards the Indo Pacific region, with modest increase in percentage allocations of budget made to Pacific and East Asia. Programmes in Middle East and North Africa will be phased out. The programme in Sub Saharan Africa will target countries in the continent's east and south.

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual administered expenses:					
Administered item	83,720	86,289	92,495	96,755	98,013
Special Account Expenses:					
ACIAR Special Account	35,054	26,235	25,239	24,156	25,000
Annual departmental expenses:					
Departmental items	11,568	11,499	11,642	11,847	11,985
Expenses not requiring appropriation in the Budget year <sup>1</sup>	278	277	279	340	344
<b>Total Programme expenses</b>	<b>130,620</b>	<b>124,300</b>	<b>129,655</b>	<b>133,098</b>	<b>135,342</b>

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

**Programme 1 Deliverables**

Through diverse research partnerships and both individual and institutional capacity building, ACIAR will deliver

- increased availability of and access to meat, fish, milk, grains, fruits and vegetables
- reduced postharvest losses
- improved nutritional quality and diversity of diets
- increased productivity, quality and market access for smallholder agriculture, aquaculture and forestry products
- greater resilience and diversity of production systems
- strengthened plant and animal biosecurity

**Programme 1 Key Performance Indicators**

ACIAR will improve agricultural competitiveness and sustainability, increase value chain efficiency and effectiveness, and alleviate regulatory impediments in relation to both domestic and international markets. These performance indicators will be measured through monitoring and evaluation of project outputs, analysis of the adoption of project outcomes and through an ongoing impact assessment programme. These will be delivered by generating:

- new technologies that enhance agricultural productivity, food sufficiency, diversification and health and nutrition
- new knowledge that improves agricultural productivity and management systems and enhances market opportunities.
- greater capability for scientific excellence, agricultural innovation and agribusiness development among researchers, research institutions, policy makers and development partners
- better decision-making within research and policy institutions to support agricultural innovation and agribusiness development.



## 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 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and Programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Movement of Administered Funds between Years

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

There has been no movement of administered funds between years for ACIAR since the 2013-14 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 ACIAR.

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

		Opening balance 2014-15 2013-14	Receipts 2014-15 2013-14	Payments 2014-15 2013-14	Adjustments 2014-15 2013-14	Closing balance 2014-15 2013-14
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Australian Centre for International Agricultural Research Account (A)	1	21,177	26,235	(26,235)	-	21,177
<b>Total Special Accounts 2014-15 Budget estimate</b>		<b>21,177</b>	<b>26,235</b>	<b>(26,235)</b>	<b>-</b>	<b>21,177</b>
<i>Total Special Accounts 2013-14 estimated actual</i>		<i>21,177</i>	<i>35,054</i>	<i>(35,054)</i>	<i>-</i>	<i>21,177</i>

(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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	7,932	8,163	8,395	8,647	8,796
Suppliers	3,660	3,360	3,271	3,224	3,213
Depreciation and amortisation	254	253	255	316	320
<b>Total expenses</b>	<b>11,846</b>	<b>11,776</b>	<b>11,921</b>	<b>12,187</b>	<b>12,329</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	1,234	1,697	1,958	2,225	2,274
<b>Total own-source revenue</b>	<b>1,234</b>	<b>1,697</b>	<b>1,958</b>	<b>2,225</b>	<b>2,274</b>
<b>Gains</b>					
Other	24	24	24	24	24
<b>Total gains</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>Total own-source income</b>	<b>1,258</b>	<b>1,721</b>	<b>1,982</b>	<b>2,249</b>	<b>2,298</b>
<b>Net cost of (contribution by) services</b>	<b>10,588</b>	<b>10,055</b>	<b>9,939</b>	<b>9,938</b>	<b>10,031</b>
Revenue from Government	10,334	9,802	9,684	9,622	9,711
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(254)</b>	<b>(253)</b>	<b>(255)</b>	<b>(316)</b>	<b>(320)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(254)</b>	<b>(253)</b>	<b>(255)</b>	<b>(316)</b>	<b>(320)</b>
<b>Note: Impact of Net Cash Appropriation Arrangements</b>					
<b>Total Comprehensive Income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.</b>	<b>(254)</b>	<b>(253)</b>	<b>(255)</b>	<b>(316)</b>	<b>(320)</b>
less depreciation/amortisation expenses previously funded through revenue appropriations <sup>1</sup>	-	-	-	-	-
<b>Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>	<b>(254)</b>	<b>(253)</b>	<b>(255)</b>	<b>(316)</b>	<b>(320)</b>

<sup>1</sup> 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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	62	62	62	62	62
Trade and other receivables	3,480	3,480	3,480	3,480	3,480
<b>Total financial assets</b>	<b>3,542</b>	<b>3,542</b>	<b>3,542</b>	<b>3,542</b>	<b>3,542</b>
<b>Non-financial assets</b>					
Land and buildings	389	318	404	273	192
Property, plant and equipment	616	688	757	814	844
Intangibles	172	170	169	175	158
Other non-financial assets	69	69	69	69	69
<b>Total non-financial assets</b>	<b>1,246</b>	<b>1,245</b>	<b>1,399</b>	<b>1,331</b>	<b>1,263</b>
<b>Total assets</b>	<b>4,788</b>	<b>4,787</b>	<b>4,941</b>	<b>4,873</b>	<b>4,805</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	190	190	150	80	50
Other payables	171	86	38	17	47
<b>Total payables</b>	<b>361</b>	<b>276</b>	<b>188</b>	<b>97</b>	<b>97</b>
<b>Provisions</b>					
Employee provisions	2,008	2,093	2,181	2,272	2,272
<b>Total provisions</b>	<b>2,008</b>	<b>2,093</b>	<b>2,181</b>	<b>2,272</b>	<b>2,272</b>
<b>Total liabilities</b>	<b>2,369</b>	<b>2,369</b>	<b>2,369</b>	<b>2,369</b>	<b>2,369</b>
<b>Net assets</b>	<b>2,419</b>	<b>2,418</b>	<b>2,572</b>	<b>2,504</b>	<b>2,436</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	1,486	1,738	2,147	2,395	2,647
Reserves	708	708	708	708	708
Retained surplus (accumulated deficit)	225	(28)	(283)	(599)	(919)
<b>Total parent entity interest</b>	<b>2,419</b>	<b>2,418</b>	<b>2,572</b>	<b>2,504</b>	<b>2,436</b>
<b>Total Equity</b>	<b>2,419</b>	<b>2,418</b>	<b>2,572</b>	<b>2,504</b>	<b>2,436</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2014-15)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	225	708	-	1,486	2,419
<b>Adjusted opening balance</b>	<b>225</b>	<b>708</b>	<b>-</b>	<b>1,486</b>	<b>2,419</b>
<b>Comprehensive income</b>					
Surplus (deficit) for the period	(253)	-	-	-	(253)
<b>Total comprehensive income</b>	<b>(253)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(253)</b>
of which:					
Attributable to the Australian Government	(253)	-	-	-	(253)
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity Injection - Appropriation	-	-	-	3	3
Departmental Capital Budget (DCBs)	-	-	-	249	249
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>252</b>	<b>252</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(28)</b>	<b>708</b>	<b>-</b>	<b>1,738</b>	<b>2,418</b>

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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	10,284	9,802	9,684	9,622	9,711
Sale of goods and rendering of services	1,234	1,697	1,958	2,225	2,274
Net GST received	20	20	20	20	20
<b>Total cash received</b>	<b>11,538</b>	<b>11,519</b>	<b>11,662</b>	<b>11,867</b>	<b>12,005</b>
<b>Cash used</b>					
Employees	7,882	8,078	8,307	8,556	8,796
Suppliers	3,656	3,441	3,355	3,311	3,209
<b>Total cash used</b>	<b>11,538</b>	<b>11,519</b>	<b>11,662</b>	<b>11,867</b>	<b>12,005</b>
<b>Net cash from (used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	255	252	409	248	252
<b>Total cash used</b>	<b>255</b>	<b>252</b>	<b>409</b>	<b>248</b>	<b>252</b>
<b>Net cash from (used by) investing activities</b>	<b>(255)</b>	<b>(252)</b>	<b>(409)</b>	<b>(248)</b>	<b>(252)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	255	252	409	248	252
<b>Total cash received</b>	<b>255</b>	<b>252</b>	<b>409</b>	<b>248</b>	<b>252</b>
<b>Net cash from (used by) financing activities</b>	<b>255</b>	<b>252</b>	<b>409</b>	<b>248</b>	<b>252</b>
<b>Net increase (decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>

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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	254	249	248	248	252
Equity injections - Bill 2	1	3	161	-	-
<b>Total new capital appropriations</b>	<b>255</b>	<b>252</b>	<b>409</b>	<b>248</b>	<b>252</b>
<b>Provided for:</b>					
Purchase of non-financial assets	255	252	409	248	252
<b>Total Items</b>	<b>255</b>	<b>252</b>	<b>409</b>	<b>248</b>	<b>252</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>1</sup>	1	3	161	-	-
Funded by capital appropriation - DCB <sup>2</sup>	254	249	248	248	252
<b>TOTAL</b>	<b>255</b>	<b>252</b>	<b>409</b>	<b>248</b>	<b>252</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	255	252	409	248	252
<b>Total cash used to acquire assets</b>	<b>255</b>	<b>252</b>	<b>409</b>	<b>248</b>	<b>252</b>

<sup>1</sup> Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>				
Gross book value	648	988	691	2,327
Accumulated depreciation/amortisation and impairment	(259)	(372)	(519)	(1,150)
<b>Opening net book balance</b>	<b>389</b>	<b>616</b>	<b>172</b>	<b>1,177</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity <sup>1</sup>	3	-	-	3
By purchase - appropriation ordinary annual services <sup>2</sup>	-	196	53	249
<b>Total additions</b>	<b>3</b>	<b>196</b>	<b>53</b>	<b>252</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(74)	(124)	(55)	(253)
<b>Total other movements</b>	<b>(74)</b>	<b>(124)</b>	<b>(55)</b>	<b>(253)</b>
<b>As at 30 June 2015</b>				
Gross book value	651	1,184	744	2,579
Accumulated depreciation/amortisation and impairment	(333)	(496)	(574)	(1,403)
<b>Closing net book balance</b>	<b>318</b>	<b>688</b>	<b>170</b>	<b>1,176</b>

<sup>1</sup> "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2014-15, including CDABs.

<sup>2</sup> "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2014-15 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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Employee benefits	291	303	315	328	342
Suppliers	118,483	112,221	117,419	120,583	122,671
<b>Total expenses administered on behalf of Government</b>	<b>118,774</b>	<b>112,524</b>	<b>117,734</b>	<b>120,911</b>	<b>123,013</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Sale of goods and rendering of services	35,054	26,235	25,239	24,156	25,000
<b>Total non-taxation revenue</b>	<b>35,054</b>	<b>26,235</b>	<b>25,239</b>	<b>24,156</b>	<b>25,000</b>
<b>Total own-source revenues administered on behalf of Government</b>	<b>35,054</b>	<b>26,235</b>	<b>25,239</b>	<b>24,156</b>	<b>25,000</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>35,054</b>	<b>26,235</b>	<b>25,239</b>	<b>24,156</b>	<b>25,000</b>
<b>Net Cost of (contribution by) services</b>	<b>83,720</b>	<b>86,289</b>	<b>92,495</b>	<b>96,755</b>	<b>98,013</b>
<b>Surplus (Deficit)</b>	<b>83,720</b>	<b>86,289</b>	<b>92,495</b>	<b>96,755</b>	<b>98,013</b>
<b>Total comprehensive income (loss)</b>	<b>83,720</b>	<b>86,289</b>	<b>92,495</b>	<b>96,755</b>	<b>98,013</b>

Prepared on Australian Accounting Standards basis.



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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	21,177	21,177	21,177	21,177	21,177
Taxation receivables	604	604	604	604	604
Trade and other receivables	1,048	1,048	1,048	1,048	1,048
<b>Total financial assets</b>	<b>22,829</b>	<b>22,829</b>	<b>22,829</b>	<b>22,829</b>	<b>22,829</b>
<b>Non-financial assets</b>					
Other non-financial assets	15	15	15	15	15
<b>Total non-financial assets</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>Total assets administered on behalf of Government</b>	<b>22,844</b>	<b>22,844</b>	<b>22,844</b>	<b>22,844</b>	<b>22,844</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	1,994	2,044	2,094	2,094	2,094
Other payables	487	487	487	487	487
<b>Total payables</b>	<b>2,481</b>	<b>2,531</b>	<b>2,581</b>	<b>2,581</b>	<b>2,581</b>
<b>Provisions</b>					
Employee provisions	18	18	18	18	18
<b>Total provisions</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>
<b>Total liabilities administered on behalf of Government</b>	<b>2,499</b>	<b>2,549</b>	<b>2,599</b>	<b>2,599</b>	<b>2,599</b>
<b>Net assets/(liabilities)</b>	<b>20,345</b>	<b>20,295</b>	<b>20,245</b>	<b>20,245</b>	<b>20,245</b>

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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
External Funds	35,054	26,235	25,239	24,156	25,000
Net GST received	4,550	4,600	4,500	4,500	4,500
<b>Total cash received</b>	<b>39,604</b>	<b>30,835</b>	<b>29,739</b>	<b>28,656</b>	<b>29,500</b>
<b>Cash used</b>					
Suppliers	118,436	112,172	117,369	120,583	122,671
Employees	285	303	315	328	342
<b>Total cash used</b>	<b>118,721</b>	<b>112,475</b>	<b>117,684</b>	<b>120,911</b>	<b>123,013</b>
<b>Net cash from (used by) operating activities</b>	<b>(79,117)</b>	<b>(81,640)</b>	<b>(87,945)</b>	<b>(92,255)</b>	<b>(93,513)</b>
<b>Net increase (decrease) in cash held</b>	<b>(79,117)</b>	<b>(81,640)</b>	<b>(87,945)</b>	<b>(92,255)</b>	<b>(93,513)</b>
Cash and cash equivalents at beginning of reporting period	21,177	21,177	21,177	21,177	21,177
Cash from Official Public Account for:					
- Appropriations	83,667	86,240	92,445	96,755	98,013
	83,667	86,240	92,445	96,755	98,013
Cash to Official Public Account for:					
- Appropriations	(4,550)	(4,600)	(4,500)	(4,500)	(4,500)
	(4,550)	(4,600)	(4,500)	(4,500)	(4,500)
<b>Cash and cash equivalents at end of reporting period</b>	<b>21,177</b>	<b>21,177</b>	<b>21,177</b>	<b>21,177</b>	<b>21,177</b>

Prepared on Australian Accounting Standards basis.

# **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 2014-15 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:

- to obtain, in accordance with the Government's requirements, intelligence about the capabilities, intentions or activities of people or organisations outside Australia;
- to communicate, in accordance with the Government's requirements, such intelligence;
- to conduct counter-intelligence activities;
- to liaise with intelligence or security services, or other authorities, of other countries; and
- 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 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	+	Proposed at Budget 2014-15 \$'000	=	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>						
<b>Departmental appropriation</b>						
Prior year departmental appropriation <sup>2</sup>	78,828		-		78,828	72,735
Departmental appropriation <sup>3</sup>	-		220,750		220,750	214,417
s31 Relevant agency receipts <sup>4</sup>	-		34,500		34,500	37,465
<b>Total</b>	<b>78,828</b>		<b>255,250</b>		<b>334,078</b>	<b>324,617</b>
<b>Total ordinary annual services</b>	<b>A 78,828</b>		<b>255,250</b>		<b>334,078</b>	<b>324,617</b>
<b>Other services<sup>5</sup></b>						
<b>Departmental non-operating</b>						
Equity injections	-		2,744		2,744	2,916
<b>Total</b>	<b>-</b>		<b>2,744</b>		<b>2,744</b>	<b>2,916</b>
<b>Total other services</b>	<b>B -</b>		<b>2,744</b>		<b>2,744</b>	<b>2,916</b>
<b>Total resourcing</b>						
A+B	78,828		257,994		336,822	327,533
<b>Total net resourcing for ASIS</b>	<b>78,828</b>		<b>257,994</b>		<b>336,822</b>	<b>327,533</b>

1 Appropriation Bill (No.1) 2014-15.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount in 2014-15 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

4 s31 Relevant Agency receipts — estimate.

5 Appropriation Bill (No.2) 2014-15.

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 2014-15 Budget measures**

**Part 1: Measures announced since the 2013-14 MYEFO**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Expense measures</b>						
Efficiency dividend – a further temporary increase of 0.25 per cent <sup>1</sup>						
Departmental expenses	1.1	-	(395)	(770)	(1,035)	(1,046)
Departmental expenses	1.2	-	(132)	(257)	(345)	(348)
<b>Total</b>		-	<b>(527)</b>	<b>(1,027)</b>	<b>(1,380)</b>	<b>(1,394)</b>
<b>Total expense measures</b>		-	<b>(527)</b>	<b>(1,027)</b>	<b>(1,380)</b>	<b>(1,394)</b>
<b>Capital measures</b>						
Efficiency dividend – a further temporary increase of 0.25 per cent <sup>1</sup>						
Departmental capital	1.1	-	(29)	(59)	(73)	(74)
Departmental capital	1.2	-	(10)	(19)	(24)	(24)
<b>Total</b>		-	<b>(39)</b>	<b>(78)</b>	<b>(97)</b>	<b>(98)</b>
<b>Total capital measures</b>		-	<b>(39)</b>	<b>(78)</b>	<b>(97)</b>	<b>(98)</b>

1 The Efficiency dividend was announced in the 2014-15 Budget but not previously reported in a portfolio statement.

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 programmes are the primary vehicle by which Government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, 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 programme.

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

<b>Outcome 1: Enhanced understanding for the Government of the overseas environment affecting Australia's interests through the provision of covert intelligence services about the capabilities, intentions or activities of people or organisations outside Australia.</b>	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
<b>Programme 1.1: Secret Intelligence</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	177,318	179,931
Expenses not requiring appropriation in the Budget year <sup>2</sup>	16,030	16,028
<b>Total for Programme 1.1</b>	<b>193,348</b>	<b>195,959</b>
<b>Programme 1.2: Other Services</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	59,106	59,976
Expenses not requiring appropriation in the Budget year <sup>2</sup>	5,343	5,343
<b>Total for Programme 1.2</b>	<b>64,449</b>	<b>65,319</b>
<b>Outcome 1 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	236,424	239,907
Expenses not requiring appropriation in the Budget year <sup>2</sup>	21,373	21,371
<b>Total expenses for Outcome 1</b>	<b>257,797</b>	<b>261,278</b>

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

<sup>2</sup> 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

### Programme 1.1: Secret Intelligence

#### Programme Objective

- Secret Intelligence

#### Programme Expenses

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

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual departmental expenses:	177,318	179,931	175,925	173,808	175,384
Expenses not requiring appropriation in the Budget year <sup>1</sup>	16,030	16,028	17,238	13,827	11,196
<b>Total Programme expenses</b>	<b>193,348</b>	<b>195,959</b>	<b>193,163</b>	<b>187,635</b>	<b>186,580</b>

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

#### Programme 1.1 Deliverables

- Secret Intelligence

#### Programme 1.1 Key Performance Indicators

- The overall achievement of the performance measures for this Programme 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.

## Programme 1.2: Other Services

### Programme Objective

- Other Services

### Programme Expenses

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

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual departmental expenses	59,106	59,976	58,642	57,936	58,461
Expenses not requiring appropriation in the Budget year <sup>1</sup>	5,343	5,343	5,746	4,609	3,732
<b>Total Programme expenses</b>	<b>64,449</b>	<b>65,319</b>	<b>64,388</b>	<b>62,545</b>	<b>62,193</b>

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

### Programme 1.2 Deliverables

- Other Services

### Programme 1.2 Key Performance Indicators

- The overall achievement of the performance measures for this Programme 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: Budgeted Financial Statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses.

## 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
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>EXPENSES</b>					
<b>Total expenses</b>	<b>257,797</b>	<b>261,278</b>	<b>257,551</b>	<b>250,181</b>	<b>248,774</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Other revenue	37,465	34,500	34,500	34,500	34,500
<b>Total own-source revenue</b>	<b>37,465</b>	<b>34,500</b>	<b>34,500</b>	<b>34,500</b>	<b>34,500</b>
<b>Gains</b>					
Other gains	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>37,465</b>	<b>34,500</b>	<b>34,500</b>	<b>34,500</b>	<b>34,500</b>
<b>Net cost of (contribution by) services</b>	<b>220,332</b>	<b>226,778</b>	<b>223,051</b>	<b>215,681</b>	<b>214,274</b>
<b>Revenue from Government</b>	<b>198,959</b>	<b>205,407</b>	<b>200,067</b>	<b>197,244</b>	<b>199,345</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(21,373)</b>	<b>(21,371)</b>	<b>(22,984)</b>	<b>(18,437)</b>	<b>(14,929)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(21,373)</b>	<b>(21,371)</b>	<b>(22,984)</b>	<b>(18,437)</b>	<b>(14,929)</b>

**Note: Impact of Net Cash Appropriation Arrangements**

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Total Comprehensive Income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.</b>	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations <sup>1</sup>	21,373	21,371	22,984	18,437	14,929
<b>Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>	<b>(21,373)</b>	<b>(21,371)</b>	<b>(22,984)</b>	<b>(18,437)</b>	<b>(14,929)</b>

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

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>ASSETS</b>					
Financial assets	78,211	78,492	77,458	76,942	77,438
Non-financial assets	138,054	134,770	127,004	125,386	124,225
<b>Total assets</b>	<b>216,265</b>	<b>213,262</b>	<b>204,462</b>	<b>202,328</b>	<b>201,663</b>
<b>LIABILITIES</b>					
Payables	25,576	25,320	24,941	24,741	24,890
Interest bearing liabilities	-	-	-	-	-
Provisions	34,688	35,225	34,570	34,254	34,601
<b>Total liabilities</b>	<b>60,264</b>	<b>60,545</b>	<b>59,511</b>	<b>58,995</b>	<b>59,491</b>
<b>Net assets</b>	<b>156,001</b>	<b>152,717</b>	<b>144,951</b>	<b>143,333</b>	<b>142,172</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	126,374	144,461	159,679	176,498	190,265
Reserves	74,000	74,000	74,000	74,000	74,000
Retained surplus (accumulated deficit)	(44,373)	(65,744)	(88,728)	(107,165)	(122,093)
<b>Total parent entity interest</b>	<b>156,001</b>	<b>152,717</b>	<b>144,951</b>	<b>143,333</b>	<b>142,172</b>
<b>Total Equity</b>	<b>156,001</b>	<b>152,717</b>	<b>144,951</b>	<b>143,333</b>	<b>142,172</b>

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

Prepared on Australian Accounting Standards basis.



**Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2014-15)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	(44,373)	-	74,000	126,374	156,001
<b>Adjusted opening balance</b>	<b>(44,373)</b>	<b>-</b>	<b>74,000</b>	<b>126,374</b>	<b>156,001</b>
<b>Comprehensive income</b>					
Other comprehensive income	-	-	-	-	-
Surplus (deficit) for the period	(21,371)	-	-	-	(21,371)
<b>Total comprehensive income</b>	<b>(21,371)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,371)</b>
of which:					
Attributable to the Australian Government	(21,371)	-	-	-	(21,371)
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity Injection - Appropriation	-	-	-	2,744	2,744
Departmental Capital Budget (DCBs)	-	-	-	15,343	15,343
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,087</b>	<b>18,087</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>(65,744)</b>	<b>-</b>	<b>74,000</b>	<b>144,461</b>	<b>152,717</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(65,744)</b>	<b>-</b>	<b>74,000</b>	<b>144,461</b>	<b>152,717</b>

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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	193,748	205,127	201,101	197,760	198,849
Other	37,465	34,500	34,500	34,500	34,500
<b>Total cash received</b>	<b>231,213</b>	<b>239,627</b>	<b>235,601</b>	<b>232,260</b>	<b>233,349</b>
<b>Cash used</b>					
Other	235,160	239,627	235,601	232,260	233,349
<b>Total cash used</b>	<b>235,160</b>	<b>239,627</b>	<b>235,601</b>	<b>232,260</b>	<b>233,349</b>
<b>Net cash from (used by) operating activities</b>	<b>(3,947)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Other	21,427	18,087	15,218	16,819	13,767
<b>Total cash used</b>	<b>21,427</b>	<b>18,087</b>	<b>15,218</b>	<b>16,819</b>	<b>13,767</b>
<b>Net cash from (used by) investing activities</b>	<b>(21,427)</b>	<b>(18,087)</b>	<b>(15,218)</b>	<b>(16,819)</b>	<b>(13,767)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	18,374	18,087	15,218	16,819	13,767
<b>Total cash received</b>	<b>18,374</b>	<b>18,087</b>	<b>15,218</b>	<b>16,819</b>	<b>13,767</b>
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>18,374</b>	<b>18,087</b>	<b>15,218</b>	<b>16,819</b>	<b>13,767</b>
<b>Net increase (decrease) in cash held</b>	<b>(7,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	23,000	16,000	16,000	16,000	16,000
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>16,000</b>	<b>16,000</b>	<b>16,000</b>	<b>16,000</b>	<b>16,000</b>

Prepared on Australian Accounting Standards basis.

### **3.2.4 Notes to the Financial Statements**

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



# **Tourism Australia**

## **Agency Resources and Planned Performance**



# TOURISM AUSTRALIA

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# TOURISM AUSTRALIA

## Section 1: Agency Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT

As Australia's national tourism organisation, Tourism Australia aims to increase international leisure and business events visitation by promoting Australia as a compelling tourism destination.

In 2014-15, Tourism Australia's key contribution to the Australian community will be to grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key international markets. Tourism Australia's previous domestic marketing responsibilities will move to State and Territory tourism organisations.

#### *Australian tourism industry outlook*

Tourism Australia anticipates an improved environment for inbound tourism in 2014-15, with global GDP growth forecast to trend at around 3.1 per cent (Tourism Research Australia). Economic growth in Asia's economies is expected to ease slightly, while the USA, Western Europe and New Zealand are forecast to increase modestly. The Asian region provides significant opportunity for Australian tourism. It is one of the fastest growing tourism markets in the world, driven by good economic growth and an emerging urban and affluent middle class.

Australia is regularly rated as one of the most desired tourism destinations in the world (Future Brand, 2013). In 2014-15 Tourism Australia will endeavour to convert this strong interest into a decision to visit Australia. Demand for travel to Australia is forecast to increase steadily during 2014-15, with international inbound visitors increasing by 5.6 per cent to 7 million visitors, (Tourism Forecasting Committee, 2013). However, Australian tourism will continue to face a more competitive environment with increased marketing by competitor destinations, changing distribution channels and broadening media options.

Air access will continue to play a fundamental role and is expected to remain a positive factor for Australian tourism. Tourism Research Australia forecasts assume slightly weaker overall growth (5%) in inbound aviation capacity through 2014-15.

#### *Tourism 2020*

Tourism 2020 is the Australian government's approach to improve the industry's productive capacity. It focuses on creating a policy framework that will support

### *Tourism Australia Budget Statements*

industry growth and provide industry with the tools to compete more effectively in the global economy and to take advantage of the opportunities that Asia presents.

Tourism 2020 was a primary input into Tourism Australia's long term strategy. Under Tourism 2020 Tourism Australia has primary carriage of marketing and distribution while other Australian government agencies have primary responsibility for aviation development and investment attraction. Tourism Australia will work in collaboration with these agencies to make progress in these strategic areas.

Since the launch of Tourism 2020, the Asian region has continued to grow, led by China. Marketing funding has been bolstered by the Asia Marketing Fund announced in May 2012, which has significantly increased Tourism Australia's marketing footprint in Asia.

### *Objectives 2014-15*

Tourism Australia works with industry and all levels of government across Australia to maximise the economic contribution of Australian tourism. The industry has set a goal to increase overnight tourism expenditure from \$69 billion in 2009 to between \$115 billion and \$140 billion in 2020. To achieve this, Tourism Australia is focused on:

- Increasing numbers of leisure and business events visitors;
- Continuing improvements in visitor value (spend per trip / spend per night);
- Being competitive with out-of-region travel destinations (those that are beyond the target customers' immediate geographic region);
- Supporting supply side issues (investment and aviation) by sharing consumer insights and reinforcing quality and competitiveness.

### *Strategies 2014-15*

Two target customers will continue be at the heart of Tourism Australia's marketing – the leisure traveller and the business events traveller.

Activity will continue to be implemented via three core strategies:

#### **1. Customer Focused** – marketing activity will centre on the target customer.

Tourism Australia will:

- Know the 'best prospect' target customer – who they are, where they live and what they like to do – and disseminate these insights to industry;
- Deliver effective marketing communications – the right message through the right channel with a digital focus.

**2. Partnership Focused** – create demand by leveraging partnerships that engage the target customer and facilitate access.

Tourism Australia will:

- Strengthen marketing through partnerships that are aligned with Australia's brand image and leverage partner marketing activities;
- Build partnerships that engage customers across distribution channels, media, industry and events;
- Develop relationships with traditional and non-traditional distributors to ensure the target customer can easily access quality Australian tourism products. This will include delivery of best practice distribution vehicles and platforms under the Distribution 2020 strategy;
- Strengthen access by working closely with airlines, airports and state and territory tourism organisations, supporting existing aviation capacity and new routes;
- Work with industry, Austrade and State and Territory tourism organisations to identify and promote investment in new tourism infrastructure.

**3. Government Focused** – a whole of government approach.

Tourism will:

- Collaborate with government partners to present a strong Australia brand to target customers.

Global marketing resources will focus on those markets that provide the greatest expenditure growth potential to 2020. While a balanced portfolio of markets will remain, the emphasis will be on Asia, the growth engine of the next decade. In 2014-15 markets will be categorised as:

- Worth over \$5 billion by 2020 – Greater China (China and Hong Kong), North America (USA and Canada), United Kingdom;
- Worth over \$2.5 billion by 2020 – New Zealand, South Korea, Singapore, Malaysia;
- Worth over \$1 billion by 2020 – India, Japan, Germany, Indonesia, Middle East;
- Rest of world, fast emerging: Brazil;
- Rest of world, high priority: France, Italy.

Marketing communications will continue under the *There's nothing like Australia* campaign umbrella and will lead with the best of Australia's tourism experiences.

### *Tourism Australia Budget Statements*

The aim will be to raise the urgency to visit, increase knowledge and build a strong image of what Australia has to offer global travellers.

Tourism Australia will continue to improve its competitive position. Research has confirmed that Australian tourism is competitively differentiated in the areas of world class nature, people and food and wine. From 2014, food and wine content and imagery will be strengthened, with *Restaurant Australia* positioning integrated into marketing activities in all markets under the *There's nothing like Australia* campaign umbrella.

Resources and effort will increase in digital and content marketing, led by a revitalisation of Australia.com. This will provide an enhanced online Australian tourism experience for consumers. Tourism Australia's digital and social marketing emphasis will be to personalise, socialise and mobilise content to make it more relevant and timely by using insights from relevant data and analytics.

*There's nothing like Australia* will also be the focus for business events with continuation of the *There's nothing like Australia for Business Events* campaign. This campaign directly engages and stimulates business customers to consider Australia. The campaign will continue to be integrated across all communications channels, including advertising, website, PR, trade events and direct communications.

Activities that develop and promote Indigenous tourism experiences will be continued through Tourism Australia's broader programmes in an effort to raise the profile of Australian Indigenous culture and ways to experience it, as well as greater representation for Indigenous tourism businesses and product in international markets.

## 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: CAC Act Body Tourism Australia Resource Statement  
Budget Estimates for 2014-15 as at Budget May 2014**

Source	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Opening balance/Reserves at bank</b>				
<b>REVENUE FROM GOVERNMENT</b>				
<b>Ordinary annual services<sup>1</sup></b>				
Outcome 1 - Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets.	-	129,872	129,872	130,351
Funds from Portfolio Agency	-	13,500	13,500	12,500
<b>Total ordinary annual services</b>	-	143,372	143,372	142,851
<b>Total annual appropriations</b>	-	129,872	129,872	130,351
<b>Total funds from Government</b>	-	143,372	143,372	142,851
<b>FUNDS FROM OTHER SOURCES</b>				
Interest	-	1,800	1,800	2,000
Other	-	14,726	14,726	15,726
<b>Total</b>	-	16,526	16,526	17,726
<b>Total net resourcing for agency</b>	-	159,898	159,898	160,577

## **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 programmes are the primary vehicle by which Government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

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

**Outcome 1: Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets.**

#### **Outcome 1 Strategy**

##### **Programme Component 1.1 Grow demand**

Tourism Australia will inspire increased international travel by putting the target customer at the centre of all of its marketing activity. Tourism Australia will build Australia's reputation and profile as an exciting and desirable leisure and business events destination, driving demand, growth in visitor numbers and increased visitor expenditure by:

- Focusing on positioning Australia competitively and targeting consumers who are predisposed to travel to Australia who will spend more and do more when they travel to and around Australia;
- From a business events perspective, focusing on international corporate conference and incentive agents, corporate decision makers and associations and leveraging the business events sector's capacity to deliver high yielding visitors who also return as repeat visitors. Business Events Australia will continue to develop strong relationships with international buyers in key markets. This will include dedicated effort in the Associations sector;
- Using research and expertise to match products and experiences relevant to the target customer, including product bundling to present the best of what Australia has to offer;
- Continuing the There's nothing like Australia and There's nothing like Australia for business events campaigns and effective marketing communications – using the

right messages in the right channels, with a focus on digital and strengthened food and wine content and imagery.

- 'Owned and earned' media will be increased and a new content strategy will be introduced. Target customers are increasingly consuming media through social and 'owned' channels such as Australia.com.
- Building partnerships to engage customers across distribution, media and industry. Partnerships will continue to be developed with key distributors and the international and Australian tourism industry, enabling target customers to easily access Australian tourism products. Partnerships will also be undertaken with traditional and non-traditional media partners that enable Tourism Australia to increase its reach and direct engagement with target customers.
- Continued work with state and territory tourism organisations to ensure integration and alignment of activities to achieve efficiency and effectiveness.

#### **Programme Component 1.2 Industry Development**

Tourism Australia will continue to work in partnership with industry and government stakeholders to promote growth and development of the Australian tourism industry. An outline of the activity that will be implemented for 2014-15 follows:

- Participating in initiatives that promote the distribution of quality Australian products including dedicated programmes for promoting Indigenous tourism experiences and the best of Australia's National Landscapes; and working with industry to build capability around digital marketing and distribution;
- Supporting trade development by building the capability of the travel industry to confidently sell Australia, including training of travel agents through the Aussie Specialist Programme; providing Australian destination and product content to the distribution system and making direct connections with travel agents through familiarisation visits and trade events;
- Managing and participating in a range of trade events in Australia and overseas that promote Australia as a destination for leisure and business events travel. This will include delivery of the Australian Tourism Exchange, dedicated business events educational programmes and industry missions;
- Working in partnership with Austrade to attract tourism investment and development of better quality Australian tourism infrastructure;
- Working with airline and airport partners to support profitable aviation capacity growth and ensure that Tourism Australia's investment supports growth on viable routes;

#### *Tourism Australia Budget Statements*

- Working with the Department of Immigration and Border Protection to ensure visa issuance keeps pace with the growth and changes in consumer demand and keeps Australian tourism ahead of its competitors;
- Providing Tourism Australia, government and industry stakeholders with communications regarding strategic insights and research relevant to their needs to drive industry sustainability and strategy development;
- Continuing to build awareness, understanding and alignment with Tourism Australia strategies across government and industry through formal industry briefings and workshops as well as a dedicated relationship management approach with stakeholders and partners.

#### **Outcome Expense Statement**

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



**Table 2.1 Budgeted Expenses for Outcome 1**

Outcome 1 - Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets	2013-14	2014-15
	Estimated actual expenses	Estimated expenses
	\$'000	\$'000
<b>Programme 1: Supporting Outcome 1</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	130,351	129,872
Funds from Portfolio Agency	12,500	13,500
Revenues from other independent sources	17,726	16,526
<b>Total for Programme 1</b>	<b>160,577</b>	<b>159,898</b>
<b>Outcome 1 Totals by resource type</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	130,351	129,872
Funds from Portfolio Agency	12,500	13,500
Revenues from other independent sources	17,726	16,526
<b>Total expenses for Outcome 1</b>	<b>160,577</b>	<b>159,898</b>
	2012-13	2013-14
<b>Average Staffing Level (number)</b>	<b>204</b>	<b>204</b>

### Contributions to Outcome 1

#### Programme 1. Supporting Outcome 1

#### Programme 1 Objective

Refer to Outcome 1 Strategy and component objectives for further information

Table 2.2 provides a breakdown of programme 1 expenses by component.

**Table 2.2: Programme 1 Expenses by Component**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b><u>1.1.1 - Component 1 - Grow Demand</u></b>					
Annual departmental expenses:					
Programme Support	135,986	135,411	135,215	134,870	138,189
Total component expenses	<b>135,986</b>	<b>135,411</b>	<b>135,215</b>	<b>134,870</b>	<b>138,189</b>
<b><u>1.1.2 - Component 2 - Industry Development</u></b>					
Annual departmental expenses:					
Programme Support	24,591	24,487	24,452	24,389	22,458
Total component expenses	<b>24,591</b>	<b>24,487</b>	<b>24,452</b>	<b>24,389</b>	<b>22,458</b>
<b>Total programme expenses</b>	<b>160,577</b>	<b>159,898</b>	<b>159,667</b>	<b>159,259</b>	<b>160,647</b>

## Contributions to Outcome 1

### Component 1.1: Grow demand

#### Component 1.1 Objective

Identify and target best prospect consumers, and inspire them to travel to Australia. To focus activities and resources, utilise a dedicated market categorisation approach.

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Programme Support	135,986	135,411	135,215	134,870	138,189
<b>Total Component Expenses</b>	<b>135,986</b>	<b>135,411</b>	<b>135,215</b>	<b>134,870</b>	<b>138,189</b>

#### Component 1.1 Deliverables

##### *Leisure Consumer Marketing*

- Consumer behaviour research
- Monitoring of the effectiveness of strategies and programmes against defined KPIs
- Continued roll-out of the There's nothing like Australia campaign across all major markets.
- Integration of Restaurant Australia positioning into marketing activities in all markets under the There's nothing like Australia umbrella.

- Cooperative campaigns and activities with industry partners to leverage marketing opportunities that align with the destination Australia brand and promote the best of what Australia has to offer.
- Integrated and compelling marketing to stimulate target markets, including brand advertising and promotions, digital programmes, public relations, International Media Hosting Programme, media content development, cooperative promotions, consumer events and advocacy programmes.
- Search engine marketing to lift Australia.com ranking.
- Australian story-telling content and applications, including social media.
- Launch of a new version of Australia.com that will enhance consumers' online experience of what Australia has to offer as a tourism destination.

*Business Events Marketing*

- Business-to-business marketing activity to promote Australia as a business events destination, including trade events, buyer and agent familiarisation visits, direct marketing and public relations campaigns, advocacy, marketing toolkit and stakeholder relations.
- Continued embedding of There's nothing like Australia for Business Events.
- Development and management of the Business Events Australia website.

Key Performance Indicators	2013-14 Actual	2014-15 Budget Target	2015-16 Target for Forward year 1	2016-17 Target for Forward year 2	2017-18 Target for Forward year 3
Total Overnight Tourism Spend (all purposes)	\$80.4B (year ended Dec2013)	5% increase on base (year ended Dec2014)	5% increase on previous (year ended Dec2015)	6% increase on previous (year ended Dec2016)	7% increase on previous (year ended Dec2017)
Total Spend by visitors from TA Target Markets (all purposes, excluding rest of world)	\$23.3 B (year ended Dec2013)	10.2% increase on base (year ended Dec2014)	11.8% increase on previous (year ended Dec2015)	12.8% increase on previous (year ended Dec2016)	13.8% increase on previous (year ended Dec2017)
NB. Compound growth					

## Component 1.2 Industry Development

### Component 1.2 Objective

An Australian tourism industry that is competitive and sustainable and delivers on the needs of the target customer.

	2013-14 Revised budget	2014-15 Budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
Deliverables					
Programme Support	24,591	24,487	24,452	24,389	22,458
<b>Total Component Expenses</b>	<b>24,591</b>	<b>24,487</b>	<b>24,452</b>	<b>24,389</b>	<b>22,458</b>

### Component 1.2 Deliverables

#### *Participation in Tourism 2020 Strategic Groups*

- Research Advisory Board.
- Grow Demand from Asia.
- Encourage Investment and Implement Regulatory Reform.
- Ensure Tourism Transport Environment Supports Growth.
- Increase supply of labour and skills and Indigenous participation – targeted role.

#### *Promotion of Indigenous Tourism*

- Partner with Indigenous Business Australia to deliver the Indigenous Tourism Champions Programme, promoting Australia's top Indigenous tourism product; and promotion of indigenous experiences through Tourism Australia's consumer marketing activities.

#### *Promotion of Australia's National Landscapes*

- Partner with Parks Australia to market Australia's National Landscapes and encourage interest and visitation.

#### *Dissemination of insights on the global target customer*

- Delivery of an annual conference, regular Industry Briefings and communications.

#### *Engagement of stakeholders*

- Continued implementation of a dedicated communications plan to deliver awareness and understanding of Tourism Australia strategies; and monitoring of stakeholder participation and satisfaction with Tourism Australia's initiatives.

#### *Support attraction of investment in tourism infrastructure, products and services*

- Share research on the target customer to provide insight into investment and

development required to meet the needs of the target customer. This work will be undertaken in partnership with Austrade and stakeholders and governments across Australia.

*Support access to Australia, by assisting existing and new route development and addressing visa access issues*

- Undertake analysis of industry and aviation conditions and provide insights to key stakeholders to assist strategic decision-making.
- Work with airports and state and territory tourism organisations to support new route development.
- Participate in the Australian government Tourism Access Working Group (TAWG) and contribute to air service bilateral negotiations.
- Work to resolve high-level issues that are impediments to growth, including issues around visa access.

*Trade Events*

- Coordinate and deliver trade events for Australian tourism businesses to showcase their products and do business with the global distribution network.
- Delivery of a annual conference, regular industry briefings and communications.
- Manage Australia's premier trade event – the Australian Tourism Exchange (ATE) – and profile Tourism Australia and industry partners.

*Trade Development*

- Recruit and train travel agents through the 'Aussie Specialist Programme'.
- Deliver product information and events for the Aussie Specialist Programme through coordination with state and territory tourism organisations.

*Lead enhanced national co-ordination of distribution activities*

- Continue to work with state and territory tourism organisations to clearly define roles and responsibilities in international markets.
- Collect and build evidence of the shared benefits of a unified approach when going to market.

*Tourism Australia Budget Statements*

Key Performance Indicators	2013-14	2014-15	2015-16	2016-17	2017-18
	Actual	Budget	Target for	Target for	Target for
Deliverables		Target	Forward year 1	Forward year 2	Forward year 3
Key Stakeholder Satisfaction: % of stakeholders indicating that Tourism Australia helps them with their business (% rated excellent, very good or good)	79% of key stakeholders	>75% of key stakeholders	>75% of key stakeholders		
Key Partner Satisfaction: % of key partners indicating that Tourism Australia helps them with their business	first time measure will be collected	>65% of key stakeholders	>65% of key stakeholders		

## **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 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of Administered Funds Between Years**

This statement is not applicable, as Tourism Australia has no administered funding.

#### **3.1.2 Special Accounts**

This statement is not applicable, as Tourism Australia has no special accounts.

### 3.1.3 Australian Government Indigenous Expenditure

**Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)**

Outcome	Appropriations				Other	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000		
<b>Tourism Australia</b>						
<b>Outcome 1</b>						
Departmental 2014-15	500	-	-	500	-	500
<i>Departmental 2013-14</i>	<i>500</i>	<i>-</i>	<i>-</i>	<i>500</i>	<i>-</i>	<i>500</i>
Total outcome 2014-15	500	-	-	500	-	500
<i>Total outcome 2013-14</i>	<i>500</i>	<i>-</i>	<i>-</i>	<i>500</i>	<i>-</i>	<i>500</i>
<b>Total AGIE 2014-15</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>500</b>
<i>Total AGIE 2013-14</i>	<i>500</i>	<i>-</i>	<i>-</i>	<i>500</i>	<i>-</i>	<i>500</i>



## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

Tourism Australia has no significant differences between the resource information presented in the Budget Papers and in the Portfolio Budget Statements as a result of differences between whole of government level reporting (under Australian Accounting Standard 1049) and entity level financial reporting.

### **3.2.2 Analysis of Budgeted Financial Statements**

Total operating revenue for 2014-15 is estimated at \$159.9 million and is made up of government appropriations of \$129.9 million, Asian Marketing Fund from government of \$13.5m and revenue from other sources of \$16.5 million. The total revenue decreases by \$0.7 million from the 2013-14 estimated actual of \$160.6 million.

The change includes:

- Appropriation for 2014-15 reflects normal level of funding for Tourism Australia adjusted for the efficiency dividend.
- Impact of wage cost index applied to appropriations.
- Asian Marketing Fund receipts of \$13.5 million.

Corresponding total expenses are also estimated to be \$159.9 million, a decrease of \$0.7 million from the 2013-14 estimated actual of \$160.6 million.

#### **Departmental – Balance Sheet**

Tourism Australia is budgeting a net asset position of \$25.1 million which is in line with our net asset position from the 2013-14 estimated actual. Net assets are projected to remain the same beyond 2013-14.

### 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
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	27,416	28,788	29,500	30,248	31,000
Supplier expenses	121,927	119,876	121,434	120,278	120,914
Depreciation and amortisation	4,500	4,500	4,500	4,500	4,500
Finance costs	33	33	33	33	33
Other	6,701	6,701	4,200	4,200	4,200
<b>Total expenses</b>	<b>160,577</b>	<b>159,898</b>	<b>159,667</b>	<b>159,259</b>	<b>160,647</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Interest	2,000	1,800	1,800	1,800	1,800
Other Government Revenue (AMF)	12,500	13,500	14,000	14,000	14,000
Other Revenue	15,726	14,726	14,726	14,726	14,726
<b>Total own-source revenue</b>	<b>30,226</b>	<b>30,026</b>	<b>30,526</b>	<b>30,526</b>	<b>30,526</b>
<b>Total own-source income</b>	<b>30,226</b>	<b>30,026</b>	<b>30,526</b>	<b>30,526</b>	<b>30,526</b>
<b>Net cost of (contribution by) services</b>	<b>130,351</b>	<b>129,872</b>	<b>129,141</b>	<b>128,733</b>	<b>130,121</b>
Appropriation from Government	130,351	129,872	129,141	128,733	130,121
<b>Surplus (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*Tourism Australia Budget Statements*

<b>Note: Reconciliation of comprehensive income attributable to the agency</b>					
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Total Comprehensive Income</b>					
<b>(loss) Attributable to the</b>					
<b>Australian Government</b>	-	-	-	-	-
plus non-appropriated expenses					
depreciation and amortisation					
expenses	4,500	4,500	4,500	4,500	4,500
<b>Total Comprehensive Income</b>					
<b>(loss) Attributable to the</b>					
<b>agency</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>

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
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	21,749	22,649	22,649	22,616	22,616
Trade and other receivables	5,560	5,560	5,560	5,560	5,560
<b>Total financial assets</b>	<b>27,309</b>	<b>28,209</b>	<b>28,209</b>	<b>28,176</b>	<b>28,176</b>
<b>Non-financial assets</b>					
Land and buildings	4,488	4,488	4,488	4,488	4,488
Property, plant and equipment	599	599	299	299	299
Intangibles	6,990	6,990	7,290	7,290	7,290
Other	2,802	2,802	2,802	2,802	2,802
<b>Total non-financial assets</b>	<b>14,879</b>	<b>14,879</b>	<b>14,879</b>	<b>14,879</b>	<b>14,879</b>
Assets held for sale	-	-	-	-	-
<b>Total assets</b>	<b>42,188</b>	<b>43,088</b>	<b>43,088</b>	<b>43,055</b>	<b>43,055</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	6,250	7,150	7,150	7,117	7,117
Other	5,794	5,794	5,794	5,794	5,794
<b>Total payables</b>	<b>12,044</b>	<b>12,944</b>	<b>12,944</b>	<b>12,911</b>	<b>12,911</b>
<b>Provisions</b>					
Employee provisions	4,103	4,103	4,103	4,103	4,103
Other	897	897	897	897	897
<b>Total provisions</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<b>Total liabilities</b>	<b>17,044</b>	<b>17,944</b>	<b>17,944</b>	<b>17,911</b>	<b>17,911</b>
<b>Net assets</b>	<b>25,144</b>	<b>25,144</b>	<b>25,144</b>	<b>25,144</b>	<b>25,144</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	1,543	1,543	1,543	1,543	1,543
Reserves	1,844	1,844	1,844	1,844	1,844
Retained surplus (accumulated deficit)	21,757	21,757	21,757	21,757	21,757
<b>Total parent entity interest</b>	<b>25,144</b>	<b>25,144</b>	<b>25,144</b>	<b>25,144</b>	<b>25,144</b>
<b>Attributed to Non-Controlling Interest*</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained earnings	-	-	-	-	-
<b>Total non-controlling interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>25,144</b>	<b>25,144</b>	<b>25,144</b>	<b>25,144</b>	<b>25,144</b>

**Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2014-15)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2014</b>				
Balance carried forward from previous period	21,757	1,844	1,543	25,144
Adjustment for changes in accounting policies	-	-	-	-
<b>Adjusted opening balance</b>	<b>21,757</b>	<b>1,844</b>	<b>1,543</b>	<b>25,144</b>
<b>Comprehensive income</b>				
Other comprehensive income	-	-	-	-
Surplus (deficit) for the period	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:				
Attributable to the Australian Government	-	-	-	-
<b>Estimated closing balance as at 30 June 2015</b>	<b>21,757</b>	<b>1,844</b>	<b>1,543</b>	<b>25,144</b>
Less: non-controlling interests *	-	-	-	-
<b>Closing balance attributable to the Australian Government</b>	<b>21,757</b>	<b>1,844</b>	<b>1,543</b>	<b>25,144</b>

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
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	130,351	129,872	129,141	128,733	130,121
Interest	2,000	1,800	1,800	1,800	1,800
Other	30,810	30,680	29,919	28,726	28,726
<b>Total cash received</b>	<b>163,161</b>	<b>162,352</b>	<b>160,860</b>	<b>159,259</b>	<b>160,647</b>
<b>Cash used</b>					
Employees	27,416	28,788	29,500	30,248	31,000
Suppliers	129,178	121,430	122,627	120,311	120,947
Other	6,701	7,634	4,233	4,200	4,200
<b>Total cash used</b>	<b>163,295</b>	<b>157,852</b>	<b>156,360</b>	<b>154,759</b>	<b>156,147</b>
<b>Net cash from (used by) operating activities</b>	<b>(134)</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	7,197	4,500	4,500	4,500	4,500
<b>Total cash used</b>	<b>7,197</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>
<b>Net cash from (used by) investing activities</b>	<b>(7,197)</b>	<b>(4,500)</b>	<b>(4,500)</b>	<b>(4,500)</b>	<b>(4,500)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Retained Surplus	2,697	-	-	-	-
<b>Total cash received</b>	<b>2,697</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>2,697</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>(4,634)</b>	<b>900</b>	<b>-</b>	<b>(33)</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	26,383	21,749	22,649	22,649	22,616
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>21,749</b>	<b>22,649</b>	<b>22,649</b>	<b>22,616</b>	<b>22,616</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	2,697	-	-	-	-
<b>Total capital appropriations</b>	<b>2,697</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Other Items	2,697	-	-	-	-
<b>Total Items</b>	<b>2,697</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	2,697	-	-	-	-
departmental resources	4,500	4,500	4,500	4,500	4,500
<b>TOTAL</b>	<b>7,197</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>
<b>RECONCILIATION OF CASH</b>					
<b>USED TO ACQUIRE ASSETS</b>					
<b>TO ASSET MOVEMENT TABLE</b>					
Total purchases	7,197	4,500	4,500	4,500	4,500
<b>Total cash used to acquire assets</b>	<b>7,197</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>				
Gross book value	7,797	4,729	37,279	49,805
Accumulated depreciation/amortisation and impairment	(3,309)	(4,130)	(30,289)	(37,728)
<b>Opening net book balance</b>	<b>4,488</b>	<b>599</b>	<b>6,990</b>	<b>12,077</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - other	500	100	3,900	4,500
<b>Total additions</b>	<b>500</b>	<b>100</b>	<b>3,900</b>	<b>4,500</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(500)	(100)	(3,900)	(4,500)
<b>Total Other Movement</b>	<b>(500)</b>	<b>(100)</b>	<b>(3,900)</b>	<b>(4,500)</b>
<b>As at 30 June 2015</b>				
Gross book value	8,375	4,829	41,179	54,383
Accumulated depreciation/amortisation and impairment	(3,887)	(4,230)	(34,189)	(42,306)
<b>Closing net book balance</b>	<b>4,488</b>	<b>599</b>	<b>6,990</b>	<b>12,077</b>

Prepared on Australian Accounting Standards basis.



### **3.2.4 Notes to the Financial Statements**

The financial statements have been prepared in accordance with:

- Finance minister's Orders; and
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board.

Assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets and liabilities can be reliably measured.

Revenues and expenses are recognised in the income statement when and only when the flow or consumption or loss of economic benefit has occurred and can be reliably measured.

The analysis of budgeted financial statements provides an overview of the key elements of Tourism Australia's financial statements, including variations in major aggregates from actual of 2013-14 to budget estimate of 2014-15.



## PORTFOLIO GLOSSARY

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

## Glossary

Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness indicators	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

	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.