

# **Department of Foreign Affairs and Trade (DFAT)**

**Entity resources and planned  
performance**



# DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

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# DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

## Section 1: Entity 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 2015-16, the department will work to make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to global stability and economic growth, particularly in the Indo-Pacific region.

Australia has global interests, with a strong focus on the Indo-Pacific region. Strengthening Australia's key regional partnerships will be a priority for the department. The engagement of the United States in the Indo-Pacific provides major security and economic benefits to the region, and to Australia. Through Australia's alliance with the United States, and extensive economic ties, the department will work to strengthen the relationship and support the US contribution to regional and global security and prosperity.

The department will work to strengthen Australia's partnerships with Japan, China and the Republic of Korea, building on shared strategic perspectives and implementing the new free trade agreements. The department has worked with Indonesian agencies across a range of issues, including on regional security, trade and investment, economic growth and development challenges. Following the successful reciprocal Prime Ministerial visits in 2014, the department will continue to enhance Australia's strategic and economic relationship with India, including by working to conclude the Comprehensive Economic Cooperation Agreement (CECA).

It is in Australia's interest to have secure, stable and prosperous neighbours, including in the Pacific. The department will drive Australia's comprehensive engagement with Papua New Guinea (PNG) to strengthen the bilateral strategic, economic and business partnership. The Pacific Leadership and Governance Precinct initiative to strengthen PNG public sector leadership will be a priority. Australia will promote continued peace and development in PNG's Bougainville.

Australia will continue to normalise bilateral relations with Fiji and strengthen relations with other Pacific island countries. As the drawdown of the Regional Assistance Mission to Solomon Islands (RAMSI) continues out to mid-2017, the

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department will work to enhance Australia's engagement with the Solomon Islands. Further deepening of Australia's close relationship with New Zealand and our cooperation in the Pacific will be a priority.

Australia will continue to strengthen partnerships bilaterally with the nations of Southeast Asia and regionally through the Association of Southeast Asian Nations (ASEAN). The department will leverage new economic partnerships in the region through the aid program, including with Indonesia, the Philippines and Vietnam. DFAT will continue efforts to strengthen the East Asia Summit (EAS) and build support for increased regional cooperation on maritime issues and countering violent extremism. The department will work closely with the Philippines, the 2015 Asia-Pacific Economic Cooperation (APEC) host, and Peru, the 2016 host, to support APEC in promoting economic growth and prosperity in the region.

The New Colombo Plan is deepening Australia's relationships in the Indo-Pacific by offering undergraduate students opportunities for scholarships and grants for study and internships/mentorships in the region. Operating in 38 locations, more than 4,800 grants will be offered in 2016 as the program expands to enable more students to live, study and work in the Indo-Pacific.

The department will continue to support whole-of-government efforts to prevent people-smuggling, and engage with key countries on related returns and resettlement initiatives in support of Operation Sovereign Borders.

The department will support cooperation in the Indian Ocean region through the Indian Ocean Rim Association (IORA), which Australia chairs until October 2015. As part of the MIKTA grouping (Mexico, Indonesia, Korea, Turkey and Australia), Australia will discuss global issues of common interest, and strategies to enhance bilateral and plurilateral ties.

The department will work 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. Following the conclusion of negotiations for a Framework Agreement with the European Union, the department will further enhance relations, including exploration of a possible free trade agreement (FTA). The department will facilitate continued cooperation with Ukraine, including on the international investigations on the downing of Malaysia Airlines Flight MH17.

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

Through the measure *Australia's embassy in Baghdad – continuation*, the department will maintain Australia's diplomatic presence in Iraq to pursue bilateral engagement and support Australia's participation in the international coalition to assist Iraq to combat the terrorist group, Daesh. The department will also support Australian Government efforts to stop Australians joining terrorist networks and travelling overseas to become foreign fighters.

Through the measure *Australia's diplomatic engagement in Afghanistan – continuation*, the department will support Australia's continuing engagement with Afghanistan, including as part of the NATO-led 'Resolute Support' mission.

Australia depends on open and transparent international markets for jobs and economic growth. DFAT is leading the economic diplomacy agenda which is driven by the core objectives of trade, growth, investment and business. It applies across the department's work, drawing together foreign, trade, investment, tourism and development policies and leveraging our international networks and diplomatic assets.

The department will continue to support the implementation of recently concluded FTAs with the Republic of Korea, Japan and China. Through the measure *Free Trade Agreement Promotion*, the department and Austrade will communicate the practical commercial opportunities and other benefits of these FTAs to Australian businesses. The department will continue to leverage the benefits of existing FTAs with countries in South-East Asia, New Zealand, the United States and Chile.

The department will work towards the timely conclusion of the CECA with India, and to progress closer economic relations with Indonesia. It will also work to conclude the Trans Pacific Partnership (involving twelve Pacific-rim members), and to progress negotiations with the Gulf Cooperation Council, the Regional Comprehensive Economic Partnership (involving ASEAN, China, India, Japan, the Republic of Korea and New Zealand), and the Pacific island countries and New Zealand through the Pacific Agreement on Closer Economic Relations – PACER Plus. The department will also explore opportunities for new FTAs.

Australia is committed to the pursuit of global trade reform. The department will work to progress negotiations in the Doha Round, including through participation at the Tenth World Trade Organisation (WTO) Ministerial Conference (MC10) in December 2015. DFAT will support a stronger, more competitive Australian agriculture and agribusiness sector by pushing for agricultural trade reform in the WTO, including through the Cairns Group and seek to unlock new opportunities for exports of manufactures, services, and mineral and energy products. Australia will also provide leadership in major plurilateral negotiations, including the Trade in Services Agreement that Australia co-chairs, which will further liberalise global services trade and the Environmental Goods Agreement, which Australia also chairs.

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DFAT will continue to implement the Government's development policy *Australian aid: promoting prosperity, reducing poverty, enhancing stability*. The aid program's purpose is to promote Australia's national interests by contributing to sustainable economic growth and poverty reduction. The program is focused on supporting private sector development and strengthening human development.

The department will work to make Australian aid more innovative and catalytic, by leveraging other drivers for development such as private sector investment and domestic finance. A new development hub, the *innovationXchange*, based in DFAT, is engaging creative thinkers from inside and outside the public sector, from Australia and overseas, to look at new ways to deliver aid.

Australia will continue to support its developing country partners, but will adopt an approach that acknowledges the different development trajectories of the Pacific and growing Asia. Australia will maintain a leadership role through our aid program to the Pacific and respond to the needs identified in each country. In most of Asia, where economic growth and poverty reduction have continued apace, Australian aid will be targeted primarily toward leveraging domestic capacity and resources.

Gender equality and women and girls' empowerment will be addressed across the aid program. Expenditure on aid for trade will be increased to 20 per cent of official development assistance (ODA) by 2020 and will include investments in economic infrastructure, agriculture, fisheries and other productive capacity.

The department will continue to support countries that have been affected by natural disasters, including Vanuatu in the wake of Cyclone Pam and Nepal after the earthquake. We will also work to reduce risks from, prepare for and respond to crises, particularly within the Indo-Pacific region.

The department will apply the new aid program performance framework, *Making Performance Count*, to strengthen the link between funding and performance at all levels of the program and ensure a stronger focus on results and value for money.

Australia has finished its term on the United Nations Security Council but the department will remain actively involved in the United Nations system to pursue Australia's interests. DFAT will work for Australia's election to the Human Rights Council for the 2018-20 term. As well as promoting Australia's interests in advancing global environmental sustainability in multilateral forums, the department will 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.



Australia will work within the Group of Twenty (G20) to deliver substantial actions agreed during its 2014 presidency including, lifting global growth and job opportunities and making the global economy more resilient. Australia will remain in the G20 troika of immediate past, present and future hosts, alongside Turkey and China (2016 host) until 1 December 2015.

The department will continue to work to counter the proliferation of nuclear weapons, constrain the illicit arms trade, and counter terrorism. It will pursue non-proliferation and disarmament objectives related to Iran and the Democratic People's Republic of Korea. The department will expand our network of bilateral cyber policy dialogues to include India as well as China, Japan and the Republic of Korea, contribute to the Government's review of cyber security, and support work to elaborate how international law applies to state behaviour in cyberspace. The department will also contribute to EU-initiated efforts to finalise and promote adherence to the proposed International Code of Conduct for Outer Space Activities.

Through public diplomacy, the department will advance initiatives that promote Australia's economic, artistic and cultural, sporting, scientific and education assets and underline Australia's credentials as a destination for business, investment, tourism and study, and emphasise Australia's engagement with the Indo-Pacific region. A new sports diplomacy strategy will capitalise on Australia's sporting assets and expertise to promote Australia's diplomatic, development and economic interests.

The delivery of high quality consular services is one of the department's foreign policy priorities. A new three-year Consular Strategy will drive improved effectiveness in the delivery of consular services and enhanced public messaging. The department will also promote safe travel messages through accurate and timely travel advice, including through the Smartraveller campaign. The department will sustain its 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. The new 'P-series' passport, introduced in 2014, includes enhanced security measures. The department is also working to develop a new Australian travel document issuance system which will deliver increased processing capability, improved client services and enhanced fraud and investigation controls.

Australia's diplomatic footprint will expand through the measure *Expanding Australia's Diplomatic Footprint*. The department will establish five new posts in Makassar (Indonesia), Phuket (Thailand), Buka (Papua New Guinea), Doha (Qatar) and Ulaanbaatar (Mongolia). New posts in Makassar, Doha and Ulaanbaatar will advance trade and investment opportunities for Australia. A consulate in Phuket will help manage Australia's significant consular load while a new post in Buka will provide greater focus for Australia's development assistance to Bougainville.

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The security and safety of Australian Government personnel and their dependants overseas, together with the security of its missions, will remain a high priority for the department in an increasingly unpredictable, and often worsening, international security environment. This will require the implementation and maintenance of comprehensive and effective strategic risk mitigation strategies and operational security measures.

The department will continue its efforts to build a more resilient, flexible and cohesive organisation that can better deliver the Government's agenda. The department will implement its first workforce plan as a tool to improve its capabilities to meet Australia's foreign, trade and economic, international security, development and consular challenges. The department will continue to implement changes required by the Public Governance, Performance and Accountability (PGPA) Act, including enhancements to the Commonwealth performance framework. The department will implement a new approach to risk management which will encourage staff to engage with risk in a positive way to improve policy development and service delivery. The department will also continue to support the Government's deregulation agenda through streamlining, where possible, its engagement with Australian individuals, business and the not-for-profit sector.

## 1.2 ENTITY 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 2015-16 as at Budget May 2015**

	<i>Actual Available Appropriation 2014-15</i>	Estimate of prior year amounts available in 2015-16	Proposed at 2015-16 Budget	Total 2015-16 estimate
	\$'000	\$'000	\$'000	\$'000
<b>Ordinary annual services (a)</b>				
<b>Departmental appropriation</b>				
Prior year appropriations (b)	433,050	369,384	-	369,384
Departmental appropriation (c)	1,377,316	-	1,399,990	1,399,990
s74 Retained revenue receipts (d)	81,599	-	81,599	81,599
<b>Total</b>	<b>1,891,965</b>	<b>369,384</b>	<b>1,481,589</b>	<b>1,850,973</b>
<b>Administered expenses</b>				
Outcome 1 (e)	4,530,015	392,637	3,579,158	3,971,795
Outcome 2	750	-	750	750
Payments to corporate entities (f)	138,865	-	137,290	137,290
<b>Total</b>	<b>4,669,630</b>	<b>392,637</b>	<b>3,717,198</b>	<b>4,109,835</b>
<b>Total ordinary annual services [A]</b>	<b>6,561,595</b>	<b>762,021</b>	<b>5,198,787</b>	<b>5,960,808</b>
<b>Departmental non-operating</b>				
Prior year appropriations (b)	84,497	170,997	-	170,997
Equity injections (g)	120,920	-	205,241	205,241
<b>Total</b>	<b>205,417</b>	<b>170,997</b>	<b>205,241</b>	<b>376,238</b>
<b>Administered non-operating</b>				
Prior year appropriations (b)	2,530,391	2,207,765	-	2,207,765
Administered assets and liabilities	212,698	-	13,527	13,527
<b>Total</b>	<b>2,743,089</b>	<b>2,207,765</b>	<b>13,527</b>	<b>2,221,292</b>
<b>Total other services [B]</b>	<b>2,948,506</b>	<b>2,378,762</b>	<b>218,768</b>	<b>2,597,530</b>
<b>Total available annual appropriations [A+B]</b>	<b>9,510,101</b>	<b>3,140,783</b>	<b>5,417,555</b>	<b>8,558,338</b>

*Table continued on the following page.*

**Table 1.1: Department of Foreign Affairs and Trade resource statement — Budget estimates for 2015-16 as at Budget May 2015 (continued)**

	<i>Actual Available Appropriation 2014-15</i>	<i>Estimate of prior year amounts available in 2015-16</i>	<i>Proposed at 2015-16 Budget</i>	<i>Total 2015-16 estimate</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<b>Special appropriations</b>				
<b>Special appropriations limited by criteria/entitlement</b>				
Public Governance, Performance and Accountability Act 2013 - s77 (h) Passport Refunds	1,010	-	1,010	1,010
<b>Total special appropriations [C]</b>	<b>1,010</b>	<b>-</b>	<b>1,010</b>	<b>1,010</b>
<b>Total appropriations excluding special accounts</b>	<b>9,511,111</b>	<b>3,140,783</b>	<b>5,418,565</b>	<b>8,559,348</b>
<b>Special accounts</b>				
Opening balance (i)	281,327	153,078	949	154,027
Appropriation receipts (j)	61,728	-	65,765	65,765
Appropriation receipts - other entities (k)	23,780	-	24,271	24,271
Non-appropriation receipts to Special Accounts	6,456	-	5,540	5,540
<b>Total special accounts [D]</b>	<b>373,291</b>	<b>153,078</b>	<b>96,525</b>	<b>249,603</b>
<b>Total resourcing [A+B+C+D]</b>	<b>9,884,402</b>	<b>3,293,861</b>	<b>5,515,090</b>	<b>8,808,951</b>
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or payments to corporate entities through annual appropriations	(61,728)	-	(65,765)	(65,765)
	(138,865)	-	(137,290)	(137,290)
<b>Total net resourcing for DFAT</b>	<b>9,683,809</b>	<b>3,293,861</b>	<b>5,312,035</b>	<b>8,605,896</b>

(a) *Appropriation Bill (No. 1) 2015-16.*

(b) Estimated adjusted balance carried forward from previous year.

(c) Includes an amount of \$52.171m 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'.

(d) Estimated retained revenue receipts under section 74 of the PGPA Act.

(e) Includes an amount of \$2.325m for the Administered Capital Budget (refer to Table 3.2.10 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

(f) 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act 2013.

(g) *Appropriation Bill (No. 2) 2015-16.*

(h) Repayments not provided for under other appropriations. Amounts received on or before 30 June 2014 were repaid under section 28 of the *Financial Management and Accountability Act 1997*.

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

(j) Appropriation receipts from DFAT's annual and special appropriations for 2015-16 included above.

(k) Appropriation receipts from other entities credited to DFAT's special accounts.

Reader note: All figures are GST exclusive.

**Third party payments from and on behalf of other entities**

	2014-15 \$'000	2015-16 \$'000
Receipts received from other entities for the provision of services (disclosed above in s74 Retained revenue receipts section above)	81,599	81,599
Payments made to corporate entities within the Portfolio Tourism Australia Appropriation	138,865	137,290

### 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: Entity 2015-16 Budget measures**

**Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
<b>Revenue measures</b>						
Passport Fees and Charges - reforms	2.2					
Administered		-	1,716	4,959	5,025	5,430
<b>Total</b>		-	<b>1,716</b>	<b>4,959</b>	<b>5,025</b>	<b>5,430</b>
<b>Total revenue measures</b>						
Administered		-	1,716	4,959	5,025	5,430
Departmental		-	-	-	-	-
<b>Total</b>		-	<b>1,716</b>	<b>4,959</b>	<b>5,025</b>	<b>5,430</b>
<b>Expense measures</b>						
Expanding Australia's Diplomatic Footprint (a)	1.1, 2.1, 3.1					
Departmental expenses		-	10,705	16,329	17,771	16,938
<b>Total</b>		-	<b>10,705</b>	<b>16,329</b>	<b>17,771</b>	<b>16,938</b>
Australian embassy in Baghdad - continuation	1.1, 2.1, 3.1					
Departmental expenses		-	46,431	48,342	-	-
<b>Total</b>		-	<b>46,431</b>	<b>48,342</b>	-	-
Australia's diplomatic engagement in Afghanistan - continuation	1.1, 2.1, 3.1					
Departmental expenses		-	64,134	68,005	-	-
<b>Total</b>		-	<b>64,134</b>	<b>68,005</b>	-	-
Passport Fees and Charges - reforms	2.2					
Departmental expenses		-	-	-	10	42
<b>Total</b>		-	-	-	<b>10</b>	<b>42</b>
Free Trade Agreement Promotion	1.1					
Departmental expenses		-	1,239	1,419	-	-
<b>Total</b>		-	<b>1,239</b>	<b>1,419</b>	-	-

*Table continued on the following page.*

**Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Digital Transformation Agenda - portfolio contributions	1.1					
Departmental expenses		-	(581)	(581)	(581)	(582)
<b>Total</b>		-	<b>(581)</b>	<b>(581)</b>	<b>(581)</b>	<b>(582)</b>
Cadbury - redirection of grant funding	1.8					
Administered expenses		(4,000)	(8,000)	(4,000)	-	-
<b>Total</b>		<b>(4,000)</b>	<b>(8,000)</b>	<b>(4,000)</b>	-	-
<b>Total expense measures</b>						
Administered		(4,000)	(8,000)	(4,000)	-	-
Departmental		-	121,928	133,514	17,200	16,398
<b>Total</b>		<b>(4,000)</b>	<b>113,928</b>	<b>129,514</b>	<b>17,200</b>	<b>16,398</b>
<b>Capital measures</b>						
Expanding Australia's Diplomatic Footprint	3.1, 3.2					
Departmental capital		-	20,681	15,498	203	202
<b>Total</b>		-	<b>20,681</b>	<b>15,498</b>	<b>203</b>	<b>202</b>
Australian embassy in Baghdad - continuation	3.1					
Departmental capital		-	10,979	205	-	-
<b>Total</b>		-	<b>10,979</b>	<b>205</b>	-	-
Australia's diplomatic engagement in Afghanistan - continuation	3.1					
Departmental capital		-	5,011	1,286	-	-
<b>Total</b>		-	<b>5,011</b>	<b>1,286</b>	-	-
Washington Chancery - construction	3.2					
Capital expenses from the Overseas Property Special Account		-	696	9,425	30,789	36,214
<b>Total</b>		-	<b>696</b>	<b>9,425</b>	<b>30,789</b>	<b>36,214</b>

Table continued on the following page.

**Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Bangkok and Jakarta Chanceries - divestment	3.2					
Overseas Property Special Account		-	nfp	nfp	nfp	nfp
<b>Total</b>		-	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>
Total capital measures						
Departmental		-	36,671	16,989	203	202
Overseas Property Special Account		-	696	9,425	30,789	36,214
<b>Total</b>		-	<b>37,367</b>	<b>26,414</b>	<b>30,992</b>	<b>36,416</b>

(a) Measure includes payments to Overseas Property Office of \$0.462m which does not impact on fiscal or underlying cash balance.

nfp – not for publication.

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 entities achieve the intended results of their outcome statements. Entities 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 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 priorities**

#### Outcome 1 strategy

The department will assist the Government to meet its foreign, trade and investment, development and international security policy priorities over 2015-16 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 Australian prosperity and global prosperity;
- contributing to national prosperity by maximising Australia's trade opportunities and market access gains through multilateral, regional and bilateral means;
- assisting developing countries by contributing to sustainable economic growth and poverty reduction, particularly in the Indo-Pacific region, through support to private sector development and strengthening human development;
- 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 fora;

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- promoting and strengthening regional and global cooperation and governance in countering terrorism, people smuggling, human trafficking 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.

**Table 2: Changes to the outcome and programme structures since the last portfolio statement**

Programme No.	Programme title	Description of change
1.1	Foreign Affairs and Trade Operations	Includes Programme 1.4: International Climate Change Engagement Programme published in 2014-15 PBS
1.2	Official Development Assistance	New programme (Programme 1.2: ODA) created effective from 01 July 2015 which combines Programmes 1.9 to 1.14 as listed below
1.3	Official Development Assistance - Multilateral Replenishments	2014-15 PBS programme reference amended from 1.11
1.4	Official Development Assistance - East Asia AIPRD	2014-15 PBS programme reference amended from 1.8
1.5	Payments to International Organisations	2014-15 PBS programme reference amended from 1.2
1.6	New Colombo Plan - Transforming Regional Relationships	2014-15 PBS programme reference amended from 1.5
1.7	Public Information Services and Public Diplomacy	2014-15 PBS programme reference amended from 1.3
1.8	Programmes to Promote Australia's International Tourism Interests	2014-15 PBS programme reference amended from 1.14
1.9	Official Development Assistance - PNG & Pacific	New programme (Programme 1.2: ODA) has been created effective 01 July 2015 which combines the forward estimates of this programme. 2014-15 PBS programme reference is 1.6
1.10	Official Development Assistance - East Asia	New programme (Programme 1.2: ODA) has been created effective 01 July 2015 which combines the forward estimates of this programme. 2014-15 PBS programme reference is 1.7
1.11	Official Development Assistance - Africa, South and Central Asia, Middle East and Other	New programme (Programme 1.2: ODA) has been created effective 01 July 2015 which combines the forward estimates of this programme. 2014-15 PBS programme reference is 1.9
1.12	Official Development Assistance - Emergency, Humanitarian and Refugee Programme	New programme (Programme 1.2: ODA) has been created effective 01 July 2015 which combines the forward estimates of this programme. 2014-15 PBS programme reference is 1.10
1.13	Official Development Assistance - UN Commonwealth and Other International Organisations	New programme (Programme 1.2: ODA) has been created effective 01 July 2015 which combines the forward estimates of this programme. 2014-15 PBS programme reference is 1.12
1.14	Official Development Assistance - NGO, Volunteer and Community Programmes	New programme (Programme 1.2: ODA) has been created effective 01 July 2015 which combines the forward estimates of this programme. 2014-15 PBS programme reference is 1.13

**Outcome expense statement**

Table 2.1.1 provides an overview of the total expenses for Outcome 1, by programme.

**Table 2.1.1: 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>	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
<b>Programme 1.1: Foreign Affairs and Trade Operations</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	9,194	8,539
Other services (Appropriation Bill No. 2) (a)	212,033	13,452
Special accounts (b)	257,000	257,000
Departmental expenses		
Departmental appropriation (c)	616,464	665,161
Expenses not requiring appropriation in the Budget year (d)	38,857	38,855
<b>Total for programme 1.1</b>	<b>1,133,548</b>	<b>983,007</b>
<b>Programme 1.2: Official Development Assistance</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	3,105,723
Expenses not requiring appropriation in the Budget year	-	1,507
Other services (Appropriation Bill No. 2)	-	-
Departmental expenses		
Departmental appropriation (c)	231,898	230,823
Expenses not requiring appropriation in the Budget year (d)	17,168	16,612
<b>Total for programme 1.2</b>	<b>249,066</b>	<b>3,354,665</b>
<b>Programme 1.3: Official Development Assistance - Multilateral Replenishments</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	106,868	-
Other services (Appropriation Bill No. 2)	-	-
Expenses not requiring appropriation in the Budget year (e)	-	-
<b>Total for Programme 1.3</b>	<b>106,868</b>	<b>-</b>
<b>Programme 1.4: Official Development Assistance - East Asia AIPRD</b>		
Administered expenses		
AIPRD Loans Special Account (b)	19,282	-
AIPRD Loans Special Account 2015 (b)	18,775	-
<b>Total for Programme 1.4</b>	<b>38,057</b>	<b>-</b>
<b>Programme 1.5: Payments to International Organisations</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	328,421	415,804
<b>Total for Programme 1.5</b>	<b>328,421</b>	<b>415,804</b>

Table continued on the following page.

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

Outcome 1:	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
<b>Programme 1.6: New Colombo Plan - Transforming Regional Relationships</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	10,958	27,742
Other services (Appropriation Bill No. 2)	665	75
<b>Total for Programme 1.6</b>	<b>11,623</b>	<b>27,817</b>
<b>Programme 1.7: Public Information Services and Public Diplomacy</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	15,182	5,044
<b>Total for Programme 1.7</b>	<b>15,182</b>	<b>5,044</b>
<b>Programme 1.8: Programmes to Promote Australia's International Tourism Interests</b>		
Administered expenses		
Tourism Australia - Corporate Commonwealth Entity	138,865	137,290
Ordinary annual services (Appropriation Bill No. 1)	22,590	14,000
<b>Total for Programme 1.8</b>	<b>161,455</b>	<b>151,290</b>
<b>Programme 1.9: Official Development Assistance - PNG &amp; Pacific (f)</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	918,607	-
<b>Total for Programme 1.9</b>	<b>918,607</b>	<b>-</b>
<b>Programme 1.10: Official Development Assistance - East Asia (f)</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,053,144	-
<b>Total for Programme 1.10</b>	<b>1,053,144</b>	<b>-</b>
<b>Programme 1.11: Official Development Assistance - Africa, South and Central Asia, Middle East and Other (f)</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,011,039	-
Expenses not requiring appropriation in the Budget year	1,507	-
<b>Total for Programme 1.11</b>	<b>1,012,546</b>	<b>-</b>
<b>Programme 1.12: Official Development Assistance - Emergency, Humanitarian and Refugee Programme (f)</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	292,886	-
<b>Total for Programme 1.12</b>	<b>292,886</b>	<b>-</b>
<b>Programme 1.13: Official Development Assistance - UN Commonwealth and Other International Organisations (f)</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	552,600	-
<b>Total for Programme 1.13</b>	<b>552,600</b>	<b>-</b>

*Table continued on the following page.*

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

Outcome 1:	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
<b>Programme 1.14: Official Development Assistance - NGO, Volunteer and Community Programmes (f)</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	203,972	-
<b>Total for Programme 1.14</b>	<b>203,972</b>	<b>-</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	4,525,461	3,576,852
Corporate Commonwealth Entity	138,865	137,290
Other services (Appropriation Bill No. 2)	212,698	13,527
Special Accounts	295,057	257,000
Expenses not requiring appropriation in the Budget year	1,507	1,507
Departmental expenses		
Departmental appropriation (a)	848,362	895,984
Expenses not requiring appropriation in the Budget year (c)	56,025	55,467
<b>Total expenses for Outcome 1</b>	<b>6,077,975</b>	<b>4,937,627</b>
	2014-15	2015-16
<b>Average staffing level (number)</b>	<b>3,762</b>	<b>3,772</b>

(a) Includes payments for the Debt-to-Health Swap with the Government of Indonesia of \$12.0 million in 2014-15 and \$13.4 million in 2015-16.

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

(c) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

(d) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses, audit fees.

(e) Expenses not requiring appropriation in the Budget year relates to the concessional investment discount for the discounting of the investment component for the International Development Association and Asian Development Fund.

(f) A new programme (Programme 1.2: Official Development Assistance) has been created effective from 01 July 2015 which combines the forward estimates of these programmes.

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: 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 investment, tourism, 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.

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<b>Programme expenses</b>					
	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Foreign Affairs and Trade Operations					
Export Finance and Insurance Corporation (EFIC) - National Interest Account Expenses	3,116	2,076	1,300	1,300	1,300
International Climate Change Engagement (a)	3,000	3,000	3,000	3,000	3,000
Personal Benefits - Locally Engaged Staff pension schemes	2,512	2,872	2,801	2,903	2,908
Other Administered Items	566	591	618	647	647
Other services (Appropriation Bill No. 2)					
Capital Injection for EFIC	200,000	-	-	-	-
Special Account Expenses					
Administered Payments and Receipts for Other Entities	250,000	250,000	250,000	250,000	250,000
Services for Other Entities and Trust Moneys - Foreign Affairs and Trade Expositions	7,000	7,000	7,000	7,000	7,000
	-	-	-	-	-
Annual departmental expenses:					
Foreign Affairs and Trade Operations	616,464	665,161	663,923	606,134	606,508
Expenses not requiring appropriation in the Budget year (b)					
Debt-to-Health Sw ap w ith Government of Indonesia	38,857	38,855	38,844	38,851	40,732
	12,033	13,452	15,027	-	-
<b>Total programme expenses</b>	<b>1,133,548</b>	<b>983,007</b>	<b>982,513</b>	<b>909,835</b>	<b>912,095</b>

(a) Includes previous Programme 1.4: International Climate Change Engagement Programme published in Portfolio Additional Estimates Statements 2014-15.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make-good expenses, and audit fees.



**Programme 1.1 deliverables**

- Australia's foreign, trade and investment, tourism, development, and international security policy interests and international standing are advanced through:
  - strengthened key international relationships, including a strong alliance and economic ties with the United States, and high-level political and economic engagement with Japan, China, India, the 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 normalisation of relations with Fiji 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 fora, advocacy of human rights, gender equality 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, Korea, Turkey and Australia);
  - promotion of high-quality public diplomacy, international media and cultural visit programs which improve understanding of Australia and Australian Government foreign and trade policies; and
  - measurable influence on the agenda of key multilateral tourism fora to align with the Australian Government's priorities under *Tourism 2020* and strengthen bilateral tourism relationships with important tourist markets such as China and India.

- Australia's trade and investment 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 Trans Pacific Partnership, Regional Comprehensive Economic Partnership and PACER Plus;
  - effective participation in the World Trade Organization (WTO), including working with other WTO Members to conclude the negotiations of the Doha Round, leadership of the Cairns Group of agricultural exporting countries, and to promote and defend Australia's interests through means such as WTO dispute settlement; and
  - implementing the WTO Agreement on Trade Facilitation, negotiating the Trade in Services Agreement, and negotiating the Environmental Goods Agreement.
- An enhanced environment for security and development, including through:
  - effective whole of government efforts to promote international stability and development;
  - 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 and human trafficking, including 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-government 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 to the diplomatic and consular corps in Australia, including the processing of agrément, visas and accreditation; provision of airport facilitation, tax concessions, and reciprocal working agreements; consideration of mission, post and office establishment; and management of privileges and immunities in accordance with 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: Official Development Assistance**

**Programme Objective**

- To promote Australia’s national interests by contributing to sustainable economic growth and poverty reduction.

**Programme expenses**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Official Development Assistance	-	3,105,723	2,935,547	3,308,173	3,360,130
Expenses not requiring appropriation in the Budget year (a)	-	1,507	1,489	1,489	2,440
Annual departmental expenses:					
Official Development Assistance	231,898	230,823	245,466	254,532	263,523
Expenses not requiring appropriation in the Budget year (a)	17,168	16,612	16,612	16,612	9,914
<b>Total programme expenses</b>	<b>249,066</b>	<b>3,354,665</b>	<b>3,199,114</b>	<b>3,580,806</b>	<b>3,636,007</b>

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make-good expenses, and audit fees.

**Programme 1.2 Deliverables**

- The Australian Government’s new development policy *Australian aid: promoting prosperity, reducing poverty, enhancing stability* is shaping the way we deliver our overseas development assistance. It focuses on two development outcomes: supporting private sector development and strengthening human development.
- Investments will be focused on priority areas:
  - infrastructure, trade facilitation and international competitiveness;
  - agriculture, fisheries and water;
  - effective governance through policies, institutions and functioning economies;
  - education and health;
  - building resilience through humanitarian assistance, disaster risk reduction and social protection; and
  - gender equality and empowering women and girls.

**Programme 1.2 Key Performance Indicators**

- Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program's performance framework, *Making Performance Count*.
- Detailed reporting against the performance framework, including individual program and investment performance, will be published annually in the *Performance of Australian Aid* report.

**Programme 1.3: Official Development Assistance – Multilateral Replenishments**

**Programme objective**

- To assist developing countries by contributing to sustainable economic growth and poverty reduction through contributions to multilateral organisations.

**Programme expenses**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Administered item					
Administered item (Appropriation Bill No. 1)	106,868	-	377,274	12,622	105,000
Administered item (Appropriation Bill No. 2)	-	-	1,103,505	-	-
Expenses not requiring appropriation in the Budget year (a)	-	-	953,505	-	-
<b>Total programme expenses</b>	<b>106,868</b>	<b>-</b>	<b>2,434,284</b>	<b>12,622</b>	<b>105,000</b>

(a) Expenses not requiring appropriation in the Budget year relate to the concessional investment discount for the discounting of the investment components for International Development Association and Asian Development Fund.

**Programme 1.3 Deliverables**

- Australia's aid program objectives will be advanced through our work with multilateral organisations. Their reach, leverage, specialisation and other strengths play a critical role in helping Australia to meet its international development objectives.

**Programme 1.3 Key Performance Indicators**

- Australia assesses the performance of its multilateral partners to inform our engagement with them and to ensure value for money from our multilateral funding.
- Australia is strengthening its approach to the assessment of performance of multilateral organisations in line with the aid performance framework, *Making Performance Count*.
- Strengthened systems for assessing the performance of multilateral aid delivery partners will be in place by July 2015.

**Programme 1.4: Official Development Assistance – East Asia AIPRD**
**Programme Objective and Deliverables**

- To continue to assist Indonesia in reconstruction and development in the aftermath of the 2004 Indian Ocean Tsunami.

**Programme expenses**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Special Account Expenses					
AIPRD Loans Special Account (a)	19,282	-	-	-	-
AIPRD Loans Special Account 2015 (a)	18,775	-	-	-	-
<b>Total programme expenses</b>	<b>38,057</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**Programme 1.4 Key Performance Indicators**

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

**Programme 1.5: Payments to International Organisations**

**Programme objective**

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

**Programme expenses**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Administered item					
Payments to International Organisations	328,421	415,804	436,595	460,595	484,251
<b>Total programme expenses</b>	<b>328,421</b>	<b>415,804</b>	<b>436,595</b>	<b>460,595</b>	<b>484,251</b>

**Programme 1.5 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 Organization and other multilateral fora in support of Australia’s foreign, trade and economic, development and international security interests.
- To assist developing countries reduce poverty and lift living standards through sustainable economic growth, by providing contributions to UN and other international organisations.

**Programme 1.5 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, maximise the impact of Australia’s aid program and represent value for money.



**Programme 1.6: New Colombo Plan – Transforming Regional Relationships**
**Programme objective**

- Australia's interests and bilateral relationships are enhanced through enduring people to people, institutional and business links with the Indo-Pacific region.

**Programme expenses**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Administered item					
New Colombo Plan - Transforming Regional Relationships	10,958	27,742	27,790	50,933	50,933
Administered item (Appropriation Bill No. 2)	665	75	425	150	-
<b>Total programme expenses</b>	<b>11,623</b>	<b>27,817</b>	<b>28,215</b>	<b>51,083</b>	<b>50,933</b>

**Programme 1.6 Deliverables**

- Full implementation of the New Colombo Plan (NCP) in 38 Indo-Pacific locations, fostering closer people to people and institutional links and contributing to an overall increase in the number of Australian undergraduate students undertaking study and internships in the region.

**Programme 1.6 Key Performance Indicators**

- More Australian undergraduates supported to study and intern in the Indo-Pacific region.
- NCP participants build relationships in the region and promote the value of the NCP experience.
- Universities, the private sector and partner governments support the implementation of the NCP.
- Alumni are engaged through networks that foster professional development and ongoing connections with the region.

**Programme 1.7: 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 Indo-Pacific region through the department's public diplomacy, cultural and media activities.

**Programme expenses**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
International Relations Grants Programme	4,594	4,594	4,594	4,594	4,594
Australia Netw ork	10,588	-	-	-	-
Bali Peace Park	-	450	-	-	-
<b>Total programme expenses</b>	<b>15,182</b>	<b>5,044</b>	<b>4,594</b>	<b>4,594</b>	<b>4,594</b>

**Programme 1.7 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.
- Advancement of Australia's national interests through new approaches which engage audiences on contemporary Australia and facilitate networks, collaboration and connections between people and institutions to build understanding, trust and influence.

**Programme 1.7 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 1.8: Programmes to Promote Australia's International Tourism Interests**

**Programme expenses**

The functions captured by this table are the responsibility of other portfolio agencies.

The Tourism Industry Regional Development Fund, Tasmanian Regional Tourism Package and T-Qual Grants annual administered expenses have been transferred to Austrade. Refer to the Austrade Agency Resource and Planned Performance section for 2015-16 objectives, deliverables and key performance indicators.

Refer to Tourism Australia, Outcome 1, for objectives, deliverables and key performance indicators relating to Tourism Australia-Asia Marketing Fund and Tourism Australia-Corporate Commonwealth Entity.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Tourism Industry Regional Development Fund	3,896	-	-	-	-
Tasmanian Regional Tourism Package	120	-	-	-	-
T-Qual Grants (a)	4,474	-	-	-	-
Transfer of T-Qual Accreditation to Industry(b)	600	-	-	-	-
Tourism Australia -Asia Marketing Fund	13,500	14,000	14,000	14,000	14,000
Tourism Australia - Corporate Commonwealth Entity	138,865	137,290	136,760	138,438	140,059
<b>Total programme expenses</b>	<b>161,455</b>	<b>151,290</b>	<b>150,760</b>	<b>152,438</b>	<b>154,059</b>

(a) The balance of this program has been transferred to Austrade. Refer to Austrade Table 3.1.1.

(b) There was no successful tenderer for the T-Qual accreditation program and the Minister for Trade and Investment has approved the reallocation of these funds to activities consistent with achieving quality tourism outcomes.

**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 implementation of the new 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 2015-16, promoting safe travel messages and delivering accurate and timely travel advice, including through the *Smartraveller* campaign and targeted outreach.

Practical planning for contingency and rapid crisis response will remain a focus through 2015-16. 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. The new 'P-series' passport, introduced in 2014, includes enhanced security measures, making it one of the most secure and trustworthy passport documents in the world. In 2015-16, we will 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**

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
<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>		
<b>Programme 2.1: Consular Services</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	200	200
Special accounts (a)	100	100
Departmental expenses (b)		
Consular Services	83,651	101,680
Expenses not requiring appropriation in the Budget year (c)	5,626	5,627
<b>Total for programme 2.1</b>	<b>89,577</b>	<b>107,607</b>
<b>Programme 2.2: Passport Services</b>		
Administered expenses		
Special appropriations	1,010	1,010
Departmental expenses (b)		
Passport Services	236,986	238,411
Expenses not requiring appropriation in the Budget year (c)	15,672	15,674
<b>Total for programme 2.2</b>	<b>253,668</b>	<b>255,095</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
Special accounts	100	100
Departmental expenses		
Departmental appropriation (b)	320,637	340,091
Expenses not requiring appropriation in the Budget year (c)	21,298	21,301
<b>Total expenses for Outcome 2</b>	<b>343,245</b>	<b>362,702</b>
	2014-15	2015-16
<b>Average staffing level (number)</b>	1,088	1,088

(a) This reflects actual cash disbursements from the property account.

(b) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

(c) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses, and audit fees.

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

**Contributions to Outcome 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**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Administered item					
Consular Emergency Services (a)	200	200	200	200	200
Special account expenses:					
Consular Services Special Account	100	100	100	100	100
Annual departmental expenses:					
Consular Services	83,651	101,680	101,664	92,850	92,930
Expenses not requiring appropriation in the Budget year (b)	5,626	5,627	5,627	5,627	5,900
<b>Total programme expenses</b>	<b>89,577</b>	<b>107,607</b>	<b>107,591</b>	<b>98,777</b>	<b>99,130</b>

(a) This expense does not include \$0.55m for Traveller's Emergency Loans, as these are treated as receivables and form part of the receivable balance in Table 3.2.8.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses, and 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**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Special appropriations:					
<i>PGPA Act s77</i> - Passport Refunds	1,010	1,010	1,010	1,010	1,010
Annual departmental expenses:					
Passport Services	236,986	238,411	238,590	238,898	238,673
Expenses not requiring appropriation in the Budget year (a)	15,672	15,674	15,674	15,674	16,436
<b>Total programme expenses</b>	<b>253,668</b>	<b>255,095</b>	<b>255,274</b>	<b>255,582</b>	<b>256,119</b>

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses, and 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, while effectively managing an increasing workload.
- Ongoing implementation of the *National Security – Improved Passport Integrity and Strengthened Issuance Systems* program.



**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 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.
- Prevention, detection and prosecution of passport fraud.

**Outcome 3: A secure Australian Government presence overseas through the provision of security services and information and communication technology infrastructure, and the management of the Commonwealth's overseas property estate**

**Outcome 3 strategy**

The department continues to prioritise the security and safety of Australian Government personnel overseas and their dependants, the security of its diplomatic and consular posts and the safeguarding of Government information commensurate with an environment of increasing security risk. This will require the implementation and maintenance of comprehensive and effective strategic risk mitigation strategies and operational 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. The department will more efficiently manage the overseas estate by examining 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 an appropriate level of 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**

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
<b>Outcome 3: A secure Australian presence overseas through the provision of security services and information and communication technology infrastructure, and the management of the Commonwealth's overseas owned estate</b>		
<b>Programme 3.1: Foreign Affairs and Trade Security and IT</b>		
Departmental expenses		
Foreign Affairs and Trade Security and IT (a)	198,526	193,343
Expenses not requiring appropriation in the Budget year (b)	10,023	10,026
<b>Total for programme 3.1</b>	<b>208,549</b>	<b>203,369</b>
<b>Programme 3.2: Overseas Property</b>		
Departmental expenses		
Special Accounts (c)	219,264	158,785
Expenses not requiring appropriation in the Budget year (b)	28,503	31,472
<b>Total for programme 3.2</b>	<b>247,767</b>	<b>190,257</b>
<b>Outcome 3 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation (a)	198,526	193,343
Special accounts	219,264	158,785
Expenses not requiring appropriation in the Budget year (b)	38,526	41,498
<b>Total expenses for Outcome 3</b>	<b>456,316</b>	<b>393,626</b>
	2014-15	2015-16
<b>Average staffing level (number)</b>	872	874

(a) Departmental appropriation combines 'Ordinary annual services (*Appropriation Bill No. 1*)' and 'Revenue from independent sources (s 74)'.  
(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses, and audit fees.  
(c) This reflects actual cash disbursement from the property account.

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 Security and IT

##### Programme objective

- To ensure a secure Australian Government presence overseas for personnel, assets and information by sustaining and improving physical and operational security.
- To strengthen information and communications technology (ICT) capability at Australia's missions overseas and DFAT offices in Australia.

##### Programme expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual departmental expenses:					
Foreign Affairs and Trade Security and IT	198,526	193,343	196,705	146,362	146,634
Expenses not requiring appropriation in the Budget year (a)	10,023	10,026	10,026	10,026	10,512
<b>Total programme expenses</b>	<b>208,549</b>	<b>203,369</b>	<b>206,731</b>	<b>156,388</b>	<b>157,146</b>

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses, and audit fees.

##### Programme 3.1 Deliverables

- Strengthened physical and operational security mitigation measures commensurate with the evolving international security environment.
- Protection of official information through effective management of ICT systems, security vetting processes, and security training to ensure high standards of security 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 program.

**Programme 3.1 Key Performance Indicators**

- Effective threat analysis, risk assessments and mitigation strategies appropriate to increased security risks, including timely and effective responses to security incidents.
- Reduced security risks to official information, through a strengthened security culture, evidenced by fewer 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 program 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**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual departmental expenses:					
Overseas Property Special Account (a)	219,264	158,785	141,362	162,073	131,541
Expenses not requiring appropriation in the Budget year (b)	28,503	31,472	33,934	38,685	43,415
<b>Total programme expenses</b>	<b>247,767</b>	<b>190,257</b>	<b>175,296</b>	<b>200,758</b>	<b>174,956</b>

(a) This reflects actual cash disbursements from the property account.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses, and audit fees.

**Programme 3.2 Deliverables**

- Efficient and effective management and delivery of a substantial construction and refurbishment program in the overseas property estate, including:
  - completion of the Jakarta chancery; and
  - commencement of planning to construct a new chancery in Washington.
- 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 entity finances for the 2015-16 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<sup>(a)</sup>

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**

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1, Programme 1.7: Public Information Services and Public Diplomacy					
Public Information Services and Public Diplomacy- Bali Peace Park (a)	(450)	450	-	-	-
<b>Total movement of administered funds</b>	<b>(450)</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) 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 section 78 of the PGPA Act or under separate enabling legislation (section 80 of the PGPA Act refers). 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**

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
Administered Payments and Receipts for Other Entities Special Account - s20 FMA Act Det 2000/13 (A) - 2015-16	1	5,000	250,000	(250,000)	-	5,000
<i>Administered Payments and Receipts for Other Entities Special Account - s20 FMA Act Det 2000/13 (A) - 2015-16</i>	1	5,000	250,000	(250,000)	-	5,000
Consular Services Special Account - s20 FMA Act Det 2005/38 (A) - 2015-16	2	34	100	(100)	-	34
<i>Consular Services Special Account - s20 FMA Act Det 2005/38 (A) - 2014-15</i>	2	34	100	(100)	-	34
						-
Expositions Special Accounts - s20 FMA Act Det 2007/14 (A) 2015-16 (A) - 2015-16	1	994	-	-	-	994
<i>Expositions Special Accounts - s20 FMA Act Det 2007/14 (A) - 2014-15</i>	1	994	-	-	-	994
<i>Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account - s20 FMA Act Det 2005/03 (A) - 2014-15 (a)</i>	1	38,057	-	(19,282)	(18,775)	-
						-
Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account - s78 PGPA Act Determination 2015/01 (A) - 2015-16	1	-	-	-	-	-
<i>Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account - s78 PGPA Act Determination 2015/01 (A) - 2014-15</i>	1	-	18,775	(18,775)	-	-

Table continued on the following page.

**Table 3.1.2: Estimates of special account flows and balances (continued)**

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
Services for Other Entities and Trust Monies - s20 FMA Act Det 2009/25 (A) - 2015-16	1	6,977	7,000	(7,000)		6,977
<i>Services for Other Entities and Trust Monies - s20 FMA Act Det 2009/25 (A) - 2014-15</i>	1	6,977	7,000	(7,000)		6,977
Overseas Property Special Account - DFAT - s20 FMA Act Det 2002/01 (D) - 2015-16	3	154,027	95,576	(158,785)		90,818
<i>Overseas Property Special Account - DFAT - s20 FMA Act Det 2002/01 (D) - 2014-15</i>	3	281,327	91,964	(219,264)		154,027
<b>Total Special Accounts</b>						
<b>2015-16 Budget estimate</b>		<b>167,032</b>	<b>352,676</b>	<b>(415,885)</b>		<b>103,823</b>
<i>Total Special Accounts 2014-15 estimated actual</i>		332,389	367,839	(514,421)	(18,775)	167,032

(A) = Administered

(D) = Departmental

(a) Note that this account was closed in April 2015 and replaced with the Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account - s78 PGPA Act Determination 2015/01.

### 3.1.3 Australian Government Indigenous expenditure

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

Outcome	Approp Bill No. 1 \$'000 (A)	Approp Bill No. 2 \$'000 (B)	Special approp \$'000 (C)	Total approp \$'000 (D)	Other \$'000 (E)	Total \$'000 (F)= (D)+(E)	Programme (G)
<b>Department of Foreign Affairs and Trade</b>							
<b>Outcome 1</b>							
Departmental 2015-16	1,000	-	-	1,000	-	1,000	1.1
<i>Departmental 2014-15</i>	995	-	-	995	-	995	1.1
Total outcome 1 2015-16	1,000	-	-	1,000	-	1,000	
<i>Total outcome 1 2014-15</i>	995	-	-	995	-	995	
<b>Total Departmental 2015-16</b>	<b>1,000</b>	-	-	<b>1,000</b>	-	<b>1,000</b>	
<i>Total Departmental 2014-15</i>	995	-	-	995	-	995	
<b>Total AGIE 2015-16</b>	<b>1,000</b>	-	-	<b>1,000</b>	-	<b>1,000</b>	
<i>Total AGIE 2014-15</i>	995	-	-	995	-	995	

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in entity 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 programs that are affected by this treatment:

- Asian Development Fund replenishments – investment component; and
- 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**

The total budgeted appropriation in 2015-16 is \$1,347.8 million, which represents an increase of \$61.9 million in appropriations from 2014-15 as shown in Table 3.2.1. The increase is primarily attributable to:

- 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;
- parameter adjustments for domestic inflation;
- re-classification of operating funding to capital funding; and
- offsets for new measures.

The Income Statement shows a budgeted deficit in 2015-16 of \$77.2 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 \$40.4 million in 2015-16, all of which relates to the Overseas Property Special Account (OPSA).

### **Budgeted Departmental Balance Sheet**

The department will receive an equity injection of \$205.2 million in 2015-16 for the purchase or construction of new assets. The department will also receive \$52.2 million through its Departmental Capital Budget to fund the replacement of existing assets.

For 2015-16, the department's non-financial asset position is budgeted to be \$3,175.2 million at year-end. The major asset component is \$2,548.6 million for Land and Buildings which includes \$2,372.0 million managed in the OPSA.

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

In 2015-16 DFAT will receive administered appropriation of \$3,579.9 million (excluding capital funding) for programs administered on behalf of the Government. The significant decrease in appropriations of \$950.9 million from 2014-15 is due primarily to the reduction in expenditure on the Australian Aid Program.

Administered expenses for 'International Development Assistance' are budgeted at \$3,105.4 million, a decrease of \$374.1 million from the 2014-15 estimated actual.

Administered expenses for 'Other - International Development Assistance program' is budgeted at \$0.0 million, a decrease of \$659.6 million from the 2014-15 estimated actual. This is due to the restructure of the aid program where from 1 July 2015, with the exception of new pledges to multilateral replenishments, all future estimates have been merged into the 'International Development Assistance' line.

This reduction has been partially offset by forecast increases in estimated payments to International Organisations and United Nations Peacekeeping Operations of \$87.3 million and an increase of \$16.8 million for the New Colombo Plan - Transforming Regional Relationships.

Expenses under 'Concessional loan discount' relate to the discounting of the Australia Indonesia Partnerships for Reconstruction and Development (AIPRD) loans.

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

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

Administered assets and liabilities administered on behalf of the Government are budgeted at \$4,154.2 million and \$1,947.2 million respectively for the year ending 30 June 2016.

Administered assets are expected to decrease in 2015-16 by \$226.2 million. This is due primarily to no new multilateral replenishments being entered into in 2015-16.

Administered liabilities are expected to decrease in 2015-16 by \$313.4 million. This is due primarily to reduced liabilities for existing multilateral replenishments.

**Schedule of Budgeted Administered Cash Flows**

Administered cash receipts is primarily comprised of receipts from passport and consular services and is budgeted at \$517.8 million, an increase of \$41.9 million.

Administered cash used in 2015-16 is estimated to decrease by \$985.4 million compared to 2014-15. This is due primarily to the reduction in expenditure on the Australian Aid Program.

### 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**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>EXPENSES</b>					
Employee benefits	714,888	730,089	735,281	719,059	721,884
Suppliers	635,433	682,736	688,710	601,945	606,691
Grants	5,000	5,000	4,930	4,930	4,930
Depreciation and amortisation	115,169	117,579	120,023	124,774	126,201
Other expenses	103	103	102	102	102
<b>Total expenses</b>	<b>1,470,593</b>	<b>1,535,507</b>	<b>1,549,046</b>	<b>1,450,810</b>	<b>1,459,808</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	73,299	73,299	73,299	73,299	73,299
Rental income	27,980	28,240	32,803	34,213	35,270
Other	8,300	8,300	8,300	8,300	8,300
<b>Total own-source revenue</b>	<b>109,579</b>	<b>109,839</b>	<b>114,402</b>	<b>115,812</b>	<b>116,869</b>
<b>Gains</b>					
Other	680	687	694	701	708
Gain on sale of asset	-	-	21,345	102,698	-
<b>Total gains</b>	<b>680</b>	<b>687</b>	<b>22,039</b>	<b>103,399</b>	<b>708</b>
<b>Total own-source income</b>	<b>110,259</b>	<b>110,526</b>	<b>136,441</b>	<b>219,211</b>	<b>117,577</b>
<b>Net cost of/(contribution by) services</b>	<b>1,360,334</b>	<b>1,424,981</b>	<b>1,412,605</b>	<b>1,231,599</b>	<b>1,342,231</b>
Revenue from Government	1,285,926	1,347,819	1,364,749	1,257,177	1,266,669
<b>Deficit attributable to the Australian Government</b>	<b>(74,408)</b>	<b>(77,162)</b>	<b>(47,856)</b>	<b>25,578</b>	<b>(75,562)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss</b>	<b>(74,408)</b>	<b>(77,162)</b>	<b>(47,856)</b>	<b>25,578</b>	<b>(75,562)</b>
<b>Total comprehensive loss attributable to the Australian Government</b>	<b>(74,408)</b>	<b>(77,162)</b>	<b>(47,856)</b>	<b>25,578</b>	<b>(75,562)</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)**

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
<b>Total comprehensive income excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>40,761</b>	<b>40,417</b>	<b>72,167</b>	<b>150,352</b>	<b>50,639</b>
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	115,169	117,579	120,023	124,774	126,201
<b>Total comprehensive loss - as per the statement of comprehensive income</b>	<b>(74,408)</b>	<b>(77,162)</b>	<b>(47,856)</b>	<b>25,578</b>	<b>(75,562)</b>

(a) From 2010-11, the Government introduced net cash arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) 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)**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	73,716	73,716	73,716	73,716	73,716
Trade and other receivables	933,817	834,902	844,694	883,009	880,521
<b>Total financial assets</b>	<b>1,007,533</b>	<b>908,618</b>	<b>918,410</b>	<b>956,725</b>	<b>954,237</b>
<b>Non-financial assets</b>					
Land and buildings	2,424,884	2,548,563	2,616,129	2,655,436	2,764,476
Property, plant and equipment	221,068	424,853	456,183	495,815	521,175
Intangibles	78,481	81,868	78,792	83,972	84,208
Inventories	35,326	28,326	28,326	28,326	28,326
Other non-financial assets	91,227	91,608	91,991	94,376	94,763
<b>Total non-financial assets</b>	<b>2,850,986</b>	<b>3,175,218</b>	<b>3,271,421</b>	<b>3,357,925</b>	<b>3,492,948</b>
Assets held for sale					
<b>Total assets</b>	<b>3,858,519</b>	<b>4,083,836</b>	<b>4,189,831</b>	<b>4,314,650</b>	<b>4,447,185</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	107,306	115,943	118,583	79,226	79,872
Other payables	36,193	36,193	36,193	36,193	36,193
<b>Total payables</b>	<b>143,499</b>	<b>152,136</b>	<b>154,776</b>	<b>115,419</b>	<b>116,065</b>
<b>Provisions</b>					
Employee provisions	243,715	244,934	246,159	247,390	248,627
Other provisions	22,981	23,096	23,211	23,327	23,444
<b>Total provisions</b>	<b>266,696</b>	<b>268,030</b>	<b>269,370</b>	<b>270,717</b>	<b>272,071</b>
<b>Total liabilities</b>	<b>410,195</b>	<b>420,166</b>	<b>424,146</b>	<b>386,136</b>	<b>388,136</b>
<b>Net assets</b>	<b>3,448,324</b>	<b>3,663,670</b>	<b>3,765,685</b>	<b>3,928,514</b>	<b>4,059,049</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	2,148,985	2,406,397	2,547,725	2,634,271	2,712,700
Reserves	777,915	813,011	821,554	872,259	999,927
Retained surplus	521,424	444,262	396,406	421,984	346,422
<b>Total parent entity interest</b>	<b>3,448,324</b>	<b>3,663,670</b>	<b>3,765,685</b>	<b>3,928,514</b>	<b>4,059,049</b>
<b>Total Equity</b>	<b>3,448,324</b>	<b>3,663,670</b>	<b>3,765,685</b>	<b>3,928,514</b>	<b>4,059,049</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 2015-16)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2015</b>				
Balance carried forward from previous period	521,424	777,915	2,148,985	3,448,324
<b>Adjusted opening balance</b>	<b>521,424</b>	<b>777,915</b>	<b>2,148,985</b>	<b>3,448,324</b>
<b>Comprehensive income</b>				
Other comprehensive income	-	35,096	-	35,096
Surplus/(deficit) for the period	(77,162)	-	-	(77,162)
<b>Total comprehensive income</b>	<b>(77,162)</b>	<b>35,096</b>	<b>-</b>	<b>(42,066)</b>
of which:				
Attributable to the Australian Government	(77,162)	35,096	-	(42,066)
<b>Transactions with owners</b>				
<b>Distributions to owners</b>				
Returns of capital:				
Cash transfer to the OPA	-	-	-	-
<b>Contributions by owners</b>				
Equity Injection - Appropriation	-	-	205,241	205,241
Departmental Capital Budget (DCB)	-	-	52,171	52,171
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>257,412</b>	<b>257,412</b>
<b>Estimated closing balance as at 30 June 2016</b>	<b>444,262</b>	<b>813,011</b>	<b>2,406,397</b>	<b>3,663,670</b>
<b>Closing balance attributable to the Australian Government</b>	<b>444,262</b>	<b>813,011</b>	<b>2,406,397</b>	<b>3,663,670</b>

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	1,285,926	1,347,819	1,364,749	1,257,177	1,266,669
Sale of goods and rendering of services	109,579	109,839	114,402	115,812	116,869
<b>Total cash received</b>	<b>1,395,505</b>	<b>1,457,658</b>	<b>1,479,151</b>	<b>1,372,989</b>	<b>1,383,538</b>
<b>Cash used</b>					
Employees	714,888	728,870	734,056	717,828	720,647
Suppliers	674,856	723,685	743,869	689,563	657,859
Other	5,103	5,103	5,032	5,032	5,032
<b>Total cash used</b>	<b>1,394,847</b>	<b>1,457,658</b>	<b>1,482,957</b>	<b>1,412,423</b>	<b>1,383,538</b>
<b>Net cash from/(used by) operating activities</b>	<b>658</b>	<b>-</b>	<b>(3,806)</b>	<b>(39,434)</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	-	21,345	102,698	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>21,345</b>	<b>102,698</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant, equipment and intangibles	242,294	535,016	313,092	111,764	178,291
<b>Total cash used</b>	<b>242,294</b>	<b>535,016</b>	<b>313,092</b>	<b>111,764</b>	<b>178,291</b>
<b>Net cash from/(used by) investing activities</b>	<b>(242,294)</b>	<b>(535,016)</b>	<b>(291,747)</b>	<b>(9,066)</b>	<b>(178,291)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	137,034	230,404	69,892	39,898	5,806
Other	105,260	304,612	243,200	71,866	172,485
<b>Total cash received</b>	<b>242,294</b>	<b>535,016</b>	<b>313,092</b>	<b>111,764</b>	<b>178,291</b>
<b>Cash used</b>					
Returns of equity	658	-	17,539	63,264	-
<b>Total cash used</b>	<b>658</b>	<b>-</b>	<b>17,539</b>	<b>63,264</b>	<b>-</b>
<b>Net cash used by financing activities</b>	<b>241,636</b>	<b>535,016</b>	<b>295,553</b>	<b>48,500</b>	<b>178,291</b>
<b>Net increase 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	73,716	73,716	73,716	73,716	73,716
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>73,716</b>	<b>73,716</b>	<b>73,716</b>	<b>73,716</b>	<b>73,716</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement (for the period ended 30 June)**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	53,032	52,171	52,010	47,730	72,623
Equity injections - Bill 2	121,064	205,241	69,892	38,816	5,806
<b>Total new capital appropriations</b>	<b>174,096</b>	<b>257,412</b>	<b>121,902</b>	<b>86,546</b>	<b>78,429</b>
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	174,096	257,412	121,902	86,546	78,429
<b>Total Items</b>	<b>174,096</b>	<b>257,412</b>	<b>121,902</b>	<b>86,546</b>	<b>78,429</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	137,034	230,404	69,892	39,898	5,806
Funded by capital appropriation - DCB (b)	53,032	52,171	52,010	47,730	72,623
Funded internally from departmental resources (c)	52,228	252,441	191,190	24,136	99,862
<b>TOTAL</b>	<b>242,294</b>	<b>535,016</b>	<b>313,092</b>	<b>111,764</b>	<b>178,291</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	242,294	535,016	313,092	111,764	178,291
<b>Total cash used to acquire assets</b>	<b>242,294</b>	<b>535,016</b>	<b>313,092</b>	<b>111,764</b>	<b>178,291</b>

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

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

(c) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- internally developed assets;
- s74 Retained revenue receipts; and
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of asset movements (Budget year 2015-16)**

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000			\$'000
<b>As at 1 July 2015</b>					
Gross book value	1,247,470	1,024,667	370,592	110,805	2,753,534
Accumulated depreciation/amortisation and impairment	-	(138,431)	(149,524)	(72,324)	(360,279)
Work in progress	-	291,178	-	40,000	331,178
<b>Opening net book balance</b>	<b>1,247,470</b>	<b>1,177,414</b>	<b>221,068</b>	<b>78,481</b>	<b>2,724,433</b>
<b>Capital asset additions</b>					
<b>Estimated expenditure on new or</b>					
By purchase - appropriation equity (a)	-	-	220,981	9,423	230,404
By purchase - appropriation ordinary annual services (b)	-	277,336	27,276	-	304,612
<b>Total additions</b>	<b>-</b>	<b>277,336</b>	<b>248,257</b>	<b>9,423</b>	<b>535,016</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	(67,071)	(44,472)	(6,036)	(117,579)
Other	9,749	25,347	-	-	35,096
Work in progress movements	-	(121,682)	-	-	(121,682)
<b>Total other movements</b>	<b>9,749</b>	<b>(163,406)</b>	<b>(44,472)</b>	<b>(6,036)</b>	<b>(204,165)</b>
<b>As at 30 June 2016</b>					
Gross book value	1,257,219	1,327,350	618,849	120,228	3,323,646
Accumulated depreciation/amortisation and impairment	-	(205,502)	(193,996)	(78,360)	(477,858)
Work in progress	-	169,496	-	40,000	209,496
<b>Closing net book balance</b>	<b>1,257,219</b>	<b>1,291,344</b>	<b>424,853</b>	<b>81,868</b>	<b>3,055,284</b>

(a) 'Appropriation equity' refers to equity injections appropriations provided through *Appropriation Bill (No. 2) 2015-16*.

(b) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1) 2015-16* for depreciation/amortisation expenses, 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)**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>EXPENSES</b>					
Employee benefits	2,512	2,872	2,801	2,903	2,908
Suppliers	26,264	15,601	15,628	15,657	15,657
International Development Assistance	3,479,540	3,105,723	2,935,547	3,308,173	3,360,130
Other - International Development Assistance	659,576	-	128,510	12,622	105,000
IDA/ADF grants (a)	-	-	248,764	-	-
Finance costs	1,416	576	-	-	-
Concessional loan discount	14,991	-	-	-	-
Concessional investment discount	-	-	953,505	-	-
Grants and contributions	355,663	451,790	472,179	519,322	542,978
Depreciation and amortisation	1,507	1,507	1,489	1,489	2,440
Other expenses	13,733	14,952	16,327	1,300	1,300
Payments to Corporate entities	138,865	137,290	136,760	138,438	140,059
<b>Total expenses administered on behalf of Government</b>	<b>4,694,067</b>	<b>3,730,311</b>	<b>4,911,510</b>	<b>3,999,904</b>	<b>4,170,472</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Non-taxation revenue</b>					
Sale of goods and rendering of services	416,346	455,127	489,322	498,020	508,447
Interest	9,637	1,109	96	96	96
Dividends	11,450	9,000	5,800	9,200	10,100
Other revenue	120	158	158	158	159
Returns of prior year administered expenses	38,355	52,414	57,845	58,066	86,722
<b>Total non-taxation revenue</b>	<b>475,908</b>	<b>517,808</b>	<b>553,221</b>	<b>565,540</b>	<b>605,524</b>
<b>Gains</b>					
Other gains	-	-	-	-	-
<b>Total gains administered on behalf of Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>475,908</b>	<b>517,808</b>	<b>553,221</b>	<b>565,540</b>	<b>605,524</b>
<b>Net cost of/(contribution by) services</b>	<b>(4,218,159)</b>	<b>(3,212,503)</b>	<b>(4,358,289)</b>	<b>(3,434,364)</b>	<b>(3,564,948)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Total comprehensive income/(loss)</b>	<b>(4,218,159)</b>	<b>(3,212,503)</b>	<b>(4,358,289)</b>	<b>(3,434,364)</b>	<b>(3,564,948)</b>

(a) International Development Association (IDA) and Asian Development Fund (ADF).

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)**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	16,414	16,414	16,414	16,414	16,414
Trade and other receivables	16,033	16,709	16,709	16,709	16,709
Loans and receivables	124,984	125,151	125,701	126,251	126,801
Investments (IDA/ADF)(a)	1,544,835	1,544,835	1,694,835	1,694,835	1,694,835
Investment accounted for using the equity method	442,249	442,249	442,249	442,249	442,249
Appropriation receivable - other	2,212,723	1,984,820	3,102,979	2,750,258	2,596,545
Appropriation receivable - special accounts	13,005	13,005	13,005	13,005	13,005
<b>Total financial assets</b>	<b>4,370,243</b>	<b>4,143,183</b>	<b>5,411,892</b>	<b>5,059,721</b>	<b>4,906,558</b>
<b>Non-financial assets</b>					
Leasehold improvements	2,938	3,759	4,638	4,124	3,717
Infrastructure, plant and equipment	11	26	41	1,509	1,980
Intangibles	5,136	5,118	5,118	5,118	5,118
Other non-financial assets	2,089	2,089	2,089	2,089	2,089
<b>Total non-financial assets</b>	<b>10,174</b>	<b>10,992</b>	<b>11,886</b>	<b>12,840</b>	<b>12,904</b>
<b>Total assets administered on behalf of Government</b>	<b>4,380,417</b>	<b>4,154,175</b>	<b>5,423,778</b>	<b>5,072,561</b>	<b>4,919,462</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	75,071	75,443	75,445	75,447	75,449
IDA/ADF grant component (a)	378,004	299,767	466,409	388,834	326,415
IDA/ADF concessional component (a)	1,280,336	1,022,377	1,850,047	1,590,742	1,385,998
Aid programme payable	372,872	392,467	489,342	473,345	586,788
Other payables	134,243	136,723	138,992	138,994	138,997
<b>Total payables</b>	<b>2,240,526</b>	<b>1,926,777</b>	<b>3,020,235</b>	<b>2,667,362</b>	<b>2,513,647</b>
<b>Provisions</b>					
Employee provisions	13,184	13,184	13,184	13,184	13,184
Other provisions	6,888	7,263	7,265	7,267	7,269
<b>Total provisions</b>	<b>20,072</b>	<b>20,447</b>	<b>20,449</b>	<b>20,451</b>	<b>20,453</b>
<b>Total liabilities administered on behalf of Government</b>	<b>2,260,598</b>	<b>1,947,224</b>	<b>3,040,684</b>	<b>2,687,813</b>	<b>2,534,100</b>
<b>Net assets</b>	<b>2,119,819</b>	<b>2,206,951</b>	<b>2,383,094</b>	<b>2,384,748</b>	<b>2,385,362</b>

(a) International Development Association (IDA) and Asian Development Fund (ADF).

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services	416,346	455,127	489,322	498,020	508,447
Interest	9,637	1,109	96	96	96
Dividends	11,450	9,000	5,800	9,200	10,100
Return of prior year administered expenses	38,355	52,414	57,845	58,066	86,722
Other	120	158	158	158	159
<b>Total cash received</b>	<b>475,908</b>	<b>517,808</b>	<b>553,221</b>	<b>565,540</b>	<b>605,524</b>
<b>Cash used</b>					
Grants and contributions	908,372	451,790	472,179	519,322	542,978
Personal benefits	2,512	2,872	2,801	2,903	2,908
International Development Assistance	3,837,406	3,479,378	3,336,921	3,681,347	3,661,367
Suppliers	26,264	15,601	15,628	15,657	15,657
Borrowing costs	1,416	576	-	-	-
Payments to corporate entities	138,865	137,290	136,760	138,438	140,059
Cash to OPA	475,788	517,650	553,063	565,382	605,365
<b>Total cash used</b>	<b>5,390,623</b>	<b>4,605,157</b>	<b>4,517,352</b>	<b>4,923,049</b>	<b>4,968,334</b>
<b>Net cash used by operating activities</b>	<b>(4,914,715)</b>	<b>(4,087,349)</b>	<b>(3,964,131)</b>	<b>(4,357,509)</b>	<b>(4,362,810)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	2,293	2,325	2,383	2,443	2,504
Purchase of concessional financial instruments	200,000	-	-	-	-
<b>Total cash used</b>	<b>202,293</b>	<b>2,325</b>	<b>2,383</b>	<b>2,443</b>	<b>2,504</b>
<b>Net cash used by investing activities</b>	<b>(202,293)</b>	<b>(2,325)</b>	<b>(2,383)</b>	<b>(2,443)</b>	<b>(2,504)</b>
<b>Net increase/(decrease) in cash held</b>					
<b>in cash held</b>	<b>(5,117,008)</b>	<b>(4,089,674)</b>	<b>(3,966,514)</b>	<b>(4,359,952)</b>	<b>(4,365,314)</b>
Cash and cash equivalents at beginning of reporting period	16,414	16,414	16,414	16,414	16,414
Cash from Official Public Account for:					
- Appropriations	4,574,619	3,740,723	3,595,887	4,033,177	4,110,648
- Special accounts					
- Capital Appropriations	540,096	346,626	368,244	324,332	252,162
- Administered Capital Budget	2,293	2,325	2,383	2,443	2,504
Total cash from Official Public Account	5,117,008	4,089,674	3,966,514	4,359,952	4,365,314
<b>Cash and cash equivalents at end of reporting period</b>	<b>16,414</b>	<b>16,414</b>	<b>16,414</b>	<b>16,414</b>	<b>16,414</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Administered capital budget statement (for the period ended 30 June)**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (ACB)	2,293	2,325	2,383	2,443	2,504
Administered Assets and Liabilities - Bill 2	212,698	13,527	1,118,957	150	-
<b>Total new capital appropriations</b>	<b>214,991</b>	<b>15,852</b>	<b>1,121,340</b>	<b>2,593</b>	<b>2,504</b>
<i>Provided for:</i>					
Purchase of non-financial assets	2,293	2,325	2,383	2,443	2,504
Other Items	212,698	13,527	1,118,957	150	-
<b>Total items</b>	<b>214,991</b>	<b>15,852</b>	<b>1,121,340</b>	<b>2,593</b>	<b>2,504</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - ACB (a)	2,293	2,325	2,383	2,443	2,504
<b>TOTAL</b>	<b>2,293</b>	<b>2,325</b>	<b>2,383</b>	<b>2,443</b>	<b>2,504</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total accrual purchases	2,293	2,325	2,383	2,443	2,504
<b>Total cash used to acquire assets</b>	<b>2,293</b>	<b>2,325</b>	<b>2,383</b>	<b>2,443</b>	<b>2,504</b>

(a) Includes purchases from current and previous years' administered capital budgets (ACBs).



**Table 3.2.11: Statement of administered asset movements (Budget year 2015-16)**

	Buildings	Other property, plant and equipment	Other	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2015</b>				
Gross book value	8,087	1,629	11,693	21,409
Accumulated depreciation/amortisation and impairment	(5,149)	(1,618)	(6,557)	(13,324)
<b>Opening net book balance</b>	<b>2,938</b>	<b>11</b>	<b>5,136</b>	<b>8,085</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services (a)	1,830	495	-	2,325
<b>Total additions</b>	<b>1,830</b>	<b>495</b>	<b>-</b>	<b>2,325</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 2016</b>				
Gross book value	9,917	2,124	11,693	23,734
Accumulated depreciation/amortisation and impairment	(6,158)	(2,098)	(6,575)	(14,831)
<b>Closing net book balance</b>	<b>3,759</b>	<b>26</b>	<b>5,118</b>	<b>8,903</b>

(a) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1) 2015-16* for depreciation/amortisation expenses, ACBs or other operational expenses.

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 \$436.5 million as at 30 June 2016. 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.