

# Portfolio Additional Estimates Statements 2016-17

Foreign Affairs and Trade Portfolio

Explanations of Additional Estimates 2016-17

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Mr Paul Wood, Chief Financial Officer, Department of Foreign Affairs and Trade.



**MINISTER FOR FOREIGN AFFAIRS  
MINISTER FOR TRADE, TOURISM AND INVESTMENT**

**PARLIAMENT HOUSE  
CANBERRA 2600**

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

We hereby submit the Portfolio Additional Estimates Statements in support of the 2016-17 Additional Estimates for the Foreign Affairs and Trade Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Portfolio.

We present these statements by virtue of our ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Julie Bishop'.

The Hon Julie Bishop MP  
Minister for Foreign Affairs

A handwritten signature in blue ink, appearing to read 'Steven Ciobo'.

The Hon Steven Ciobo MP  
Minister for Trade, Tourism and  
Investment

## ABBREVIATIONS AND CONVENTIONS

The following notations may be used:

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nfp	not for publication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

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

## Enquiries

Should you have any enquiries regarding this publication please contact Mr Paul Wood, Chief Finance Officer in the Department of Foreign Affairs and Trade on (02) 6261 1240.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Estimates Statements) can be located on the Australian Government Budget website at [www.budget.gov.au](http://www.budget.gov.au).

**USER GUIDE  
TO THE  
PORTFOLIO ADDITIONAL  
ESTIMATE STATEMENTS**



## USER GUIDE

The purpose of the 2016-17 Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements (PB Statements), is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the portfolio. The focus of the PAES differs from the PB Statements in one important aspect. While the PAES include an Entity Resource Statement to inform Parliament of the revised estimate of the total resources available to an entity, the focus of the PAES is on explaining the changes in resourcing by outcome(s) since the Budget. As such, the PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) and Appropriation (Parliamentary Departments) Bill (No. 2) 2016-17. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook (MYEFO) 2016-17* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for entities within the portfolio.

## Structure of the Portfolio Additional Estimates Statements

The PAES are presented in three parts with subsections.

### User guide

Provides a brief introduction explaining the purpose of the PAES.

### Portfolio overview

Provides an overview of the portfolio, including a chart that outlines the outcomes for entities in the portfolio.

### Entity Additional Estimates Statements

A statement (under the name of the entity) for each entity affected by Additional Estimates.

#### Section 1: Entity overview and resources

This section details the changes in total resources available to an entity, the impact of any measures since Budget, and impact of Appropriation Bills Nos. 3 and 4.

#### Section 2: Revisions to outcomes and planned performance

This section details **changes** to Government outcomes and/or **changes** to the planned performance of entity programs.

#### Section 3: Special account flows and budgeted financial statements

This section contains updated explanatory tables on special account flows and staffing levels and revisions to the budgeted financial statements.

### Portfolio glossary

Explains key terms relevant to the Portfolio.



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# **PORTFOLIO OVERVIEW**



## PORTFOLIO OVERVIEW

The four portfolio ministers are the Minister for Foreign Affairs, the Hon Julie Bishop MP, the Minister for Trade, Tourism and Investment, the Hon Steven Ciobo MP, the Minister for International Development and the Pacific, Senator the Hon Concetta Fierravanti-Wells, and the Assistant Minister for Trade, Tourism and Investment, the Hon Keith Pitt MP.

A full outline of the Foreign Affairs and Trade Portfolio Overview can be found in the *Portfolio Budget Statements 2016-17*.

### ADDITIONAL ESTIMATES AND VARIATIONS – PORTFOLIO LEVEL

The Portfolio is seeking a net increase of \$109.3 million in *Appropriation Bills No. 3 and No. 4* for 2016-17.

#### **Department of Foreign Affairs and Trade (DFAT) \$83.1 million**

##### Departmental Items

- \$13.7m (including capital) for the expansion of Australia's overseas presence after an agreed \$12.1m movement of capital funds from 2016-17 into 2017-18 and 2018-19;
- \$1.2m to pursue jobs and growth through trade and investment;
- \$0.4m in funding towards the establishment of the Australian Government Global Watch Office;
- (\$0.03m) for the Department's contribution for a new Govlink contract;
- (\$0.03m) adjustment for overseas inflation;
- \$25.6m adjustment for foreign exchange movements; and
- \$6.3m adjustment for passport funding due to higher than expected passports issued in 2016-17.

##### Administered Items

- (\$28.1m) adjustment for foreign exchange movements;
- \$2.5m for a global youth-targeted advertising campaign to attract working holiday makers to be managed by Tourism Australia; and
- \$61.5m adjustment for aid-related multilateral replenishments.

## *Portfolio Overview*

### **Australian Trade Commission (Austrade) \$4.4 million**

#### Departmental Items

- \$1.0m for the Government's 'More Jobs and Growth Through Increased Trade and Investment'; and
- \$3.4m adjustment for foreign exchange movements.

### **Australian Centre for International Agricultural Research (ACIAR)**

There are no additional measures or variations for ACIAR.

### **Australian Secret Intelligence Service (ASIS) \$18.5 million**

#### Departmental Items

- \$18.5m adjustment for a range of capabilities.

### **Tourism Australia \$3.3 million**

#### Departmental Items

- \$3.3m adjustment for foreign exchange rebasing in 2015-16.

### **Export Finance and Insurance Corporation (EFIC)**

- EFIC does not appear in the Portfolio Additional Estimates Statements as it is not part of the general government sector.

**Figure 1: Foreign Affairs and Trade portfolio structure and outcomes**







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## DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

### Section 1: Entity overview and resources

#### 1.1 STRATEGIC DIRECTION STATEMENT

To further progress the priorities outlined in the *Portfolio Budget Statements 2016-17*, the Australian Government has allocated \$13.7 million for the expansion of Australia's overseas presence, including the establishment of a new Embassy in Rabat, Morocco. This post will help advance trade and investment opportunities for Australia in northern Africa, and facilitate enhanced collaboration on counter-terrorism and other security issues.

The government agreed to provide \$1.2 million in additional funding to pursue jobs and growth through trade and investment. The allocation establishes a Professional Services Mutual Recognition Unit (\$0.5 million) and will contribute to the establishment of a single window for export documentation (\$0.2 million). The allocation also helps to connect Australian businesses with export markets through a series of free trade agreement seminars and related outreach (\$0.3 million) and an expanded online Free Trade Agreement (FTA) Portal (\$0.3 million).

The government also allocated \$0.4 million towards the establishment of the Australian Government Global Watch Office to strengthen Australia's capacity to monitor and respond to emerging overseas events on a 24-hour basis.

To ensure that Australia continues to be an attractive destination for working holiday makers the government has allocated \$2.5 million for a global youth-targeted advertising campaign. This funding will be managed by Tourism Australia.

A full outline of DFAT's Strategic Direction can be found in the *Portfolio Budget Statements 2016-17*.

#### 1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for DFAT at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2016-17 Budget year, including variations through *Appropriation Bills Nos. 3 and 4*, Special Appropriations and Special Accounts.

**Table 1.1: DFAT resource statement — Additional Estimates for 2016-17 as at Additional Estimates February 2017**

	<i>Actual available appropriation 2015-16 \$'000</i>	<i>Estimate as at Budget 2016-17 \$'000</i>	<i>Proposed Additional Estimates 2016-17 \$'000</i>	<i>Total estimate at Additional Estimates 2016-17 \$'000</i>
<b>Departmental</b>				
Annual appropriations - ordinary annual services (a)				
Prior year appropriations available (b)	353,439	-	-	353,439
Departmental appropriation	-	1,403,143	38,860	1,442,003
s 74 retained revenue receipts (c)	-	81,599	15,629	97,228
Departmental capital budget (d)	6,017	51,755	-	51,755
Annual appropriations - other services - non-operating (e)				
Prior year appropriations available (b)	184,288	-	-	184,288
Equity injection	-	57,684	8,333	66,017
<b>Total departmental annual appropriations</b>	<b>543,744</b>	<b>1,594,181</b>	<b>62,822</b>	<b>2,194,730</b>
Special accounts (f)				
Opening balance	208,543	105,917	-	105,917
Appropriation receipts (g)	44,478	70,107	14,032	84,139
Appropriation receipts from other entities (h)	24,125	33,402	-	33,402
Non-appropriation receipts	3,919	42,895	-	42,895
<b>Total special accounts</b>	<b>281,065</b>	<b>252,321</b>	<b>14,032</b>	<b>266,353</b>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>44,478</i>	<i>70,107</i>	<i>14,032</i>	<i>84,139</i>
<b>Total departmental resourcing</b>	<b>780,331</b>	<b>1,776,395</b>	<b>62,822</b>	<b>2,376,944</b>

Table continued on the following page.

**Table 1.1: DFAT resource statement — Additional Estimates for 2016-17 as at Additional Estimates February 2017 (continued)**

	<i>Actual available appropriation 2015-16 \$'000</i>	<i>Estimate as at Budget 2016-17 \$'000</i>	<i>Proposed Additional Estimates 2016-17 \$'000</i>	<i>Total estimate at Additional Estimates 2016-17 \$'000</i>
<b>Administered</b>				
Annual appropriations - ordinary annual services (a)				
Prior year appropriations available (b)	232,750	-	-	232,750
Outcome 1	-	4,160,082	35,940	4,196,022
Outcome 2	-	750	-	750
Administered capital budget (i)	5,210	383	-	5,593
Payments to corporate entities (j)	-	140,266	3,344	143,610
Annual appropriations - other services - Administered assets and liabilities	-	1,012,362	-	1,012,362
<b>Total administered annual appropriations</b>	<b>237,960</b>	<b>5,313,843</b>	<b>39,284</b>	<b>5,591,087</b>
<b>Total administered special appropriations (f)</b>	<b>-</b>	<b>1,010</b>	<b>-</b>	<b>1,010</b>
<b>less payments to corporate entities from annual appropriations</b>	<b>-</b>	<b>140,266</b>	<b>3,344</b>	<b>143,610</b>
<b>Total administered resourcing</b>	<b>237,960</b>	<b>5,174,587</b>	<b>35,940</b>	<b>5,448,487</b>
<b>Total resourcing for DFAT</b>	<b>1,018,291</b>	<b>6,950,982</b>	<b>98,762</b>	<b>7,825,431</b>
		<i>Actual 2015-16</i>	<i>2016-17</i>	
<b>Average staffing level (number)</b>		5,700	5,782	

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) *Appropriation Act (No. 1) 2016-17 and Appropriation Bill (No. 3) 2016-17.*
- (b) Excludes \$12.4m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.
- (c) Estimated retained revenue receipts under section 74 of the *PGPA Act*.
- (d) Departmental capital budgets are not separately identified in *Appropriation Act (No. 1)* and form part of ordinary annual services items. Please refer to Table 3.6 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) *Appropriation Act (No. 2) 2016-17 and Appropriation Bill (No. 4) 2016-17.*
- (f) Excludes '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 Monies accounts (SOETM)). For further information on special appropriations and special accounts, please refer to Budget Paper No. 4 – Agency Resourcing. Please also see Table 2.1.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (g) Amounts credited to the special account(s) from another entity's annual appropriations.
- (h) Administered capital budgets are not separately identified in *Appropriation Act (No. 1)* and form part of ordinary annual services items. Please refer to Table 3.11 for further details. For accounting purposes, this amount is designated as a 'contribution by owner'.
- (i) 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the *PGPA Act*.

**Table 1.1: DFAT resource statement — Additional Estimates for 2016-17 as at Additional Estimates February 2017 (continued)**

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

	<i>Actual available appropriation 2015-16 \$'000</i>	<i>Estimate as at Budget 2016-17 \$'000</i>	<i>Proposed Additional Estimate 2016-17 \$'000</i>	<i>Total estimate at Additional Estimates 2016-17 \$'000</i>
Receipts received from other entities for the provision of services (disclosed above in s74 Retained revenue receipts section above)	-	81,599	15,629	97,228
Payments made to corporate entities within the Portfolio				
Tourism Australia Appropriation	-	140,266	3,344	143,610



### 1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2016-17 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

**Table 1.2: Entity 2016-17 measures since Budget**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Expense measures</b>					
Interim Kyiv Embassy — extension	1.1				
Departmental expenses(a)(b)		-	-	-	-
<b>Total</b>		-	-	-	-
Pacific Women Mentoring Program	1.2				
Administered expenses(a)(b)		-	-	-	-
<b>Total</b>		-	-	-	-
Promoting Trade and Investment	1.1				
Departmental expenses(a)		1,241	1,931	1,710	1,119
<b>Total</b>		<b>1,241</b>	<b>1,931</b>	<b>1,710</b>	<b>1,119</b>
Regional Health Security Partnership Fund — establishment	1.2				
Administered expenses(a)(b)		-	-	-	-
<b>Total</b>		-	-	-	-
Expanding Australia's Overseas Representation	1.1				
Departmental expenses(c)(b)		5,317	8,892	10,210	10,837
<b>Total</b>		<b>5,317</b>	<b>8,892</b>	<b>10,210</b>	<b>10,837</b>
Global Watch Office	1.1				
Departmental expenses(c)(d)		448	2,511	2,533	2,556
<b>Total</b>		<b>448</b>	<b>2,511</b>	<b>2,533</b>	<b>2,556</b>
Official development assistance - Asian Development Fund replenishment	1.3				
Administered expenses(b)(d)		-	-	-	-
<b>Total</b>		-	-	-	-

*Table continued on the following page.*

**Table 1.2: Entity 2016-17 measures since Budget (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Efficiency Dividend - 2.5 per cent for additional year down to 1.0 per cent by 2019-20	1.1, 2.1, 2.2, 3.1				
Departmental expenses(e)		-	(15,907)	(26,467)	(32,017)
<b>Total</b>		-	<b>(15,907)</b>	<b>(26,467)</b>	<b>(32,017)</b>
<b>Total expense measures</b>					
Administered		-	-	-	-
Departmental		7,006	(2,573)	(12,014)	(17,505)
<b>Total</b>		<b>7,006</b>	<b>(2,573)</b>	<b>(12,014)</b>	<b>(17,505)</b>
<b>Capital measures</b>					
Expanding Australia's Overseas Representation	1.1				
Departmental capital(d)		20,435	2,260	-	-
<b>Total</b>		<b>20,435</b>	<b>2,260</b>	<b>-</b>	<b>-</b>
<b>Total capital measures</b>					
Departmental		20,435	2,260	-	-
<b>Total</b>		<b>20,435</b>	<b>2,260</b>	<b>-</b>	<b>-</b>

**Prepared on a Government Financial Statistics (fiscal) basis**

- (a) Full measure description and package details appear in MYEFO.
- (b) Funding for this measure will be absorbed from within existing DFAT resources.
- (c) Measure announced at Pre-election Economic and Fiscal Outlook 2016.
- (d) This measure was included as a 'decision taken but not yet announced' in the 2016-17 Budget.
- (e) Policy decision announced in the 2016-17 Budget.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for DFAT at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2016-17 Budget in *Appropriation Bills No. 3* and 4.

**Table 1.3: Additional estimates and other variations to outcomes since 2016-17 Budget**

	Program impacted	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Outcome 1</b>					
<b>Administered</b>					
<b>Annual appropriations</b>					
<b>Changes in Parameters</b>					
Foreign exchange adjustments	1.1, 1.5	(28,060)	(30,424)	(33,908)	(36,683)
<b>Other Variations</b>					
Working Holiday Makers	1.8	2,500	5,000	2,500	-
Multilateral replenishments change to grant amount	1.3	61,500	-	-	-
<b>Net impact on appropriations for Outcome 1 (administered)</b>		<b>35,940</b>	<b>(25,424)</b>	<b>(31,408)</b>	<b>(36,683)</b>
<b>Departmental</b>					
<b>Annual appropriations</b>					
Promoting Trade and Investment	1.1	1,241	1,931	1,710	1,119
Expanding Australia's Overseas Representation	1.1	5,317	8,892	10,210	10,837
Global Watch Office	1.1	448	2,511	2,533	2,556
Efficiency Dividend - 2.5 per cent for additional year down to 1.0 per cent by 2019-20	1.1	-	(8,307)	(13,811)	(16,304)
<b>Changes in Parameters</b>					
Adjustment to Domestic Inflation	1.1	-	(1,116)	(1,461)	(1,980)
Adjustments to Foreign Exchange	1.1	301	301	301	301
Adjustment for Overseas Inflation	1.1	13	13	13	13
Adjustment for 2015-16 Foreign Exchange Rebasing	1.1	24,925	-	-	-
<b>Other Variations</b>					
New GovLink Contract	1.1	(29)	(40)	(40)	(40)
<b>Capital Injection</b>					
Expanding Australia's Overseas Representation	1.1	20,435	2,260	-	-
<b>Capital Movement of Funds</b>					
Approved movements of capital funds	1.1	(12,102)	7,102	5,000	-
<b>Net impact on appropriations for Outcome 1 (departmental)</b>		<b>40,549</b>	<b>13,547</b>	<b>4,455</b>	<b>(3,498)</b>
<b>Total net impact on appropriations for Outcome 1</b>		<b>76,489</b>	<b>13,547</b>	<b>4,455</b>	<b>(3,498)</b>

Table continued on the following page.

**Table 1.3: Additional estimates and other variations to outcomes since 2016-17 Budget (continued)**

	Program impacted	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Outcome 2</b>					
<b>Departmental</b>					
<b>Annual appropriations</b>					
Efficiency Dividend - 2.5 per cent for additional year down to 1.0 per cent by 2019-20	2.1,2.2	-	(3,285)	(5,478)	(6,744)
<b>Changes in Parameters</b>					
Adjustment to Domestic Inflation	2.1, 2.2	-	(683)	(896)	(1,264)
Adjustment for Foreign Exchange	2.1, 2.2	263	263	264	267
Adjustment for Overseas Inflation	2.1, 2.2	11	11	11	11
<b>Other Variations</b>					
Adjustment for Passport Funding due to changes in expected passports issued	2.2	6,258	(1,424)	2,493	(295)
<b>Net impact on appropriations for Outcome 2 (departmental)</b>		<b>6,532</b>	<b>(5,118)</b>	<b>(3,606)</b>	<b>(8,025)</b>
<b>Total net impact on appropriations for Outcome 2</b>		<b>6,532</b>	<b>(5,118)</b>	<b>(3,606)</b>	<b>(8,025)</b>
<b>Outcome 3</b>					
<b>Departmental</b>					
<b>Annual appropriations</b>					
Efficiency Dividend - 2.5 per cent for additional year down to 1.0 per cent by 2019-20	3.1	-	(2,517)	(4,185)	(5,058)
<b>Changes in Parameters</b>					
Adjustment to Domestic Inflation	3.1	-	(437)	(573)	(796)
Adjustment for Foreign Exchange	3.1	108	108	108	108
Adjustment for Overseas Inflation		4	4	4	4
<b>Net impact on appropriations for Outcome 3 (departmental)</b>		<b>112</b>	<b>(2,842)</b>	<b>(4,646)</b>	<b>(5,742)</b>
<b>Total net impact on appropriations for Outcome 3</b>		<b>112</b>	<b>(2,842)</b>	<b>(4,646)</b>	<b>(5,742)</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for DFAT through *Appropriation Bills Nos. 3 and 4*.

**Table 1.4: Appropriation Bill (No. 3) 2016-17**

	2015-16 Available \$'000	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Administered items</b>					
<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>	3,602,676	4,160,465	4,196,405	35,940	-
<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>	750	750	-	-	-
<b>Total administered</b>	<b>3,603,426</b>	<b>4,161,215</b>	<b>4,196,405</b>	<b>35,940</b>	<b>-</b>

*Table continued on the following page.*

**Table 1.4: Appropriation Bill (No. 3) 2016-17 (continued)**

	2015-16 Available \$'000	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Departmental items</b>					
<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>	881,745	896,660	928,876	32,216	-
<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>	335,393	355,231	361,763	6,532	-
<b>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</b>	203,948	203,007	203,119	112	-
<b>Total departmental</b>	<b>1,421,086</b>	<b>1,454,898</b>	<b>1,493,758</b>	<b>38,860</b>	<b>-</b>
<b>Total administered and departmental</b>	<b>5,024,512</b>	<b>5,616,113</b>	<b>5,690,163</b>	<b>74,800</b>	<b>-</b>

**Table 1.5: Appropriation Bill (No. 4) 2016-17**

	2015-16 <i>Available</i> \$'000	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Non-operating</b>					
Equity injections	201,511	57,684	66,017	8,333	-
Administered assets and liabilities	13,527	1,012,362	-	-	-
<b>Total non-operating</b>	<b>215,038</b>	<b>1,070,046</b>	<b>66,017</b>	<b>8,333</b>	<b>-</b>

## Section 2: Revisions to outcomes and planned performance

### **2. CHANGES TO OUTCOME AND PROGRAM STRUCTURES**

There is no change to DFAT's outcomes and performance information as expressed in the *Portfolio Budget Statements 2016-17*.

#### **2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1**

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

#### **Linked programs**

There is no change to DFAT's linked programs as expressed in the *Portfolio Budget Statements 2016-17*. For further details please refer to Portfolio Budget Statements 2016-17 Budget Related Paper No. 1.9 Foreign Affairs and Trade Portfolio.



## Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

**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>	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>Program 1.1: Foreign Affairs and Trade Operations</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1)	6,501	6,495	6,593	6,647	6,708
Other services (Appropriation Act No. 2)	19,728	15,027	-	-	-
Expenses not requiring appropriation in the Budget year (a)	25,401	16,327	1,300	1,300	1,300
<b>Administered total</b>	<b>51,630</b>	<b>37,849</b>	<b>7,893</b>	<b>7,947</b>	<b>8,008</b>
Departmental expenses					
Departmental appropriations	589,476	609,340	540,854	537,313	537,266
74 Retained revenue receipts (b)	85,564	97,228	97,228	97,228	97,228
Expenses not requiring appropriation in the Budget year (c)	121,381	126,022	118,001	109,548	103,439
<b>Departmental total</b>	<b>796,421</b>	<b>832,590</b>	<b>756,083</b>	<b>744,089</b>	<b>737,933</b>
<b>Total expenses for program 1.1</b>	<b>848,051</b>	<b>870,439</b>	<b>763,976</b>	<b>752,036</b>	<b>745,941</b>
<b>Program 1.2: Official Development Assistance</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1)	3,111,868	2,919,800	3,179,168	3,338,828	3,386,545
Expenses not requiring appropriation in the Budget year (c)	6,468	200	500	500	500
<b>Administered total</b>	<b>3,118,336</b>	<b>2,920,000</b>	<b>3,179,668</b>	<b>3,339,328</b>	<b>3,387,045</b>
Departmental expenses					
Departmental appropriation	240,823	242,856	248,927	255,151	258,978
<b>Departmental total</b>	<b>240,823</b>	<b>242,856</b>	<b>248,927</b>	<b>255,151</b>	<b>258,978</b>
<b>Total expenses for program 1.2</b>	<b>3,359,159</b>	<b>3,162,856</b>	<b>3,428,595</b>	<b>3,594,479</b>	<b>3,646,023</b>

Table continued on the following page.

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

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>Program 1.3: Official Development Assistance - Multilateral Replenishments</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	-	781,458	12,622	93,000	733,450
Other services (Appropriation Act No. 2)	-	858,820	-	-	462,000
Expenses not requiring appropriation in the Budget year (d)	103,649	401,760	-	-	401,760
<b>Administered total</b>	<b>103,649</b>	<b>2,042,038</b>	<b>12,622</b>	<b>93,000</b>	<b>1,597,210</b>
<b>Total expenses for program 1.3</b>	<b>103,649</b>	<b>2,042,038</b>	<b>12,622</b>	<b>93,000</b>	<b>1,597,210</b>
<b>Program 1.4: Official Development Assistance - East Asia AIPRD</b>					
Administered expenses					
Expenses not requiring appropriation in the Budget year (e)	7,188	-	-	-	-
<b>Administered total</b>	<b>7,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses for program 1.4</b>	<b>7,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Program 1.5: Payments to International Organisations</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1)	375,887	439,385	460,399	490,458	510,216
<b>Administered total</b>	<b>375,887</b>	<b>439,385</b>	<b>460,399</b>	<b>490,458</b>	<b>510,216</b>
<b>Total expenses for program 1.5</b>	<b>375,887</b>	<b>439,385</b>	<b>460,399</b>	<b>490,458</b>	<b>510,216</b>
<b>Program 1.6: New Colombo Plan - Transforming Regional Relationships</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1)	27,227	27,790	50,933	50,933	50,933
Other services (Appropriation Act No. 2)	75	425	150	-	-
<b>Administered total</b>	<b>27,302</b>	<b>28,215</b>	<b>51,083</b>	<b>50,933</b>	<b>50,933</b>
<b>Total expenses for program 1.6</b>	<b>27,302</b>	<b>28,215</b>	<b>51,083</b>	<b>50,933</b>	<b>50,933</b>
<b>Program 1.7: Public Information Services and Public Diplomacy</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1)	4,594	4,594	4,594	4,594	4,594
<b>Administered total</b>	<b>4,594</b>	<b>4,594</b>	<b>4,594</b>	<b>4,594</b>	<b>4,594</b>
<b>Total expenses for program 1.7</b>	<b>4,594</b>	<b>4,594</b>	<b>4,594</b>	<b>4,594</b>	<b>4,594</b>

Table continued on the following page.

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

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>Program 1.8: Programs to Promote Australia's International Tourism Interests</b>					
Administered expenses					
Tourism Australia - Corporate Commonwealth Entity	144,018	143,610	131,930	131,907	133,881
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	14,000	16,500	19,000	16,500	14,000
<b>Administered total</b>	<b>158,018</b>	<b>160,110</b>	<b>150,930</b>	<b>148,407</b>	<b>147,881</b>
<b>Total expenses for program 1.8</b>	<b>158,018</b>	<b>160,110</b>	<b>150,930</b>	<b>148,407</b>	<b>147,881</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered Expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	3,540,077	4,196,022	3,733,309	4,000,960	4,706,446
Corporate Commonwealth Entity	144,018	143,610	131,930	131,907	133,881
Other services (Appropriation Act No. 2)	19,803	874,272	150	-	462,000
Expenses not requiring appropriation in the Budget year	142,706	418,287	1,800	1,800	403,560
<b>Administered total</b>	<b>3,846,604</b>	<b>5,632,191</b>	<b>3,867,189</b>	<b>4,134,667</b>	<b>5,705,887</b>
Departmental expenses					
Departmental appropriations 74 Retained revenue receipts (b)	830,299	852,196	789,781	792,464	796,244
Expenses not requiring appropriation in the Budget year (a, c, d and e)	85,564	97,228	97,228	97,228	97,228
	121,381	126,022	118,001	109,548	103,439
<b>Departmental total</b>	<b>1,037,244</b>	<b>1,075,446</b>	<b>1,005,010</b>	<b>999,240</b>	<b>996,911</b>
<b>Total expenses for Outcome 1</b>	<b>4,883,848</b>	<b>6,707,637</b>	<b>4,872,199</b>	<b>5,133,907</b>	<b>6,702,798</b>

	2015-16	2016-17
<b>Average staffing level (number)</b>	<b>3,749</b>	<b>3,805</b>

- (a) Includes expenses for the Debt-to-Health Swap with the Government of Indonesia \$19.7 million in 2015-16 and \$15.0 million in 2016-17 that are funded through *Appropriation Bill No. 2*.
- (b) Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013*.
- (c) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees.
- (d) 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.
- (e) Expenses not requiring appropriation in the Budget year relates to the concessional loan discount for the Australia-Indonesia Partnership for Reconstruction and Development loans.

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

**Table 2.1.2: Program components of Outcome 1**

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>1.1.1 - Component 1: Foreign Affairs and Trade Operations</b>					
Annual administered expenses:					
International Climate Change Engagement	2,875	3,000	3,000	3,000	3,000
Personal Benefits - Locally Engaged Staff pension schemes	3,055	2,816	2,899	2,937	2,981
Other Administered Items	571	679	694	710	727
Other services (Appropriation Act No. 2)					
Debt-to-Health Swap with Government of Indonesia	19,728	15,027	-	-	-
Expenses not requiring appropriation in the Budget year	-	-	-	-	-
Export Finance and Insurance Corporation (EFIC) - National Interest Account Expenses	1,745	1,300	1,300	1,300	1,300
Other Administered Items	23,656	15,027	-	-	-
Departmental expenses					
Departmental appropriations	589,476	609,340	540,854	537,313	537,266
s 74 Retained revenue receipts	85,564	97,228	97,228	97,228	97,228
Expenses not requiring appropriation in the Budget year	121,381	126,022	118,001	109,548	103,439
<b>Total Component 1.1.1 expenses</b>	<b>848,051</b>	<b>870,439</b>	<b>763,976</b>	<b>752,036</b>	<b>745,941</b>
	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>1.2.1 - Component 2: Official Development Assistance</b>					
Annual administered expenses:					
Country programs	1,673,249	1,603,879	1,643,976	1,685,075	1,727,202
Regional programs	614,262	621,706	667,395	670,395	702,015
Global programs	548,616	355,276	498,858	574,419	541,340
Humanitarian and emergency response programs	275,741	338,939	368,939	408,939	415,988
Expenses not requiring appropriation in the Budget year	6,468	200	500	500	500
Departmental expenses					
Departmental appropriation	240,823	242,856	248,927	255,151	258,978
<b>Total Component 1.2.1 expenses</b>	<b>3,359,159</b>	<b>3,162,856</b>	<b>3,428,595</b>	<b>3,594,479</b>	<b>3,646,023</b>

*Entity Additional Estimates Statements – DFAT*

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>1.8.1 - Component 8: Programs to Promote Australia's International Tourism Interests</b>					
Annual administered expenses:					
Tourism Australia - Corporate Commonwealth Entity	144,018	143,610	131,930	131,907	133,881
Asia Marketing Fund	14,000	14,000	14,000	14,000	14,000
Working Holiday Makers	-	2,500	5,000	2,500	-
<b>Total Component 1.2.1 expenses</b>	<b>158,018</b>	<b>160,110</b>	<b>150,930</b>	<b>148,407</b>	<b>147,881</b>

**Table 2.1.3: Performance criteria for Outcome 1**

There is no change to DFAT's outcomes and performance criteria as expressed in the *Portfolio Budget Statements 2016-17*. For further details please refer to Portfolio Budget Statements 2016-17 Budget Related Paper No. 1.9 Foreign Affairs and Trade Portfolio.

## **2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2**

**Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas**

### **Linked programs**

There is no change to DFAT's linked programs as expressed in the *Portfolio Budget Statements 2016-17*. For further details please refer to Portfolio Budget Statements 2016-17 Budget Related Paper No. 1.9 Foreign Affairs and Trade Portfolio.

**Budgeted expenses for Outcome 2**

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

**Table 2.2.1 Budgeted expenses for Outcome 2**

<b>Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas</b>	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>Program 2.1: Consular Services</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No.1) (a)	10	200	200	200	200
<b>Administered total</b>	<b>10</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
Departmental expenses					
Departmental appropriation	98,967	104,714	102,406	101,635	99,529
<b>Departmental total</b>	<b>98,987</b>	<b>104,714</b>	<b>102,406</b>	<b>101,635</b>	<b>99,529</b>
<b>Total expenses for program 2.1</b>	<b>98,997</b>	<b>104,914</b>	<b>102,606</b>	<b>101,835</b>	<b>99,729</b>
<b>Program 2.2: Passport Services</b>					
Administered expenses					
Special appropriations: <i>PGPA Act s77 - Passport Refunds</i>	861	1,010	1,010	1,010	1,010
<b>Administered total</b>	<b>861</b>	<b>1,010</b>	<b>1,010</b>	<b>1,010</b>	<b>1,010</b>
Departmental expenses					
Departmental appropriation	230,060	250,791	240,102	243,298	248,809
<b>Departmental total</b>	<b>230,060</b>	<b>250,791</b>	<b>240,102</b>	<b>243,298</b>	<b>248,809</b>
<b>Total expenses for program 2.2</b>	<b>230,921</b>	<b>251,801</b>	<b>241,112</b>	<b>244,308</b>	<b>249,819</b>

Table continued on the following page.

**Table 2.2.1 Budgeted expenses for Outcome 2 (continued)**

	2015-16	2016-17	2017-18	2018-19	2019-20
	Actual	Revised	Forward	Forward	Forward
	\$'000	Budget	estimate	estimate	estimate
		\$'000	\$'000	\$'000	\$'000
<b>Outcome 2 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1) (a)	10	200	200	200	200
Special appropriations	861	1,010	1,010	1,010	1,010
<b>Administered total</b>	<b>871</b>	<b>1,210</b>	<b>1,210</b>	<b>1,210</b>	<b>1,210</b>
Departmental expenses					
Departmental appropriation	329,027	355,505	342,508	344,933	348,338
<b>Departmental total</b>	<b>329,027</b>	<b>355,505</b>	<b>342,508</b>	<b>344,933</b>	<b>348,338</b>
<b>Total expenses for Outcome 2</b>	<b>329,898</b>	<b>356,715</b>	<b>343,718</b>	<b>346,143</b>	<b>349,548</b>

	2015-16	2016-17
<b>Average staffing level (number)</b>	1,082	1,097

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

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

**Table 2.2.3: Performance criteria for Outcome 2**

There is no change to DFAT's outcomes and performance criteria as expressed in the Portfolio Budget Statements 2016-17. For further details please refer to Portfolio Budget Statements 2016-17 Budget Related Paper No. 1.9 Foreign Affairs and Trade Portfolio.



## 2.3 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 3

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

### Budgeted expenses for Outcome 3

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

**Table 2.3.1 Budgeted expenses for Outcome 3**

<b>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</b>	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>Program 3.1: Foreign Affairs and Trade Security and IT</b>					
Departmental expenses					
Departmental appropriation	192,424	203,119	148,980	147,359	145,249
<b>Departmental total</b>	<b>192,424</b>	<b>203,119</b>	<b>148,980</b>	<b>147,359</b>	<b>145,249</b>
<b>Total expenses for program 3.1</b>	<b>192,424</b>	<b>203,119</b>	<b>148,980</b>	<b>147,359</b>	<b>145,249</b>
<b>Program 3.2: Overseas Property</b>					
Special Accounts: Overseas					
Property Special Account - DFAT - s20 FMA Act Det 2002/01 (a)	174,065	195,475	141,733	160,550	200,990
Expenses not requiring appropriation in the Budget year (b)	87,092	5,496	18,333	24,402	27,203
<b>Departmental total</b>	<b>261,157</b>	<b>200,971</b>	<b>160,066</b>	<b>184,952</b>	<b>228,193</b>
<b>Total expenses for program 3.2</b>	<b>261,157</b>	<b>200,971</b>	<b>160,066</b>	<b>184,952</b>	<b>228,193</b>

*Table continued on the following page.*

**Table 2.3.1 Budgeted expenses for Outcome 3 (continued)**

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>Outcome 3 Totals by appropriation</b>					
Departmental expenses					
Departmental appropriation	192,424	203,119	148,980	147,359	145,249
Special accounts	174,065	195,475	141,733	160,550	200,990
Expenses not requiring appropriation in the Budget year (b)	87,092	5,496	18,333	24,402	27,203
<b>Departmental total</b>	<b>453,581</b>	<b>404,090</b>	<b>309,046</b>	<b>332,311</b>	<b>373,442</b>
<b>Total expenses for Outcome 3</b>	<b>453,581</b>	<b>404,090</b>	<b>309,046</b>	<b>332,311</b>	<b>373,442</b>

	2015-16	2016-17
<b>Average staffing level (number)</b>	869	880

(a) This reflects actual cash disbursements from the Overseas Property Special Account.

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

**Table 2.3.3: Performance criteria for Outcome 3**

There is no change to DFAT's outcomes and performance criteria as expressed in the *Portfolio Budget Statements 2016-17*. For further details please refer to Portfolio Budget Statements 2016-17 Budget Related Paper No. 1.9 Foreign Affairs and Trade Portfolio.

## Section 3: Special account flows and budgeted financial statements

### 3.1 SPECIAL ACCOUNT FLOWS

#### Estimates of special account flows

Special Accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1 shows the expected additions (receipts) and reductions (payments) for each account used by DFAT.

**Table 3.1: Estimates of special account flows and balances**

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
Consular Services Special Account s78 PGPA Act Det 2015/05 (A) 2016-17	2	32	100	(100)	-	32
Consular Services Special Account s78 PGPA Act Det 2015/15 (A) 2015-16	2	-	124	(92)	-	32
Consular Services Special Account s20 FMA Act Det 2005/38 (A) 2016-17	2	-	-	-	-	-
Consular Services Special Account s20 FMA Act Det 2005/38 (A) 2015-16	2	38	16	(54)	-	-
Administered Payments and Receipts for Other Entities Special Account s20 FMA Act Det 2000/13 (A) 2016-17	1	4,969	250,031	(250,000)	-	5,000
Administered Payments and Receipts for Other Entities Special Account s20 FMA Act Det 2000/13 (A) 2015-16	1	5,000	266,303	(266,334)	-	4,969

Table continued on the following page.

**Table 3.1: Estimates of special account flows and balances (continued)**

		Opening balance	Receipts	Payments	Adjustments	Closing balance
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Entities and Trust Moneys DFAT Special Account s20 FMA Act Det 2009/25 (A) 2016-17	1	20,425	7,000	(7,000)	-	(20,425)
<i>Services for Other Entities and Trust Moneys DFAT Special Account (A) 2015-16</i>	1	7,399	29,356	(16,330)	-	20,425
Overseas Property Special Account s20 FMA Act Det 2002/01 (D) 2016-17	3	105,917	160,436	(195,475)	-	70,878
<i>Overseas Property Special Account s20 FMA Act Det 2002/01 (D) 2015-16</i>	3	207,460	72,522	(174,065)	-	105,917
<b>Total special accounts 2016-17 Budget estimate</b>		<b>131,343</b>	<b>417,567</b>	<b>(452,575)</b>	<b>-</b>	<b>55,485</b>
<i>Total special accounts 2015-16 actual</i>		<i>219,897</i>	<i>368,321</i>	<i>(456,875)</i>	<i>-</i>	<i>131,343</i>

(A) = Administered

(D) = Departmental

## **3.2 BUDGETED FINANCIAL STATEMENTS**

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

#### **Differences in agency resourcing and financial statements**

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

- Asian Development Fund replenishments – investment component; 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.

#### **Budget Departmental Income Statement**

The Department will receive a net increase in revenue from Government of \$7.8 million (excluding equity injections) in 2016-17.

DFAT's change in revenue is primarily attributable to funding for the Department's expanding engagement overseas, an adjustment for within year foreign exchange movements and an adjustment for passport funding due to higher than expected passports issued in 2016-17.

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

The Department will receive additional equity in 2016-17 of \$8.8 million. For 2016-17, the Department's non-financial asset position is budgeted to be \$3,832.5 million at year-end. The major asset component is \$3,196.5 million for Land and Buildings.

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

This schedule identifies the main revenues and expenses for those programs managed and implemented by DFAT on behalf of the Government.

Administered expenses are forecast to decrease by \$80.0 million from the 2016-17 Budget primarily due to a decrease in UN peacekeeping operations, other payments to International Organisations and changes to the concessional investment discount amount for multilateral replenishments.

**Schedule of budgeted assets and liabilities administered on behalf of Government**

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

Assets and liabilities administered on behalf of the Government are budgeted at \$5,141.6 million and \$2,741.0 million respectively for the year ending 30 June 2017.

**Schedule of budgeted administered cash flows**

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

### 3.2.2 Budgeted financial statements

**Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	781,733	769,692	741,922	742,113	747,012
Suppliers	700,842	705,662	611,967	616,602	619,501
Grants	4,614	4,930	4,930	4,930	4,930
Depreciation and amortisation	147,678	159,282	156,012	152,289	146,258
Write-off and impairment of assets	11,458	-	-	-	-
Finance costs - unwinding of discount	462	-	-	-	-
<b>Total expenses</b>	<b>1,646,787</b>	<b>1,639,566</b>	<b>1,514,831</b>	<b>1,515,934</b>	<b>1,517,701</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	123,856	122,395	125,436	127,014	129,060
Other	9,456	11,258	11,258	11,258	11,258
<b>Total own-source revenue</b>	<b>133,312</b>	<b>133,653</b>	<b>136,694</b>	<b>138,272</b>	<b>140,318</b>
<b>Gains</b>					
Other gains	3,398	18,113	103,832	674	674
<b>Total gains</b>	<b>3,398</b>	<b>18,113</b>	<b>103,832</b>	<b>674</b>	<b>674</b>
<b>Total own-source income</b>	<b>136,710</b>	<b>151,766</b>	<b>240,526</b>	<b>138,946</b>	<b>140,992</b>
<b>Net cost of services</b>	<b>1,510,077</b>	<b>1,487,800</b>	<b>1,274,305</b>	<b>1,376,988</b>	<b>1,376,709</b>
<b>Revenue from Government</b>	<b>1,381,749</b>	<b>1,410,820</b>	<b>1,281,269</b>	<b>1,284,756</b>	<b>1,289,831</b>
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(128,328)</b>	<b>(76,980)</b>	<b>6,964</b>	<b>(92,232)</b>	<b>(86,878)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Changes in asset revaluation surplus	241,943	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>113,615</b>	<b>(76,980)</b>	<b>6,964</b>	<b>(92,232)</b>	<b>(86,878)</b>
<b>Total comprehensive income/(loss) attributable to the Australian</b>	<b>113,615</b>	<b>(76,980)</b>	<b>6,964</b>	<b>(92,232)</b>	<b>(86,878)</b>

Table continued on the following page.

**Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June. (continued)**

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>Total comprehensive income excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>273,213</b>	<b>82,302</b>	<b>162,976</b>	<b>60,057</b>	<b>59,380</b>
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	159,598	159,282	156,012	152,289	146,258
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>113,615</b>	<b>(76,980)</b>	<b>6,964</b>	<b>(92,232)</b>	<b>(86,878)</b>

(a) From 2010-11, the Government introduced net cash appropriation 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 3.6 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.



**Table 3.3: Budgeted departmental balance sheet (as at 30 June)**

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	57,295	57,295	57,295	57,295	57,295
Trade and other receivables	801,089	670,709	799,059	776,885	687,962
<b>Total financial assets</b>	<b>858,384</b>	<b>728,004</b>	<b>856,354</b>	<b>834,180</b>	<b>745,257</b>
<b>Non-financial assets</b>					
Land and buildings	3,039,304	3,196,524	3,227,719	3,252,702	3,348,616
Property, plant and equipment	263,413	310,004	309,435	295,418	283,185
Intangibles	106,628	99,604	92,077	87,106	84,363
Inventories	47,586	47,586	47,586	47,586	47,586
Other non-financial assets	94,439	95,300	96,168	97,046	97,933
Assets held for sale	106,014	83,453	-	-	-
<b>Total non-financial assets</b>	<b>3,657,384</b>	<b>3,832,471</b>	<b>3,772,985</b>	<b>3,779,858</b>	<b>3,861,683</b>
<b>Total assets</b>	<b>4,515,768</b>	<b>4,560,475</b>	<b>4,629,339</b>	<b>4,614,038</b>	<b>4,606,940</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	117,924	111,552	69,864	70,686	71,517
Other payables	60,811	62,139	62,570	63,004	63,323
<b>Total payables</b>	<b>178,735</b>	<b>173,691</b>	<b>132,434</b>	<b>133,690</b>	<b>134,840</b>
<b>Provisions</b>					
Employee provisions	227,468	236,314	238,481	240,671	242,882
Other provisions	18,763	18,876	18,989	19,103	19,217
<b>Total provisions</b>	<b>246,231</b>	<b>255,190</b>	<b>257,470</b>	<b>259,774</b>	<b>262,099</b>
<b>Total liabilities</b>	<b>424,966</b>	<b>428,881</b>	<b>389,904</b>	<b>393,464</b>	<b>396,939</b>
<b>Net assets</b>	<b>4,090,802</b>	<b>4,131,594</b>	<b>4,239,435</b>	<b>4,220,574</b>	<b>4,210,001</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	2,402,445	2,520,217	2,621,093	2,701,664	2,777,969
Reserves	1,483,437	1,483,437	1,483,437	1,483,437	1,483,437
Retained surplus	204,920	127,940	134,905	35,473	(51,405)
<b>Total parent entity interest</b>	<b>4,090,802</b>	<b>4,131,594</b>	<b>4,239,435</b>	<b>4,220,574</b>	<b>4,210,001</b>
<b>Total Equity</b>	<b>4,090,802</b>	<b>4,131,594</b>	<b>4,239,435</b>	<b>4,220,574</b>	<b>4,210,001</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.4: Departmental statement of changes in equity — summary of movement (Budget Year 2016-17)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2016</b>				
Balance carried forward from previous period	204,920	1,483,437	2,402,445	4,090,802
<b>Adjusted opening balance</b>	<b>204,920</b>	<b>1,483,437</b>	<b>2,402,445</b>	<b>4,090,802</b>
<b>Comprehensive income</b>				
Other comprehensive income	-	-	-	-
Surplus/(deficit) for the period	(76,980)	-	-	(76,980)
<b>Total comprehensive loss</b>	<b>(76,980)</b>	<b>-</b>	<b>-</b>	<b>(76,980)</b>
of which:				
Attributable to the Australian Government	(76,980)	-	-	(76,980)
<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	-	-	66,017	66,017
Departmental Capital Budget (DCB)	-	-	51,755	51,755
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>117,772</b>	<b>117,772</b>
<b>Estimated closing balance as at 30 June 2017</b>	<b>127,940</b>	<b>1,483,437</b>	<b>2,520,217</b>	<b>4,131,594</b>
<b>Closing balance attributable to the Australian Government</b>	<b>127,940</b>	<b>1,483,437</b>	<b>2,520,217</b>	<b>4,131,594</b>

Prepared on Australian Accounting Standards basis

**Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	1,495,558	1,410,820	1,281,269	1,284,756	1,289,831
Sale of goods and rendering of services	120,845	133,653	136,694	138,272	140,318
Other	67,102	133,556	135,203	77,713	150,891
<b>Total cash received</b>	<b>1,616,403</b>	<b>1,678,029</b>	<b>1,553,166</b>	<b>1,500,741</b>	<b>1,581,040</b>
<b>Cash used</b>					
Employees	781,715	760,846	739,755	739,923	744,801
Suppliers	751,834	712,034	653,655	615,780	618,670
Other	205,447	112,713	198,591	60,125	66,678
<b>Total cash used</b>	<b>1,738,996</b>	<b>1,585,593</b>	<b>1,592,001</b>	<b>1,415,828</b>	<b>1,430,149</b>
<b>Net cash from/(used by) operating activities</b>	<b>(122,593)</b>	<b>92,436</b>	<b>(38,835)</b>	<b>84,913</b>	<b>150,891</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of land, buildings, property, plant and equipment	1,616	41,120	174,038	-	-
<b>Total cash received</b>	<b>1,616</b>	<b>41,120</b>	<b>174,038</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase and development of land, buildings, property, plant, equipment and intangibles	254,170	356,069	245,952	158,284	227,196
<b>Total cash used</b>	<b>254,170</b>	<b>356,069</b>	<b>245,952</b>	<b>158,284</b>	<b>227,196</b>
<b>Net cash used by investing activities</b>	<b>(252,554)</b>	<b>(314,949)</b>	<b>(71,914)</b>	<b>(158,284)</b>	<b>(227,196)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	185,144	222,513	110,749	80,571	76,305
<b>Total cash received</b>	<b>185,144</b>	<b>222,513</b>	<b>110,749</b>	<b>80,571</b>	<b>76,305</b>
<b>Cash used</b>					
Returns of equity	-	-	-	7,200	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,200</b>	<b>-</b>
<b>Net cash used by financing activities</b>	<b>185,144</b>	<b>222,513</b>	<b>110,749</b>	<b>73,371</b>	<b>76,305</b>
<b>Net increase/decrease in cash held</b>	<b>(27,819)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	84,556	57,295	57,295	57,295	57,295
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period	558	-	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>57,295</b>	<b>57,295</b>	<b>57,295</b>	<b>57,295</b>	<b>57,295</b>

Prepared on Australian Accounting Standards basis.

**Table 3.6: Departmental capital budget statement (for the period ended 30 June)**

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	52,171	51,755	46,455	69,765	75,462
Equity injections - Bill 2	134,897	66,017	54,421	10,806	843
<b>Total new capital appropriations</b>	<b>187,068</b>	<b>117,772</b>	<b>100,876</b>	<b>80,571</b>	<b>76,305</b>
<b>Provided for:</b>					
Purchase of non-financial assets	187,068	117,772	100,876	80,571	76,305
<b>Total Items</b>	<b>187,068</b>	<b>117,772</b>	<b>100,876</b>	<b>80,571</b>	<b>76,305</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	134,897	170,758	64,294	10,806	843
Funded by capital appropriation - DCB (b)	52,171	51,755	46,455	69,765	75,462
Funded internally from departmental resources (c)	67,102	133,556	135,203	77,713	150,891
<b>TOTAL</b>	<b>254,170</b>	<b>356,069</b>	<b>245,952</b>	<b>158,284</b>	<b>227,196</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	254,170	356,069	245,952	158,284	227,196
<b>Total cash used to acquire assets</b>	<b>254,170</b>	<b>356,069</b>	<b>245,952</b>	<b>158,284</b>	<b>227,196</b>

(a) Includes both current and prior *Bill No. 4* and prior *Act No. 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 No. 3* and prior year *Act No. 1, 3/5* appropriations (excluding amounts from the DCB);
- internally developed assets;
- s74 Retained revenue receipts;
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

**Table 3.7: Statement of asset movements (2016-17 Budget year)**

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	L&B, IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2016</b>						
Gross book value	1,561,229	1,532,069	321,422	183,025	106,014	3,703,759
Accumulated depreciation/amortisation and impairment	-	(53,994)	(58,009)	(76,397)	-	(188,400)
<b>Opening net book balance</b>	<b>1,561,229</b>	<b>1,478,075</b>	<b>263,413</b>	<b>106,628</b>	<b>106,014</b>	<b>3,515,359</b>
<b>Capital asset additions</b>						
<b>Estimated expenditure on new or replacement assets</b>						
By purchase - appropriation equity (a)	-	72,068	97,454	1,236	-	170,758
By purchase - appropriation ordinary annual services (b)	32,168	145,582	-	7,561	-	185,311
<b>Total additions</b>	<b>32,168</b>	<b>217,650</b>	<b>97,454</b>	<b>8,797</b>	<b>-</b>	<b>356,069</b>
<b>Other movements</b>						
Depreciation/amortisation expense	-	(92,598)	(50,863)	(15,821)	-	(159,282)
Other	-	-	-	-	(22,561)	(22,561)
<b>Total other movements</b>	<b>-</b>	<b>(92,598)</b>	<b>(50,863)</b>	<b>(15,821)</b>	<b>(22,561)</b>	<b>(181,843)</b>
<b>As at 30 June 2017</b>						
Gross book value	1,593,397	1,749,719	418,876	191,822	-	4,037,267
Accumulated depreciation/amortisation and impairment	-	(146,592)	(108,872)	(92,218)	-	(347,682)
<b>Closing net book balance</b>	<b>1,593,397</b>	<b>1,603,127</b>	<b>310,004</b>	<b>99,604</b>	<b>83,453</b>	<b>3,689,585</b>

(a) "Appropriation equity" refers to equity injections appropriations provided through *Appropriation Act (No.2) 2016-17* and *Bill (No.4) 2016-17*, including Collection Development Acquisition Budget (CDABs).

(b) "Appropriation ordinary annual services" refers to funding provided through *Appropriation Act (No.1) 2016-17* and *Bill (No.3) 2016-17* for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

**Table 3.8: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>EXPENSES</b>					
International Development Assistance	3,116,868	2,919,800	3,179,168	3,338,828	3,386,545
IDA/ADF Multilateral Replenishment grants (a)	-	598,778	-	-	600,240
Other Multilateral Replenishment grants	-	182,680	12,622	93,000	133,210
Concessional loan discount	7,188	-	-	-	-
Concessional investment discount	103,649	401,760	-	-	401,760
Other contributions	425,431	491,948	538,620	566,195	583,470
Export Finance and Insurance Corporation (EFIC)	21,532	16,327	1,300	1,300	1,300
Other expenses	7,525	4,026	4,109	4,147	4,191
Payments to Corporate entities	144,018	143,610	131,930	131,907	133,881
Depreciation and amortisation	1,460	200	500	500	500
<b>Total expenses administered on behalf of Government</b>	<b>3,827,671</b>	<b>4,759,129</b>	<b>3,868,249</b>	<b>4,135,877</b>	<b>5,245,097</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Non-taxation revenue</b>					
Fees and Charges	465,092	505,098	533,585	560,155	592,768
Multilateral Replenishments and Other Loans	55,295	-	-	-	-
EFIC NIA	35,686	41,860	41,567	41,288	41,592
EFIC Dividends	13,654	5,769	5,800	7,400	9,000
Returns of prior year administered expenses	34,954	13,641	13,982	43,229	44,310
Other revenue and gains	6,433	254	254	255	255
<b>Total non-taxation revenue</b>	<b>611,114</b>	<b>566,622</b>	<b>595,188</b>	<b>652,327</b>	<b>687,925</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>611,114</b>	<b>566,622</b>	<b>595,188</b>	<b>652,327</b>	<b>687,925</b>
<b>Net cost of services</b>	<b>(3,216,557)</b>	<b>(4,192,507)</b>	<b>(3,273,061)</b>	<b>(3,483,550)</b>	<b>(4,557,172)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Re-measurement of defined benefit plan	(8,618)	-	-	-	-
Changes in asset revaluation surplus	(1,074)	-	-	-	-
Movement in the carrying amount of investments	8,540	-	-	-	-
<b>Total comprehensive loss</b>	<b>(3,217,709)</b>	<b>(4,192,507)</b>	<b>(3,273,061)</b>	<b>(3,483,550)</b>	<b>(4,557,172)</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.9: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	257	257	257	257	257
Loans and receivables	185,512	186,061	186,611	187,161	187,711
Investments (IDA/ADF)(a)	1,986,684	2,046,684	2,046,684	2,046,684	2,106,684
Investment accounted for using the equity method	464,842	464,842	464,842	464,842	464,842
Appropriation receivable - other	-	2,438,866	2,086,767	1,867,354	2,661,968
<b>Total financial assets</b>	<b>2,637,295</b>	<b>5,136,710</b>	<b>4,785,161</b>	<b>4,566,298</b>	<b>5,421,462</b>
<b>Non-financial assets</b>					
Leasehold improvements	62	62	62	62	62
Infrastructure, plant and equipment	6	6	6	6	6
Intangibles	4,094	4,277	4,220	4,224	4,252
Other non-financial assets	572	572	572	572	572
<b>Total non-financial assets</b>	<b>4,734</b>	<b>4,917</b>	<b>4,860</b>	<b>4,864</b>	<b>4,892</b>
<b>Total assets administered on behalf of Government</b>	<b>2,642,029</b>	<b>5,141,627</b>	<b>4,790,021</b>	<b>4,571,162</b>	<b>5,426,354</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
IDA/ADF grant component (a)	221,846	817,816	723,846	613,487	1,087,913
IDA/ADF concessional component (a)	741,041	1,215,102	976,307	769,296	1,021,390
Aid program payable	492,033	598,120	578,636	676,593	744,687
Other payables	20,223	20,223	20,223	20,223	20,223
<b>Total payables</b>	<b>1,475,143</b>	<b>2,651,261</b>	<b>2,299,012</b>	<b>2,079,599</b>	<b>2,874,213</b>
<b>Provisions</b>					
Employee provisions	89,711	89,711	89,711	89,711	89,711
<b>Total provisions</b>	<b>89,711</b>	<b>89,711</b>	<b>89,711</b>	<b>89,711</b>	<b>89,711</b>
<b>Total liabilities administered on behalf of Government</b>	<b>1,564,854</b>	<b>2,740,972</b>	<b>2,388,723</b>	<b>2,169,310</b>	<b>2,963,924</b>
<b>Net assets</b>	<b>1,077,175</b>	<b>2,400,655</b>	<b>2,401,298</b>	<b>2,401,852</b>	<b>2,462,430</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.10: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Fees and Charges	441,983	505,098	533,585	560,155	592,768
Efic - Dividends and NIA	45,996	47,629	47,367	48,688	50,592
Return of prior year administered expenses	34,954	13,641	13,982	43,229	44,310
Other	63,522	254	254	255	255
<b>Total cash received</b>	<b>586,455</b>	<b>566,622</b>	<b>595,188</b>	<b>652,327</b>	<b>687,925</b>
<b>Cash used</b>					
International Development Assistance	3,224,642	3,300,567	3,531,713	3,673,759	3,767,140
Other contributions	425,431	491,948	538,620	566,195	583,470
Payments to corporate commonwealth entities	144,018	143,610	131,930	131,907	133,881
Efic NIA	21,532	15,027	-	-	-
Other	7,042	5,001	4,809	4,697	4,741
<b>Total cash used</b>	<b>3,822,665</b>	<b>3,956,153</b>	<b>4,207,072</b>	<b>4,376,558</b>	<b>4,489,232</b>
<b>Net cash used by operating activities</b>	<b>(3,236,210)</b>	<b>(3,389,531)</b>	<b>(3,611,884)</b>	<b>(3,724,231)</b>	<b>(3,801,307)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sale of property plant and equipment	8	-	-	-	-
<b>Total cash used</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	730	383	443	504	528
Purchase of concessional financial instruments	227,021	-	-	-	-
<b>Total cash used</b>	<b>227,751</b>	<b>383</b>	<b>443</b>	<b>504</b>	<b>528</b>
<b>Net cash used by investing activities</b>	<b>(227,743)</b>	<b>(383)</b>	<b>(443)</b>	<b>(504)</b>	<b>(528)</b>
<b>Net increase decrease in cash held</b>	<b>(3,463,953)</b>	<b>(3,389,914)</b>	<b>(3,612,327)</b>	<b>(3,724,735)</b>	<b>(3,801,835)</b>
Cash and cash equivalents at beginning of reporting period	1,832	257	257	257	257
Cash from Official Public Account for:					
- Appropriations and Special Accounts	4,148,691	3,956,536	4,207,515	4,377,062	4,489,760
Cash to Official Public Account for:					
- Appropriations	(686,845)	(566,622)	(595,188)	(652,327)	(687,925)
Effect of exchange rate fluctuations	532	-	-	-	-
<b>Cash and cash equivalents at end of reporting period</b>	<b>257</b>	<b>257</b>	<b>257</b>	<b>257</b>	<b>257</b>

Prepared on Australian Accounting Standards basis.



**Table 3.11: Schedule of administered capital budget (for the period ended 30 June)**

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (ACB)	730	383	443	504	528
Administered Assets and Liabilities - Bill 2	362,075	874,272	150	-	462,000
<b>Total new capital appropriations</b>	<b>362,805</b>	<b>874,655</b>	<b>593</b>	<b>504</b>	<b>462,528</b>
<b>Provided for:</b>					
Purchase of non-financial assets	730	383	443	504	528
Other Items	362,075	874,272	150	-	462,000
<b>Total items</b>	<b>362,805</b>	<b>874,655</b>	<b>593</b>	<b>504</b>	<b>462,528</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - ACB (a)	730	383	443	504	528
<b>TOTAL</b>	<b>730</b>	<b>383</b>	<b>443</b>	<b>504</b>	<b>528</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total accrual purchases	730	383	443	504	528
<b>Total cash used to acquire assets</b>	<b>730</b>	<b>383</b>	<b>443</b>	<b>504</b>	<b>528</b>

(a) Includes purchases from current and previous years' Administered Capital Budgets (ACBs).

Prepared on Australian Accounting Standards basis.

**Table 3.12: Statement of administered asset movements (2016-17 Budget year)**

	Buildings	Other property, plant and equipment	Other	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2016</b>				
Gross book value	590	30	12,424	13,044
Accumulated depreciation/amortisation and impairment	(528)	(24)	(8,330)	(8,882)
<b>Opening net book balance</b>	<b>62</b>	<b>6</b>	<b>4,094</b>	<b>4,162</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services (a)	-	-	383	383
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>383</b>	<b>383</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	-	(200)	(200)
<b>Total other movements</b>	<b>-</b>	<b>-</b>	<b>(200)</b>	<b>(200)</b>
<b>As at 30 June 2017</b>				
Gross book value	590	30	12,807	13,427
Accumulated depreciation/amortisation and impairment	(528)	(24)	(8,530)	(9,082)
<b>Closing net book balance</b>	<b>62</b>	<b>6</b>	<b>4,277</b>	<b>4,345</b>

(a) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1) 2016-17* and *Bill (No.3) 2016-17* for depreciation/amortisation expenses, ACBs or other operational expenses.

## AUSTRALIAN TRADE AND INVESTMENT COMMISSION

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## **AUSTRALIAN TRADE AND INVESTMENT COMMISSION (AUSTRADE)**

### **Section 1: Entity overview and resources**

#### **1.1 STRATEGIC DIRECTION STATEMENT**

A full outline of Austrade's current strategic direction can be found in the *Portfolio Budget Statements 2016-17*.

#### **1.2 ENTITY RESOURCE STATEMENT**

The Entity Resource Statement details the resourcing for Austrade at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2016-17 Budget year, including variations through *Appropriation Bills Nos. 3 and 4*, Special Appropriations and Special Accounts.

**Table 1.1: Austrade Resource Statement — Additional Estimates for 2016-17 as at Additional Estimates February 2017**

	<i>Actual available appropriation 2015-16 \$'000</i>	<i>Estimate as at Budget 2016-17 \$'000</i>	<i>Proposed Additional Estimates 2016-17 \$'000</i>	<i>Total estimate at Additional Estimates 2016-17 \$'000</i>
<b>Departmental</b>				
Annual appropriations - ordinary annual services (a)				
Prior year appropriations available (b)	44,434	45,143	-	45,143
Departmental appropriation	-	197,340	4,354	201,694
s 74 retained revenue receipts (c)	-	25,100	2,310	27,410
Departmental capital budget (d)	-	14,526	-	14,526
Annual appropriations - other services - non-operating (e)				
Equity injection	2,711	1,595	-	1,595
<b>Total departmental annual appropriations</b>	<b>47,145</b>	<b>283,704</b>	<b>6,664</b>	<b>290,368</b>
<b>Total departmental resourcing</b>	<b>47,145</b>	<b>283,704</b>	<b>6,664</b>	<b>290,368</b>
<b>Administered</b>				
Annual appropriations - ordinary annual services (a)				
Prior year appropriations available (b)	2,614	-	-	-
Outcome 1	-	140,714	-	140,714
<b>Total administered annual appropriations</b>	<b>2,614</b>	<b>140,714</b>	<b>-</b>	<b>140,714</b>
<b>Total administered resourcing</b>	<b>2,614</b>	<b>140,714</b>	<b>-</b>	<b>140,714</b>
<b>Total resourcing for Austrade</b>	<b>49,759</b>	<b>424,418</b>	<b>6,664</b>	<b>431,082</b>
		<i>Actual 2015-16</i>	<i>2016-17</i>	
<b>Average staffing level (number)</b>		1,024	1,029	

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) *Appropriation Act (No. 1) 2016-2017 and Appropriation Bill (No. 3) 2016-2017.*

(b) Excludes \$0.7m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA) Act*.

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

(d) Departmental capital budgets are not separately identified in *Appropriation Act (No. 1)* and form part of ordinary annual services items. Please refer to Table 3.6 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(e) *Appropriation Act (No. 2) 2016-17.*

### 1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2016-17 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

**Table 1.2: Entity 2016-17 measures since Budget**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Expense measures</b>					
Promoting Trade and Investment	1.1				
Administered expenses		-	500	500	500
Departmental expenses		950	2,732	2,728	2,738
<b>Total</b>		<b>950</b>	<b>3,232</b>	<b>3,228</b>	<b>3,238</b>
<b>Total expense measures</b>					
Administered		-	500	500	500
Departmental		950	2,732	2,728	2,738
<b>Total</b>		<b>950</b>	<b>3,232</b>	<b>3,228</b>	<b>3,238</b>

Prepared on a Government Financial Statistics (fiscal) basis

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for Austrade at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2016-17 Budget in *Appropriation Bills Nos. 3 and 4*.

**Table 1.3: Additional estimates and other variations to outcomes since 2016-17 Budget**

	Program impacted	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Outcome 1</b>					
<b>Administered</b>					
<b>Annual appropriations</b>					
Promoting Trade and Investment	1.2	-	500	500	500
<b>Net impact on appropriations for Outcome 1 (administered)</b>		-	500	500	500
<b>Departmental</b>					
<b>Annual appropriations</b>					
Promoting Trade and Investment	1.1	950	2,732	2,728	2,738
<b>Movement of Funds</b>					
(net increase)	1.1	-	2,711	-	-
<b>Changes in Parameters</b>					
(net increase)	1.1	3,419	161	161	161
(net decrease)	1.1	-	(3,533)	(5,765)	(6,852)
<b>Other Variations</b>					
(net decrease)	1.1	(15)	(20)	(20)	(20)
<b>Net impact on appropriations for Outcome 1 (departmental)</b>		4,354	2,051	(2,896)	(3,973)
<b>Total net impact on appropriations for Outcome 1</b>		4,354	2,551	(2,396)	(3,473)
<b>Outcome 2</b>					
<b>Departmental</b>					
<b>Annual appropriations</b>					
<b>Changes in Parameters</b>					
(net decrease)	2.1	-	(175)	(281)	(341)
<b>Net impact on appropriations for Outcome 2 (departmental)</b>		-	(175)	(281)	(341)
<b>Total net impact on appropriations for Outcome 2</b>		-	(175)	(281)	(341)

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for Austrade through *Appropriation Bills Nos. 3 and 4*.

**Table 1.4: Appropriation Bill (No. 3) 2016-17**

	2015-16 Available \$'000	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Administered items</b>					
Outcome 1 - Contribute to Australia's economic prosperity by promoting Australia's export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government	140,897	140,714	140,714	-	-
<b>Total administered</b>	<b>140,897</b>	<b>140,714</b>	<b>140,714</b>	<b>-</b>	<b>-</b>
<b>Departmental programmes</b>					
Outcome 1 - Contribute to Australia's economic prosperity by promoting Australia's export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government	220,524	202,152	206,506	4,354	-
Outcome 2 - The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas	9,497	9,714	9,714	-	-
<b>Total departmental</b>	<b>230,021</b>	<b>211,866</b>	<b>216,220</b>	<b>4,354</b>	<b>-</b>
<b>Total administered and departmental</b>	<b>370,918</b>	<b>352,580</b>	<b>356,934</b>	<b>4,354</b>	<b>-</b>



**Table 1.5: Appropriation Bill (No. 4) 2016-17**

There is no change to Austrade's information supplied in the *Portfolio Budget Statements 2016-17*.

## Section 2: Revisions to outcomes and planned performance

### 2. CHANGES TO OUTCOME AND PROGRAM STRUCTURES

There is no change to Austrade's outcomes and performance information as expressed in the *Portfolio Budget Statements 2016-17*.

#### 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

##### Linked programs

There is no change to Austrade's linked programs as expressed in the *Portfolio Budget Statements 2016-17*. For further details please refer to Portfolio Budget Statements 2016-17 Budget Related Paper No. 1.9 Foreign Affairs and Trade Portfolio.

**Budgeted expenses for Outcome 1**

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

**Table 2.1.1 Budgeted expenses for Outcome 1**

	2015-16 Actual expenses \$'000	2016-17 Revised estimated expenses \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>Program 1.1: Promotion of Australia's export and other international economic interests</b>					
Departmental expenses					
Departmental appropriations	203,441	188,722	189,082	188,311	185,960
74 Retained revenue receipts (a)	27,004	23,906	23,896	23,896	23,896
Special accounts					
Services for other entities and trust monies	703	872	-	-	-
Expenses not requiring appropriation in the Budget year (b)	16,979	19,000	19,000	19,000	19,460
<b>Departmental total</b>	<b>248,127</b>	<b>232,500</b>	<b>231,978</b>	<b>231,207</b>	<b>229,316</b>
<b>Total expenses for program 1.1</b>	<b>248,127</b>	<b>232,500</b>	<b>231,978</b>	<b>231,207</b>	<b>229,316</b>
<b>Program 1.2: Programmes to promote Australia's exports and other international economic interests</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	142,536	140,714	140,658	140,446	138,400
<b>Administered total</b>	<b>142,536</b>	<b>140,714</b>	<b>140,658</b>	<b>140,446</b>	<b>138,400</b>
<b>Total expenses for program 1.2</b>	<b>142,536</b>	<b>140,714</b>	<b>140,658</b>	<b>140,446</b>	<b>138,400</b>
<b>Other Administered</b>					
Administered expenses					
Special accounts					
Administered payments and receipts for other entities	11,203	2,684			
<b>Administered total</b>	<b>11,203</b>	<b>2,684</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses for Other Administered</b>	<b>11,203</b>	<b>2,684</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table continued on the following page.

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

	2015-16 Actual expenses \$'000	2016-17 Revised estimated expenses \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	142,536	140,714	140,658	140,446	138,400
Special accounts	11,203	2,684	-	-	-
<b>Administered total</b>	<b>153,739</b>	<b>143,398</b>	<b>140,658</b>	<b>140,446</b>	<b>138,400</b>
Departmental expenses					
Departmental appropriations	203,441	188,722	189,082	188,311	185,960
Section 74 Retained revenue receipts (a)	27,004	23,906	23,896	23,896	23,896
Special accounts	703	872	-	-	-
Expenses not requiring appropriation in the Budget year (b)	16,979	19,000	19,000	19,000	19,460
<b>Departmental total</b>	<b>248,127</b>	<b>232,500</b>	<b>231,978</b>	<b>231,207</b>	<b>229,316</b>
<b>Total expenses for Outcome 1</b>	<b>401,866</b>	<b>375,898</b>	<b>372,636</b>	<b>371,653</b>	<b>367,716</b>
<b>Average staffing level (number)</b>					
	2015-16 985	2016-17 991			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act*.

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

**Table 2.1.2: Program components of Outcome 1**

<b>Program 1.2: Programmes to promote Australia's exports and other international economic interests</b>					
	2015-16	2016-17	2017-18	2018-19	2019-20
	Actual	Revised	Forward	Forward	Forward
	\$'000	Budget	estimate	estimate	estimate
		\$'000	\$'000	\$'000	\$'000
<b>1.2.1 - Component 1 Export Market Development Grants scheme</b>					
Annual administered expenses:					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	140,602	137,900	137,900	137,900	137,900
Total component 1 expenses	<b>140,602</b>	<b>137,900</b>	<b>137,900</b>	<b>137,900</b>	<b>137,900</b>
<b>1.2.2 - Component 2: Asian Business Engagement plan</b>					
Annual administered expenses:					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	341	200	-	-	-
Total component 2 expenses	<b>341</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>1.2.3 - Component 3: Free Trade Agreement Promotion</b>					
Annual administered expenses:					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	568	773	500	500	500
Total component 3 expenses	<b>568</b>	<b>773</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>1.2.4 - Component 4: Developing Northern Australia - positioning the north as a leader in tropical health</b>					
Annual administered expenses:					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	1,025	1,841	2,258	2,046	-
Total component 4 expenses	<b>1,025</b>	<b>1,841</b>	<b>2,258</b>	<b>2,046</b>	<b>-</b>
<b>Total program expenses</b>	<b>142,536</b>	<b>140,714</b>	<b>140,658</b>	<b>140,446</b>	<b>138,400</b>

**Table 2.1.3: Performance criteria for Outcome 1**

There is no change to Austrade's outcomes and performance criteria as expressed in the *Portfolio Budget Statements 2016-17*. For further details please refer to Portfolio Budget Statements 2016-17 Budget Related Paper No. 1.9 Foreign Affairs and Trade Portfolio.

## **2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2**

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

### **Linked programs**

There is no change to Austrade's linked programs as expressed in the *Portfolio Budget Statements 2016-17*. For further details please refer to Portfolio Budget Statements 2016-17 Budget Related Paper No. 1.9 Foreign Affairs and Trade Portfolio.

**Budgeted expenses for Outcome 2**

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

**Table 2.2.1 Budgeted expenses for Outcome 2****Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas**

	2015-16 Actual expenses \$'000	2016-17 Revised estimated expenses \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>Program 2.1: Consular Services</b>					
Departmental expenses					
Departmental appropriation	10,861	9,714	9,501	9,459	9,455
s 74 Retained revenue receipts (a)	1,435	3,504	3,504	3,504	3,504
Expenses not requiring appropriation in the Budget year (b)	902	-	-	-	-
<b>Departmental total</b>	<b>13,183</b>	<b>13,218</b>	<b>13,005</b>	<b>12,963</b>	<b>12,959</b>
<b>Total expenses for program 2.1</b>	<b>13,183</b>	<b>13,218</b>	<b>13,005</b>	<b>12,963</b>	<b>12,959</b>
<b>Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas</b>					
	2015-16 Actual expenses \$'000	2016-17 Revised estimated expenses \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>Outcome 2 Totals by appropriation</b>					
Departmental expenses					
Departmental appropriation	10,861	9,714	9,501	9,459	9,455
s74 Retained revenue receipts (a)	1,435	3,504	3,504	3,504	3,504
<b>Departmental total</b>	<b>12,296</b>	<b>13,218</b>	<b>13,005</b>	<b>12,963</b>	<b>12,959</b>
<b>Total expenses for Outcome 2</b>	<b>12,296</b>	<b>13,218</b>	<b>13,005</b>	<b>12,963</b>	<b>12,959</b>

	2015-16	2016-17
<b>Average staffing level (number)</b>	39	38

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act*.

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

**Table 2.2.3: Performance criteria for Outcome 2**

There is no change to Austrade's outcomes and performance criteria as expressed in the *Portfolio Budget Statements 2016-17*. For further details please refer to Portfolio Budget Statements 2016-17 Budget Related Paper No. 1.9 Foreign Affairs and Trade Portfolio.



## Section 3: Special account flows and budgeted financial statements

### 3.1 SPECIAL ACCOUNT FLOWS

#### Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1 shows the expected additions (receipts) and reductions (payments) for each account used by Austrade.

**Table 3.1: 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 (A)	1	100	2,584	2,684	-	-
2016-17						
Administered payments and receipts for other entities (A)		100	11,203	11,203	-	100
2015-16						
Services for other entities and trust monies (D)	1	872	-	872	-	-
2016-17						
Services for other entities and trust monies (D)		1,023	552	703	-	872
2015-16						
<b>Total special accounts 2016-17 Budget estimate</b>		<b>972</b>	<b>2,584</b>	<b>3,556</b>	<b>-</b>	<b>-</b>
<i>Total special accounts 2015-16 actual</i>		<i>1,123</i>	<i>11,755</i>	<i>11,906</i>	<i>-</i>	<i>972</i>

(A) = Administered

(D) = Departmental

## **3.2 BUDGETED FINANCIAL STATEMENTS**

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

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

### **3.2.2 Budgeted financial statements**

#### **Departmental Financial Statements**

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

#### **Budgeted departmental comprehensive income statement**

This statement provides actual financial results for 2015-16 and the estimated revenue and expenses for 2016-17 and forward years.

Total income in 2016-17 is estimated to be \$225.8 million, an increase of \$3.3 million from the Budget. The increase is mainly due to a \$2.3 million increase in estimated own-source income. The 2016-17 total income excludes \$3.3 million supplementation for foreign exchange movements as they relate to prior years' activities. These amounts are included in Table 1.1 Austrade Resource Statement.

Total estimated expenses for 2016-17 have increased by \$4.2 million from Budget to reflect the increase in income and estimated depreciation.

#### **Budgeted departmental balance sheet**

This statement discloses the estimated end of year financial position for Austrade. Austrade's budgeted net asset position at the end of 2016-17 of \$66.5 million, is consistent with the 2015-16 actual of \$66.8 million in Table 3.3.

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

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

#### **Departmental statement of asset movements**

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

### **Schedule of administered activity**

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

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

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

Administered expenses of \$140.7 million for 2016-17 relate to the Export Market Development Grants (EMDG) Scheme (\$137.9 million), ABE Plan (\$0.2 million), FTA Promotion (\$0.8 million), and Tropical Health (\$1.8 million). The EMDG Scheme is comprised of \$131.0 million in grant expenditure and \$6.9 million in expenditure for the costs of administration on behalf of the Government. ABE Plan, FTA Promotion and Package and Tropical Health are wholly comprised of grant expenditure.

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

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

Total administered assets and liabilities for 2016-17 are estimated at \$0.2 million and \$11.4 million respectively.

### **Schedule of budgeted administered cash flows**

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

**Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	142,131	141,849	140,136	137,867	135,491
Suppliers	100,007	84,869	85,847	87,303	87,324
Depreciation and amortisation	17,881	19,000	19,000	19,000	19,460
Losses from asset sales	166	-	-	-	-
Other expenses	1,125	-	-	-	-
<b>Total expenses</b>	<b>261,310</b>	<b>245,718</b>	<b>244,983</b>	<b>244,170</b>	<b>242,275</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	24,241	24,310	24,300	24,300	24,300
Rental income	154	100	100	100	100
Other revenue	3,687	3,000	3,000	3,000	3,000
<b>Total own-source revenue</b>	<b>28,082</b>	<b>27,410</b>	<b>27,400</b>	<b>27,400</b>	<b>27,400</b>
<b>Gains</b>					
Other	357	-	-	-	-
<b>Total gains</b>	<b>357</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>28,439</b>	<b>27,410</b>	<b>27,400</b>	<b>27,400</b>	<b>27,400</b>
<b>Net cost of (contribution by) services</b>	<b>232,871</b>	<b>218,308</b>	<b>217,583</b>	<b>216,770</b>	<b>214,875</b>
Revenue from Government	215,275	198,436	198,583	197,770	195,415
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(17,596)</b>	<b>(19,872)</b>	<b>(19,000)</b>	<b>(19,000)</b>	<b>(19,460)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	4,583	3,500	3,500	-	-
<b>Total other comprehensive income</b>	<b>4,583</b>	<b>3,500</b>	<b>3,500</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>(13,013)</b>	<b>(16,372)</b>	<b>(15,500)</b>	<b>(19,000)</b>	<b>(19,460)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(13,013)</b>	<b>(16,372)</b>	<b>(15,500)</b>	<b>(19,000)</b>	<b>(19,460)</b>

Table continued on the following page.

**Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)**

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>4,868</b>	<b>2,628</b>	<b>3,500</b>	<b>-</b>	<b>-</b>
less depreciation/amortisation expenses previously funded through revenue appropriations(a)	17,881	19,000	19,000	19,000	19,460
<b>Total comprehensive income/(loss) - as per the Comprehensive Income Statement</b>	<b>(13,013)</b>	<b>(16,372)</b>	<b>(15,500)</b>	<b>(19,000)</b>	<b>(19,460)</b>

(a) From 2010-11, the Government introduced net cash appropriation arrangements where *Appropriation Act No. 1* or *Bill No. 3* revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through *Appropriation Act No. 1* or *Bill No. 3* equity appropriations. For information regarding DCBs, please refer to Table 3.6 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

**Table 3.3: Budgeted departmental balance sheet (as at 30 June)**

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	4,974	4,974	4,974	4,974	4,974
Trade and other receivables	50,935	50,063	47,352	47,352	47,352
<b>Total financial assets</b>	<b>55,909</b>	<b>55,037</b>	<b>52,326</b>	<b>52,326</b>	<b>52,326</b>
<b>Non-financial assets</b>					
Land and buildings	16,539	16,194	19,150	17,038	13,903
Property, plant and equipment	14,214	12,978	11,133	8,478	6,881
Intangibles	23,024	25,226	25,397	25,391	24,759
Other non-financial assets	9,431	9,431	9,431	9,431	9,431
<b>Total non-financial assets</b>	<b>63,208</b>	<b>63,829</b>	<b>65,111</b>	<b>60,338</b>	<b>54,974</b>
Assets held for sale					
<b>Total assets</b>	<b>119,117</b>	<b>118,866</b>	<b>117,437</b>	<b>112,664</b>	<b>107,300</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	12,814	12,814	12,814	12,814	12,814
Other payables	3,491	2,192	2,192	2,192	2,192
<b>Total payables</b>	<b>16,305</b>	<b>15,006</b>	<b>15,006</b>	<b>15,006</b>	<b>15,006</b>
<b>Provisions</b>					
Employee provisions	35,725	37,024	37,024	37,024	37,024
Other provisions	308	308	308	308	308
<b>Total provisions</b>	<b>36,033</b>	<b>37,332</b>	<b>37,332</b>	<b>37,332</b>	<b>37,332</b>
<b>Total liabilities</b>	<b>52,338</b>	<b>52,338</b>	<b>52,338</b>	<b>52,338</b>	<b>52,338</b>
<b>Net assets</b>	<b>66,779</b>	<b>66,528</b>	<b>65,099</b>	<b>60,326</b>	<b>54,962</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	86,695	102,816	116,887	131,114	145,210
Reserves	32,177	35,677	39,177	39,177	39,177
Retained surplus/(accumulated deficit)	(52,093)	(71,965)	(90,965)	(109,965)	(129,425)
<b>Total Equity</b>	<b>66,779</b>	<b>66,528</b>	<b>65,099</b>	<b>60,326</b>	<b>54,962</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.4: Departmental statement of changes in equity — summary of movement (Budget Year 2016-17)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2016</b>					
Balance carried forward from previous period	(52,093)	32,177	-	86,695	66,779
<b>Adjusted opening balance</b>	<b>(52,093)</b>	<b>32,177</b>	<b>-</b>	<b>86,695</b>	<b>66,779</b>
<b>Comprehensive income</b>					
Other comprehensive income		3,500			3,500
Surplus/(deficit) for the period	(19,872)				(19,872)
<b>Total comprehensive income</b>	<b>(19,872)</b>	<b>3,500</b>	<b>-</b>	<b>-</b>	<b>(16,372)</b>
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity Injection - Appropriation				1,595	1,595
Departmental Capital Budget (DCB)				14,526	14,526
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,121</b>	<b>16,121</b>
<b>Estimated closing balance as at 30 June 2017</b>	<b>(71,965)</b>	<b>35,677</b>	<b>-</b>	<b>102,816</b>	<b>66,528</b>
Less: non-controlling interests					-
<b>Closing balance attributable to the Australian Government</b>	<b>(71,965)</b>	<b>35,677</b>	<b>-</b>	<b>102,816</b>	<b>66,528</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	215,617	199,308	198,583	197,770	195,415
Sale of goods and rendering of services	23,811	24,410	24,400	24,400	24,400
Net GST received	5,442	4,431	4,431	4,431	4,431
Other	4,038	3,000	3,000	3,000	3,000
<b>Total cash received</b>	<b>248,908</b>	<b>231,149</b>	<b>230,414</b>	<b>229,601</b>	<b>227,246</b>
<b>Cash used</b>					
Employees	141,791	141,849	140,136	137,867	132,083
Suppliers	81,104	60,963	61,951	63,407	66,836
Net GST paid	-	4,431	4,431	4,431	4,431
s74 Retained Revenue Receipts transferred to OPA	27,004	23,906	23,896	23,896	23,896
<b>Total cash used</b>	<b>249,899</b>	<b>231,149</b>	<b>230,414</b>	<b>229,601</b>	<b>227,246</b>
<b>Net cash from/(used by) operating activities</b>	<b>(991)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	150	-	-	-	-
<b>Total cash received</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant, equipment and intangibles	12,962	16,121	16,782	14,227	14,096
<b>Total cash used</b>	<b>12,962</b>	<b>16,121</b>	<b>16,782</b>	<b>14,227</b>	<b>14,096</b>
<b>Net cash from/(used by) investing activities</b>	<b>(12,812)</b>	<b>(16,121)</b>	<b>(16,782)</b>	<b>(14,227)</b>	<b>(14,096)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	12,896	16,121	16,782	14,227	14,096
<b>Total cash received</b>	<b>12,896</b>	<b>16,121</b>	<b>16,782</b>	<b>14,227</b>	<b>14,096</b>
<b>Net cash used by financing activities</b>	<b>12,896</b>	<b>16,121</b>	<b>16,782</b>	<b>14,227</b>	<b>14,096</b>
<b>Net increase/(decrease) in cash</b>	<b>(907)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	5,881	4,974	4,974	4,974	4,974
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>4,974</b>	<b>4,974</b>	<b>4,974</b>	<b>4,974</b>	<b>4,974</b>

Prepared on Australian Accounting Standards basis.



**Table 3.6: Departmental capital budget statement (for the period ended 30 June)**

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Act No. 1 (DCB)	14,160	14,526	14,071	14,037	14,096
Equity injections - Act No. 2	2,718	1,595	-	190	-
<b>Total new capital appropriations</b>	<b>16,878</b>	<b>16,121</b>	<b>14,071</b>	<b>14,227</b>	<b>14,096</b>
<b>Provided for:</b>					
<i>Purchase of non-financial assets</i>	12,962	16,121	14,071	14,227	14,096
<b>Total Items</b>	<b>12,962</b>	<b>16,121</b>	<b>14,071</b>	<b>14,227</b>	<b>14,096</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations(a)	7	1,595	2,711	190	-
Funded by capital appropriation - DCB(b)	12,955	14,526	14,071	14,037	14,096
Funded by finance leases					
<b>TOTAL AMOUNT SPENT</b>	<b>12,962</b>	<b>16,121</b>	<b>16,782</b>	<b>14,227</b>	<b>14,096</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	12,962	16,121	16,782	14,227	14,096
<b>TOTAL CASH REQUIRED TO ACQUIRE ASSETS</b>	<b>12,962</b>	<b>16,121</b>	<b>16,782</b>	<b>14,227</b>	<b>14,096</b>

(a) Includes both current and prior *Bill No. 4* and prior *Act No. 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).

Prepared on Australian Accounting Standards basis.

**Table 3.7: Statement of asset movements (2016-17 Budget year)**

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2016</b>				
Gross book value	16,539	14,214	68,672	99,425
Accumulated depreciation/amortisation and impairment	-	-	(45,648)	(45,648)
<b>Opening net book balance</b>	<b>16,539</b>	<b>14,214</b>	<b>23,024</b>	<b>53,777</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity(a)	1,595	-	-	1,595
By purchase - appropriation ordinary annual services(b)	1,395	3,525	9,606	14,526
<b>Total additions</b>	<b>2,990</b>	<b>3,525</b>	<b>9,606</b>	<b>16,121</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(5,835)	(5,761)	(7,404)	(19,000)
Other	2,500	1,000	-	3,500
<b>Total other movements</b>	<b>(3,335)</b>	<b>(4,761)</b>	<b>(7,404)</b>	<b>(15,500)</b>
<b>As at 30 June 2017</b>				
Gross book value	22,029	18,739	78,278	119,046
Accumulated depreciation/amortisation and impairment	(5,835)	(5,761)	(53,052)	(64,648)
<b>Closing net book balance</b>	<b>16,194</b>	<b>12,978</b>	<b>25,226</b>	<b>54,398</b>

(a) "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through *Appropriation Act (No.2) 2016-17*.

(b) "Appropriation ordinary annual services" refers to funding provided through *Appropriation Act (No.1) 2016-17* and *Bill (No.3) 2016-17* for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

**Table 3.8: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Employee benefits	5,424	5,000	5,000	5,000	5,000
Suppliers	1,272	1,895	1,895	1,895	1,895
Grants	135,840	133,819	133,763	133,551	131,505
<b>Total expenses administered on behalf of Government</b>	<b>142,536</b>	<b>140,714</b>	<b>140,658</b>	<b>140,446</b>	<b>138,400</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Other revenue	179	-	-	-	-
<b>Total non-taxation revenue</b>	<b>179</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>179</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income administered on behalf of Government</b>	<b>179</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cost of/(contribution by) services</b>	<b>142,357</b>	<b>140,714</b>	<b>140,658</b>	<b>140,446</b>	<b>138,400</b>
<b>Surplus/(deficit) before income tax</b>	<b>(142,357)</b>	<b>(140,714)</b>	<b>(140,658)</b>	<b>(140,446)</b>	<b>(138,400)</b>
Income tax expense					
<b>Surplus/(deficit) after income tax</b>	<b>(142,357)</b>	<b>(140,714)</b>	<b>(140,658)</b>	<b>(140,446)</b>	<b>(138,400)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Items not subject to subsequent reclassification to profit or loss	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss)</b>	<b>(142,357)</b>	<b>(140,714)</b>	<b>(140,658)</b>	<b>(140,446)</b>	<b>(138,400)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.9: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	198	198	198	198	198
<b>Total financial assets</b>	<b>198</b>	<b>198</b>	<b>198</b>	<b>198</b>	<b>198</b>
<b>Total assets administered on behalf of Government</b>	<b>198</b>	<b>198</b>	<b>198</b>	<b>198</b>	<b>198</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	197	197	197	197	197
Grants	240	240	240	240	240
Other payables	18	18	18	18	18
<b>Total payables</b>	<b>455</b>	<b>455</b>	<b>455</b>	<b>455</b>	<b>455</b>
<b>Provisions</b>					
Employee provisions	2,382	2,382	2,382	2,382	2,382
Taxation refunds provided for					
Other provisions	8,523	8,523	8,523	8,523	8,523
<b>Total provisions</b>	<b>10,905</b>	<b>10,905</b>	<b>10,905</b>	<b>10,905</b>	<b>10,905</b>
<b>Total liabilities administered on behalf of Government</b>	<b>11,360</b>	<b>11,360</b>	<b>11,360</b>	<b>11,360</b>	<b>11,360</b>
<b>Net assets/(liabilities)</b>	<b>(11,162)</b>	<b>(11,162)</b>	<b>(11,162)</b>	<b>(11,162)</b>	<b>(11,162)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.10: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	191	195	195	195	195
Other	203	-	-	-	-
<b>Total cash received</b>	<b>394</b>	<b>195</b>	<b>195</b>	<b>195</b>	<b>195</b>
<b>Cash used</b>					
Grants	133,778	133,819	133,763	133,551	131,505
Suppliers	1,499	1,895	1,895	1,895	1,895
Net GST paid	-	195	195	195	195
Employees	5,059	5,000	5,000	5,000	5,000
<b>Total cash used</b>	<b>140,336</b>	<b>140,909</b>	<b>140,853</b>	<b>140,641</b>	<b>138,595</b>
<b>Net cash from/(used by) operating activities</b>	<b>(139,942)</b>	<b>(140,714)</b>	<b>(140,658)</b>	<b>(140,446)</b>	<b>(138,400)</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account					
- Appropriations	140,059	140,714	140,658	140,446	138,400
<b>Total cash from Official Public Account</b>	<b>140,059</b>	<b>140,714</b>	<b>140,658</b>	<b>140,446</b>	<b>138,400</b>
Cash to Official Public Account					
- Appropriations	(117)	-	-	-	-
<b>Total cash to Official Public Account</b>	<b>(117)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

# AUSTRALIAN SECRET INTELLIGENCE SERVICE

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## AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

### Section 1: Entity overview and resources

#### 1.1 STRATEGIC DIRECTION STATEMENT

There have been no changes to ASIS's role, outcomes, output groups, or outputs as expressed in the *Portfolio Budget Statements 2016-17*.

Additional appropriations are as a result of Government's decision to increase funding for a range of capabilities.

#### 1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for ASIS at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2016-17 Budget year, including variations through *Appropriation Bills Nos. 3 and 4*, Special Appropriations and Special Accounts.

**Table 1.1: ASIS resource statement — Additional Estimates for 2016-17 as at Additional Estimates February 2017**

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	<i>2015-16 \$'000</i>	2016-17 \$'000	2016-17 \$'000	2016-17 \$'000
<b>Departmental</b>				
Annual appropriations - ordinary annual services (a)				
Prior year appropriations available	112,892	107,497	-	107,497
Departmental appropriation	240,063	240,526	17,133	257,659
s 74 retained revenue receipts (b)	51,500	53,500	-	53,500
Departmental capital budget (c)	16,846	18,499	-	18,499
Annual appropriations - other services - non-operating (d)				
Equity injection	10,964	48,513	1,347	49,860
<b>Total departmental annual appropriations</b>	<b>432,265</b>	<b>468,535</b>	<b>18,480</b>	<b>487,015</b>
<b>Total departmental resourcing</b>	<b>432,265</b>	<b>468,535</b>	<b>18,480</b>	<b>487,015</b>
<b>Total resourcing for entity ASIS</b>	<b>432,265</b>	<b>468,535</b>	<b>18,480</b>	<b>487,015</b>

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) *Appropriation Act (No. 1) 2016-17 and Appropriation Bill (No. 3) 2016-17*

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

(c) Departmental capital budgets are not separately identified in *Appropriation Act (No. 1)* and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(d) *Appropriation Act (No. 2) 2016-17*.



## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for ASIS at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2016-17 Budget in *Appropriation Bills Nos. 3 and 4*.

**Table 1.3: Additional estimates and other variations to outcomes since 2016-17 Budget**

	Program impacted	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Outcome 1</b>					
<b>Departmental</b>					
<b>Changes in Parameters</b>					
(net decrease)	1.1 & 1.2	-	(5,312)	(8,329)	(10,274)
<b>Other Variations</b>					
(net increase)	1.1	18,480	6,148	-	-
<b>Net impact on appropriations for Outcome 1 (departmental)</b>		<b>18,480</b>	<b>836</b>	<b>(8,329)</b>	<b>(10,274)</b>
<b>Total net impact on appropriations for Outcome 1</b>		<b>18,480</b>	<b>836</b>	<b>(8,329)</b>	<b>(10,274)</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for ASIS through *Appropriation Bills Nos. 3 and 4*.

**Table 1.4: Appropriation Bill (No. 3) 2016-17**

	2015-16 Available \$'000	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Departmental programmes</b>					
<b>Outcome 1 - Enhanced understanding for the Government of the overseas environment affecting Australia's interests through the provision of covert intelligence services about the capabilities, intentions or activities of people or organisations outside Australia.</b>	256,909	259,025	276,158	17,133	-
<b>Total departmental</b>	<b>256,909</b>	<b>259,025</b>	<b>276,158</b>	<b>17,133</b>	<b>-</b>

Note 1: 2015-16 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

**Table 1.5: Appropriation Bill (No. 4) 2016-17**

	2015-16 Available \$'000	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Non-operating</b>					
Equity injections	10,964	48,513	49,860	1,347	-
<b>Total non-operating</b>	<b>10,964</b>	<b>48,513</b>	<b>49,860</b>	<b>1,347</b>	<b>-</b>

Note 1: 2015-16 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

## Section 2: Revisions to outcomes and planned performance

### 2. CHANGES TO OUTCOME AND PROGRAM STRUCTURES

There has been no changes to ASIS's outcome and program structure as expressed in the *Portfolio Budget Statements 2016-17*.

#### 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

##### **Budgeted expenses for Outcome 1**

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Departmental funding sources.

**Table 2.1.1 Budgeted expenses for Outcome 1**

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

	2015-16 Actual expenses \$'000	2016-17 Revised estimated expenses \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>Program 1.1: Secret Intelligence</b>					
Departmental expenses					
Departmental appropriations	180,047	197,528	189,156	185,181	185,909
s 74 Retained revenue receipts (a)	38,625	40,125	40,875	41,625	42,375
Expenses not requiring appropriation in the Budget year (b)	15,472	17,945	26,161	30,259	31,622
<b>Departmental total</b>	<b>234,144</b>	<b>255,598</b>	<b>256,192</b>	<b>257,065</b>	<b>259,906</b>
<b>Total expenses for program 1.1</b>	<b>234,144</b>	<b>255,598</b>	<b>256,192</b>	<b>257,065</b>	<b>259,906</b>
<b>Program 1.2: Other Services</b>					
Departmental expenses					
Departmental appropriations	60,016	60,131	61,002	61,727	61,969
s 74 Retained revenue receipts (a)	12,875	13,375	13,625	13,875	14,125
Expenses not requiring appropriation in the Budget year (b)	5,157	5,982	8,720	10,086	10,541
<b>Departmental total</b>	<b>78,048</b>	<b>79,488</b>	<b>83,347</b>	<b>85,688</b>	<b>86,635</b>
<b>Total expenses for program 1.2</b>	<b>78,048</b>	<b>79,488</b>	<b>83,347</b>	<b>85,688</b>	<b>86,635</b>
<b>Outcome 1 Totals by appropriation</b>					
Departmental expenses					
Departmental appropriations	240,063	257,659	250,158	246,908	247,878
s 74 Retained revenue receipts (a)	51,500	53,500	54,500	55,500	56,500
Expenses not requiring appropriation in the Budget year (b)	20,629	23,927	34,881	40,345	42,163
<b>Departmental total</b>	<b>312,192</b>	<b>335,086</b>	<b>339,539</b>	<b>342,753</b>	<b>346,541</b>
<b>Total expenses for Outcome 1</b>	<b>312,192</b>	<b>335,086</b>	<b>339,539</b>	<b>342,753</b>	<b>346,541</b>

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act* 2013.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses.

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

## Section 3: Budgeted financial statements

### **3.2 BUDGETED FINANCIAL STATEMENTS**

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

The increase in ASIS's operating revenues and net increase in assets since the *2016-17 Portfolio Budget Statements* is due to the Government's decision to increase funding for a range of capabilities. Further analysis of the budgeted financial statements is not provided due to the need to observe requirements of national security.

### 3.2.2 Budgeted financial statements

**Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June.**

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>EXPENSES</b>					
<b>Total expenses</b>	<b>312,192</b>	<b>335,086</b>	<b>339,539</b>	<b>342,753</b>	<b>346,541</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Other revenue	51,500	53,500	54,500	55,500	56,500
<b>Total own-source revenue</b>	<b>51,500</b>	<b>53,500</b>	<b>54,500</b>	<b>55,500</b>	<b>56,500</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>51,500</b>	<b>53,500</b>	<b>54,500</b>	<b>55,500</b>	<b>56,500</b>
<b>Net cost of (contribution by) services</b>	<b>(260,692)</b>	<b>(281,586)</b>	<b>(285,039)</b>	<b>(287,253)</b>	<b>(290,041)</b>
Revenue from Government	240,063	257,659	250,158	246,908	247,878
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(20,629)</b>	<b>(23,927)</b>	<b>(34,881)</b>	<b>(40,345)</b>	<b>(42,163)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(20,629)</b>	<b>(23,927)</b>	<b>(34,881)</b>	<b>(40,345)</b>	<b>(42,163)</b>

**Note: Impact of net cash appropriation arrangements**

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations(a)	20,629	23,927	34,881	40,345	42,163
<b>Total comprehensive income/(loss) - as per the Comprehensive Income Statement</b>	<b>(20,629)</b>	<b>(23,927)</b>	<b>(34,881)</b>	<b>(40,345)</b>	<b>(42,163)</b>

(a) From 2010-11, the Government introduced net cash appropriation arrangements where *Appropriation Act No. 1* or *Bill No. 3* revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through *Appropriation Act No. 1* or *Bill No. 3* equity appropriations.

Prepared on Australian Accounting Standards basis.

**Table 3.3: Budgeted departmental balance sheet (as at 30 June)**

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>	107,497	111,022	110,693	110,994	111,921
<b>Non-financial assets</b>	154,182	198,614	233,292	240,138	241,175
<b>Total assets</b>	<b>261,679</b>	<b>309,636</b>	<b>343,985</b>	<b>351,132</b>	<b>353,096</b>
<b>LIABILITIES</b>					
<b>Payables</b>	43,500	44,050	44,600	45,150	45,700
<b>Interest bearing liabilities</b>	-	-	-	-	-
<b>Provisions</b>	46,997	49,972	49,093	48,844	49,221
<b>Total liabilities</b>	<b>90,497</b>	<b>94,022</b>	<b>93,693</b>	<b>93,994</b>	<b>94,921</b>
<b>Net assets</b>	<b>171,182</b>	<b>215,614</b>	<b>250,292</b>	<b>257,138</b>	<b>258,175</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	179,810	248,169	317,728	364,919	408,119
Reserves	76,000	76,000	76,000	76,000	76,000
Retained surplus/(accumulated deficit)	(84,628)	(108,555)	(143,436)	(183,781)	(225,944)
<b>Total parent entity interest</b>	<b>171,182</b>	<b>215,614</b>	<b>250,292</b>	<b>257,138</b>	<b>258,175</b>
<b>Total Equity</b>	<b>171,182</b>	<b>215,614</b>	<b>250,292</b>	<b>257,138</b>	<b>258,175</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.4: Departmental statement of changes in equity — summary of movement (Budget Year 2016-17)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2016</b>					
Balance carried forward from previous period	(84,628)	-	76,000	179,810	171,182
<b>Adjusted opening balance</b>	<b>(84,628)</b>	<b>-</b>	<b>76,000</b>	<b>179,810</b>	<b>171,182</b>
<b>Comprehensive income</b>					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(23,927)	-	-	-	(23,927)
<b>Total comprehensive income</b>	<b>(23,927)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23,927)</b>
of which:					
Attributable to the Australian Government	(23,927)	-	-	-	(23,927)
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity Injection - Appropriation	-	-	-	49,860	49,860
Departmental Capital Budget (DCB)	-	-	-	18,499	18,499
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,359</b>	<b>68,359</b>
<b>Estimated closing balance as at 30 June 2017</b>	<b>(108,555)</b>	<b>-</b>	<b>76,000</b>	<b>248,169</b>	<b>215,614</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(108,555)</b>	<b>-</b>	<b>76,000</b>	<b>248,169</b>	<b>215,614</b>

Prepared on Australian Accounting Standards basis.



**Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	245,566	254,134	250,487	246,607	246,951
Other	51,500	53,500	54,500	55,500	56,500
<b>Total cash received</b>	<b>297,066</b>	<b>307,634</b>	<b>304,987</b>	<b>302,107</b>	<b>303,451</b>
<b>Cash used</b>					
Other	297,066	307,634	304,987	302,107	303,451
<b>Total cash used</b>	<b>297,066</b>	<b>307,634</b>	<b>304,987</b>	<b>302,107</b>	<b>303,451</b>
<b>Net cash from/(used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Other	27,810	68,359	69,558	47,191	43,200
<b>Total cash used</b>	<b>27,810</b>	<b>68,359</b>	<b>69,558</b>	<b>47,191</b>	<b>43,200</b>
<b>Net cash from/(used by) investing activities</b>	<b>(27,810)</b>	<b>(68,359)</b>	<b>(69,558)</b>	<b>(47,191)</b>	<b>(43,200)</b>
<b>FINANCING ACTIVITIES</b>					
Other	27,810	68,359	69,558	47,191	43,200
<b>Total cash received</b>	<b>27,810</b>	<b>68,359</b>	<b>69,558</b>	<b>47,191</b>	<b>43,200</b>
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash used by financing activities</b>	<b>27,810</b>	<b>68,359</b>	<b>69,558</b>	<b>47,191</b>	<b>43,200</b>
<b>Net increase/(decrease) in cash</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	25,000	25,000	25,000	25,000	25,000
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>

Prepared on Australian Accounting Standards basis.

# TOURISM AUSTRALIA

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## **TOURISM AUSTRALIA**

### **Section 1: Entity overview and resources**

#### **1.1 STRATEGIC DIRECTION STATEMENT**

There is no change to Tourism Australia's Strategic Direction. For further details please refer to *Portfolio Budget Statements 2016-17 Budget Related Paper No. 1.9 Foreign Affairs and Trade Portfolio*.

#### **1.2 ENTITY RESOURCE STATEMENT**

The Entity Resource Statement details the resourcing for Tourism Australia at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2016-17 Budget year, including variations through *Appropriation Bills Nos. 3 and 4*, special appropriations and special accounts.

Tourism Australia does not receive any special appropriations nor does it have any special accounts.

**Table 1.1: Tourism Australia resource statement — Additional Estimates for 2016-17 as at Additional Estimates February 2017**

	<i>Actual available appropriation 2015- 16 \$'000</i>	<i>Estimate as at Budget 2016- 17 \$'000</i>	<i>Proposed Additional Estimates 2016- 17 \$'000</i>	<i>Total estimate at Additional Estimates 2016- 17 \$'000</i>
<b>Opening balance/Reserves at bank</b>			-	
<b>REVENUE FROM GOVERNMENT</b>				
<b>Ordinary annual services (a)</b>				
Outcome 1	144,018	140,266	3,344	143,610
<b>Total ordinary annual services</b>	<b>144,018</b>	<b>140,266</b>	<b>3,344</b>	<b>143,610</b>
<b>Total annual appropriations</b>	<b>144,018</b>	<b>140,266</b>	<b>3,344</b>	<b>143,610</b>
<b>Payments from related entities</b>				
Amounts from the portfolio department (b)	14,000	14,000	2,500	16,500
<b>Total</b>	<b>14,000</b>	<b>14,000</b>	<b>2,500</b>	<b>16,500</b>
<b>Total funds from Government</b>	<b>158,018</b>	<b>154,266</b>	<b>5,844</b>	<b>160,110</b>
<b>FUNDS FROM INDUSTRY SOURCES</b>				
Industry sources	21,623	22,756	-	22,756
<b>Total</b>	<b>21,623</b>	<b>22,756</b>	<b>-</b>	<b>22,756</b>
<b>FUNDS FROM OTHER SOURCES</b>				
Interest	1,023	850	-	850
Other	5,500	-	-	-
<b>Total</b>	<b>6,523</b>	<b>850</b>	<b>-</b>	<b>850</b>
<b>Total net resourcing for agency</b>	<b>186,164</b>	<b>177,872</b>	<b>5,844</b>	<b>183,716</b>
			<i>Actual 2015-16</i>	<i>2016-17</i>
<b>Average staffing level (number) (c)</b>			207	207

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) *Appropriation Act (No. 1) 2016-17 and Appropriation Bill (No. 3) 2016-17.*

(b) Asia Marketing Fund (AMF) and Working Holiday Makers.

(c) Average Staffing Level (ASL) figures are estimates only.

### 1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2016-17 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

**Table 1.2: Entity 2016-17 measures since Budget**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Expense measures</b>					
Working Holiday Makers — employer register and compliance	1.1				
Departmental expenses (a)		2,500	5,000	2,500	-
<b>Total</b>		<b>2,500</b>	<b>5,000</b>	<b>2,500</b>	-
<b>Total expense measures</b>					
Departmental		2,500	5,000	2,500	-
<b>Total</b>		<b>2,500</b>	<b>5,000</b>	<b>2,500</b>	-

**Prepared on a Government Financial Statistics (fiscal) basis**

(a) The lead entity for measure “Working Holiday Makers — employer register and compliance” is Department of the Treasury. The full measure description and package details appear in MYEFO under the Treasury portfolio. This measure forms part of the Government’s Working Holiday Maker Reform Package.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for Tourism Australia at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2016-17 Budget in *Appropriation Bills* Nos. 3 and 4.

**Table 1.3: Additional estimates and other variations to outcomes since 2016-17 Budget**

	Program impacted	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Outcome 1</b>					
<b>Departmental</b>	1.1				
<b>Annual appropriations</b>					
<b>Changes in Parameters</b>					
(net decrease) Changes in Price and Wage Indices		-	(1,092)	(1,516)	(1,679)
(net decrease) Efficiency Dividend			(2,141)	(3,625)	(4,427)
(net decrease) Foreign exchange		-	(6,128)	(7,369)	(7,475)
<b>Other Variations</b>					
(net increase) Foreign exchange rebasing Rebasing in 2015-16		3,344	-	-	-
<b>Net impact on appropriations for Outcome 1 (departmental)</b>		<b>3,344</b>	<b>(9,361)</b>	<b>(12,510)</b>	<b>(13,581)</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for Tourism Australia through *Appropriation Bills Nos. 3 and 4*.

**Table 1.4: Appropriation Bill (No. 3) 2016-17**

	2015-16 Available \$'000	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Departmental programmes</b>					
<b>Outcome 1</b> - Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets	144,018	140,266	143,610	3,344	-
<b>Total departmental</b>	<b>144,018</b>	<b>140,266</b>	<b>143,610</b>	<b>3,344</b>	<b>-</b>
<b>Total administered and departmental</b>	<b>144,018</b>	<b>140,266</b>	<b>143,610</b>	<b>3,344</b>	<b>-</b>

**Note 1:** 2015-16 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to:

*Budget Appropriation + Additional Estimates Appropriation + AFM – Savings - Other Reductions (includes all quarantines + movement of funds) +/- Machinery of Government transfers - formal reductions determined by the Finance Minister.*

**Table 1.5: Appropriation Bill (No. 4) 2016-17**

There is no change to Tourism Australia's information supplied in the *Portfolio Budget Statements 2016-17*.

## Section 2: Revisions to outcomes and planned performance

### **2. CHANGES TO OUTCOME AND PROGRAM STRUCTURES**

There is no change to Tourism Australia's outcomes and performance information as expressed in the *Portfolio Budget Statements 2016-17*. For further details please refer to Portfolio Budget Statements 2016-17 Budget Related Paper No. 1.9 Foreign Affairs and Trade Portfolio.

#### **2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1**

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

#### **Linked programs**

There is no change to Tourism Australia's linked programs as expressed in the *Portfolio Budget Statements 2016-17*. For further details please refer to Portfolio Budget Statements 2016-17 Budget Related Paper No. 1.9 Foreign Affairs and Trade Portfolio.



## Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

**Table 2.1.1 Budgeted expenses for Outcome 1**

<b>Outcome 1: Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets</b>					
	2015-16 Actual expenses \$'000	2016-17 Revised estimated expenses \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>Program 1.1: Supporting Outcome 1</b>					
Revenue from Government					
Ordinary annual services (Appropriation Act No. 1)	144,018	140,266	131,930	131,907	133,881
Payment from related entities	14,000	16,500	19,000	16,500	14,000
Expenses not requiring appropriation in the Budget year (a)	3,527	-	-	-	-
Revenues from industry sources	21,623	22,756	22,756	22,756	22,756
Revenues from other independent sources	6,523	850	850	850	850
<b>Total expenses for Program 1.1 (b)</b>	<b>189,691</b>	<b>180,372</b>	<b>174,536</b>	<b>172,013</b>	<b>171,487</b>
<b>Outcome 1 totals by resource type</b>					
Revenue from Government					
Ordinary annual services (Appropriation Act No. 1)	144,018	140,266	131,930	131,907	133,881
Payment from related entities	14,000	16,500	19,000	16,500	14,000
Expenses not requiring appropriation in the Budget year (a)	3,527	-	-	-	-
Revenues from industry sources	21,623	22,756	22,756	22,756	22,756
Revenues from other independent sources	6,523	850	850	850	850
<b>Total expenses for Outcome 1 (b)</b>	<b>189,691</b>	<b>180,372</b>	<b>174,536</b>	<b>172,013</b>	<b>171,487</b>
<b>Average staffing level (number) (c)</b>	<b>2015-16</b>	<b>2016-17</b>			
	207	207			

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

(b) This expense does not include \$3.3m (FOREX Rebasing in 2015-16), as these are treated as receivables and form part of the 2015-16 receivable balance in Table 3.3.

(c) Average Staffing Level (ASL) figures are estimates only.

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

**Table 2.1.2: Performance components of Outcome 1**

<b>Program 1.1: Support Outcome 1</b>					
	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>1.1.1 - Component 1 - Grow Demand</b>					
Annual departmental expenses:					
Programme Support (a)	162,421	157,249	152,496	149,976	149,194
<b>Total component 1 expenses</b>	<b>162,421</b>	<b>157,249</b>	<b>152,496</b>	<b>149,976</b>	<b>149,194</b>
<b>1.1.2 - Component 2 - Industry Development</b>					
Annual departmental expenses:					
Programme Support	24,270	23,123	22,040	22,037	22,293
<b>Total component 2 expenses</b>	<b>24,270</b>	<b>23,123</b>	<b>22,040</b>	<b>22,037</b>	<b>22,293</b>
<b>Total program expenses</b>	<b>186,691</b>	<b>180,372</b>	<b>174,536</b>	<b>172,013</b>	<b>171,487</b>

(a) Estimated expense included in relation to measure Working Holiday Makers — employer register and compliance.

**Table 2.1.3: Performance criteria for Outcome 1**

There is no change to Tourism Australia's outcomes and performance criteria as expressed in the *Portfolio Budget Statements 2016-17*. For further details please refer to Portfolio Budget Statements 2016-17 Budget Related Paper No. 1.9 Foreign Affairs and Trade Portfolio.

## Section 3: Special account flows and budgeted financial statements

### **3.1 SPECIAL ACCOUNT FLOWS**

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

A Special Account Statement is not applicable as Tourism Australia has no special accounts.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

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

The financial framework upon which the financial statements are based has not changed since the 2016-17 Budget.

#### **Departmental financial statements**

- The additional appropriation of \$3.3 million represents foreign exchange losses in the prior year's activities (2015-16).
- The reduction in Tourism Australia's appropriation of \$21 million relates to depreciation of foreign exchange movements in the forward Budget years: 2017-18 (-\$6.1m), 2018-19 (-\$7.4m) and 2019-20 (-\$7.5m).

### 3.2.2 Budgeted financial statements

**Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	33,500	32,846	33,345	33,345	33,344
Suppliers	144,590	138,793	132,458	129,935	129,410
Depreciation and amortisation	4,870	4,500	4,500	4,500	4,500
Finance costs	20	33	33	33	33
Write-down and impairment of assets	893	-	-	-	-
Other expenses	5,818	4,200	4,200	4,200	4,200
<b>Total expenses</b>	<b>189,691</b>	<b>180,372</b>	<b>174,536</b>	<b>172,013</b>	<b>171,487</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sales of goods and rendering of	21,623	22,756	22,756	22,756	22,756
Fees and fines					
Interest	1,023	850	850	850	850
Rental income					
Other	5,500	-	-	-	-
<b>Total own-source revenue</b>	<b>28,146</b>	<b>23,606</b>	<b>23,606</b>	<b>23,606</b>	<b>23,606</b>
<b>Gains</b>					
Foreign exchange gains	3,539	-	-	-	-
Other	68	-	-	-	-
<b>Total gains</b>	<b>3,607</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>31,753</b>	<b>23,606</b>	<b>23,606</b>	<b>23,606</b>	<b>23,606</b>
<b>Net cost of/(contribution by) services</b>	<b>157,938</b>	<b>156,766</b>	<b>150,930</b>	<b>148,407</b>	<b>147,881</b>
Revenue from Government	158,018	156,766	150,930	148,407	147,881
<b>Surplus/(Deficit) attributable to the Australian Government (a)</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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 income/(loss)</b>	<b>158,018</b>	<b>156,766</b>	<b>150,930</b>	<b>148,407</b>	<b>147,881</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.3: Budgeted departmental balance sheet (as at 30 June)**

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	9,960	13,271	13,271	13,271	13,271
Trade and other receivables	5,670	5,670	5,670	5,670	5,670
Appropriations Receivable (a)	3,344	-	-	-	-
<b>Total financial assets</b>	<b>18,974</b>	<b>18,941</b>	<b>18,941</b>	<b>18,941</b>	<b>18,941</b>
<b>Non-financial assets</b>					
Land and buildings	3,355	3,355	3,355	3,355	3,355
Property, plant and equipment	568	568	568	568	568
Intangibles	12,471	12,471	12,471	12,471	12,471
Other non-financial assets (b)	4,116	4,116	4,116	4,116	4,116
<b>Total non-financial assets</b>	<b>20,510</b>	<b>20,510</b>	<b>20,510</b>	<b>20,510</b>	<b>20,510</b>
<b>Total assets</b>	<b>39,484</b>	<b>39,451</b>	<b>39,451</b>	<b>39,451</b>	<b>39,451</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	7,113	7,080	7,080	7,080	7,080
Other payables	5,888	5,888	5,888	5,888	5,888
<b>Total payables</b>	<b>13,001</b>	<b>12,968</b>	<b>12,968</b>	<b>12,968</b>	<b>12,968</b>
<b>Provisions</b>					
Employee provisions	5,673	5,673	5,673	5,673	5,673
Other provisions	761	761	761	761	761
<b>Total provisions</b>	<b>6,434</b>	<b>6,434</b>	<b>6,434</b>	<b>6,434</b>	<b>6,434</b>
<b>Total liabilities</b>	<b>19,435</b>	<b>19,402</b>	<b>19,402</b>	<b>19,402</b>	<b>19,402</b>
<b>Net assets</b>	<b>20,049</b>	<b>20,049</b>	<b>20,049</b>	<b>20,049</b>	<b>20,049</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	1,543	1,543	1,543	1,543	1,543
Reserves	2,457	2,457	2,457	2,457	2,457
Retained surplus/(accumulated deficit)	16,049	16,049	16,049	16,049	16,049
<b>Total parent entity interest</b>	<b>20,049</b>	<b>20,049</b>	<b>20,049</b>	<b>20,049</b>	<b>20,049</b>
<b>Total Equity</b>	<b>20,049</b>	<b>20,049</b>	<b>20,049</b>	<b>20,049</b>	<b>20,049</b>

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

(a) Foreign Exchange Rebasing in 2015-16.

(b) Prepayments - Supplier and other.

Prepared on Australian Accounting Standards basis.

**Table 3.4: Departmental statement of changes in equity — summary of movement (Budget Year 2016-17)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2016</b>					
Balance carried forward from previous period	16,049	2,457	-	1,543	20,049
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>16,049</b>	<b>2,457</b>	<b>-</b>	<b>1,543</b>	<b>20,049</b>
<b>Comprehensive income</b>					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:					
Attributable to the Australian Government	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2017</b>	<b>16,049</b>	<b>2,457</b>	<b>-</b>	<b>1,543</b>	<b>20,049</b>
Less: non-controlling interests	-	-	-	-	-
<b>Closing balance attributable to the Australian Government</b>	<b>16,049</b>	<b>2,457</b>	<b>-</b>	<b>1,543</b>	<b>20,049</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	144,018	140,266	131,930	131,907	133,881
Receipts from Government (a)	14,000	16,500	19,000	16,500	14,000
Sale of goods and rendering of services	24,063	26,100	22,756	22,756	22,756
Interest	1,023	850	850	850	850
Net GST received	3,095	-	-	-	-
Other					
<b>Total cash received</b>	<b>186,199</b>	<b>183,716</b>	<b>174,536</b>	<b>172,013</b>	<b>171,487</b>
<b>Cash used</b>					
Employees	33,101	32,846	33,345	33,345	33,344
Suppliers	151,441	138,826	132,491	129,968	129,443
Other	-	4,233	4,200	4,200	4,200
<b>Total cash used</b>	<b>184,542</b>	<b>175,905</b>	<b>170,036</b>	<b>167,513</b>	<b>166,987</b>
<b>Net cash from/(used by) operating activities</b>	<b>1,657</b>	<b>7,811</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant, equipment and intangibles	9,165	4,500	4,500	4,500	4,500
<b>Total cash used</b>	<b>9,165</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>
<b>Net cash from/(used by) investing activities</b>	<b>(9,165)</b>	<b>(4,500)</b>	<b>(4,500)</b>	<b>(4,500)</b>	<b>(4,500)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(7,508)</b>	<b>3,311</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	13,929	9,960	13,271	13,271	13,271
Effect on exchange rate movements on cash and cash equivalents at the beginning of reporting period	3,539	-	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>9,960</b>	<b>13,271</b>	<b>13,271</b>	<b>13,271</b>	<b>13,271</b>

(a) Asia Marketing Fund (AMF) and Working Holiday Makers.

Prepared on Australian Accounting Standards basis.



**Table 3.6: Departmental capital budget statement (for the period ended 30 June)**

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources (a)	9,165	4,500	4,500	4,500	4,500
<b>TOTAL AMOUNT SPENT</b>	<b>9,165</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	9,165	4,500	4,500	4,500	4,500
<b>TOTAL CASH REQUIRED TO ACQUIRE ASSETS</b>	<b>9,165</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>

(a) Includes the following sources of funding:

- current *Bill No. 1* and 3;
- industry sources;
- other independent sources.

Prepared on Australian Accounting Standards basis.

**Table 3.7: Statement of asset movements (2016-17 Budget year)**

	Asset Category			Total \$'000
	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	
<b>As at 1 July 2016</b>				
Gross book value	8,689	4,865	50,392	63,946
Accumulated depreciation/amortisation and impairment	(5,334)	(4,297)	(37,921)	(47,552)
<b>Opening net book balance</b>	<b>3,355</b>	<b>568</b>	<b>12,471</b>	<b>16,394</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services (a)	500	100	3,900	4,500
By purchase - other				-
<b>Total additions</b>	<b>500</b>	<b>100</b>	<b>3,900</b>	<b>4,500</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(500)	(100)	(3,900)	(4,500)
<b>Total other movements</b>	<b>(500)</b>	<b>(100)</b>	<b>(3,900)</b>	<b>(4,500)</b>
<b>As at 30 June 2017</b>				
Gross book value	9,189	4,965	54,292	68,446
Accumulated depreciation/amortisation and impairment	(5,834)	(4,397)	(41,821)	(52,052)
<b>Closing net book balance</b>	<b>3,355</b>	<b>568</b>	<b>12,471</b>	<b>16,394</b>

(a) "Appropriation ordinary annual services" refers to funding provided through *Appropriation Act (No. 1) 2016-17* and *Bill (No. 3) 2016-17* for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

## PORTFOLIO GLOSSARY

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

*Glossary and Acronyms*

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

	organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between the user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include: the size of a programme; count or volume measures; how many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Account	Special Accounts allow money in the Consolidated Revenue Fund to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (section 78 of the <i>Public Governance, Performance and Accountability (PGPA) Act 2013</i> ) or through an Act of Parliament (section 80 of the <i>PGPA Act 2013</i> ).
Special Appropriations (including Standing Appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For Special Appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year. Standing Appropriations are a sub-category consisting of ongoing Special Appropriations - the amount appropriated will depend on circumstances specified in the legislation.



