



# Budget 2017-18

## **Portfolio Budget Statements 2017-18 Budget Related Paper No. 1.9**

Foreign Affairs and Trade Portfolio

Budget Initiatives and Explanations of  
Appropriations Specified by Outcomes  
and Programs by Entity

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**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 Portfolio Budget Statements in support of the 2017-18 Budget for the Foreign Affairs and Trade portfolio.

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

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

Yours sincerely

A handwritten signature in blue ink that reads 'Julie Bishop'.

The Hon Julie Bishop MP  
Minister for Foreign Affairs

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

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

## Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

## Enquiries

Should you have any enquiries regarding this publication please contact Mr Paul Wood, Chief Financial 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 BUDGET STATEMENTS**

## USER GUIDE

The purpose of the *2017-18 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. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2017-18 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2017-18 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

## Enhanced Commonwealth Performance Framework - key components of relevant publications

### Portfolio Budget Statements (May) *Portfolio based*

Supports Annual Appropriations. Informs Senators and Members of Parliament of the proposed allocation of other resources to **government outcomes and programs**.

Provides links to **relevant programs** undertaken by other Commonwealth entities.

Provides high level performance information for current, ongoing programs, particularly a **forecast of performance for the current year**.

Provides **detailed** prospective performance information for proposed new budget measures that require a **new program** or **significantly change an existing program**.

### Corporate Plan (August) *Entity based*

**Primary planning document** of a Commonwealth entity.

Sets out the **purposes** of the entity, the **activities** it will undertake to achieve its purposes and the **results** it expects to achieve over a minimum four year period.

Describes the **environment** in which the entity **operates**, the **capability** it requires to undertake **activities** and a discussion of **risk**.

Explains how the entity's **performance** will be **measured** and **assessed**.



### Annual Performance Statement (October following year) *Entity based*

Included in the Commonwealth entity's Annual Report. Focuses on **recent performance**.

Reports on the **actual performance results** for the year against the **forecasts** made in the **corporate plan** and **Portfolio Budget Statements**, and provides other performance information relevant to the entity.

Provides an **analysis** of the factors that **contributed** to the **entity's performance results**.

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# **PORTFOLIO OVERVIEW**



# **FOREIGN AFFAIRS AND TRADE PORTFOLIO OVERVIEW**

## **Ministers and portfolio responsibilities**

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.

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

DFAT (the department) works with its portfolio partners to advance Australia's international strategic, security and economic interests. In support of this, the department utilises its Canberra-based workforce, state and territory offices and overseas missions to promote a stable and prosperous regional and global environment by deepening our engagement with bilateral and regional partners and multilateral institutions.

The department is working to boost Australia's commercial opportunities abroad, and investment and employment prospects at home. In coordination with Austrade, Tourism Australia, Efic and ACIAR, DFAT implements the government's economic diplomacy agenda by opening markets for Australian exports, promoting productive foreign investment to Australia, advancing Australian commercial interests, strengthening the global trading system, and promoting open markets and economic integration, particularly in the Indo-Pacific region.

The department delivers an innovative aid program, centred on the Indo-Pacific region, which contributes to sustainable economic growth, poverty reduction and regional stability. DFAT leads the government's response to international crises, including humanitarian emergencies in the Indo-Pacific region.

By broadening international understanding in Australia and globally of the government's international priorities, policies and programs, the department enhances Australia's influence and reputation on the international stage.

The department also works to strengthen international frameworks and norms that promote Australian values – such as human rights, gender equality, democratic principles and the rule of law, international security, and open and transparent global markets.

### *Portfolio overview*

The protection and welfare of Australians abroad remains a core departmental objective. This is achieved by providing effective and courteous consular services to Australians overseas, as well as a secure, efficient and responsive passport service. In specific locations, Austrade helps to deliver consular and passport services. In addition, the department provides quality protocol services to the diplomatic and consular corps accredited to Australia.

The department also continues to focus on the security of the Australian government presence overseas. This is achieved through ongoing efforts to protect our people, keep government information and communications secure, and to effectively manage Australia's global property assets.

Austrade contributes to Australia's economic prosperity by promoting Australia's international trade, investment and education interests, and providing advice to government on tourism policy. Austrade has a particular focus on growth and emerging markets, including those in Asia that offer commercial potential and provide opportunities aligned with Australia's comparative advantage. Within these markets, there is a clear role for Austrade as a Government agency to support Australian businesses and education institutions. Austrade, with DFAT, also promotes the opportunities created by free trade agreements, and helps educate business on how to use free trade agreements to access new markets and grow their business.

Austrade collaborates with state and territory governments and other Commonwealth Government agencies to attract productive foreign direct investment in priority sectors. Austrade also promotes Australia as a preferred education destination and provider of education services, administers several grant programs and helps implement *Australian International Education 2025*, a road map for the sector. Austrade implements the government's tourism policy, *Tourism 2020*, and works on tourism policy, projects, programs and research to strengthen Australia's tourism industry and grow Australia's tourism market share.

Tourism Australia promotes Australia as a compelling tourism destination for international leisure and business events visitors. Tourism Australia focuses its marketing on consumers in those international markets with the greatest growth potential for Australia. The agency will continue to work in partnership with state and territory tourism organisations, industry and commercial partners to increase the economic benefits of tourism to Australia by building demand and increasing visitation and visitor spending.

DFAT will work closely with Austrade, Tourism Australia and other Commonwealth Government agencies to advance Australia's *Tourism 2020* domestic reform priorities. The department will continue to strengthen bilateral tourism relationships with major source countries and participate in key multilateral tourism forums.

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

ACIAR supports Australia's national interests by contributing to sustainable economic growth and poverty reduction and enhanced regional stability, with a particular focus on economic and scientific diplomacy, healthier and better-nourished families, and women's economic empowerment.

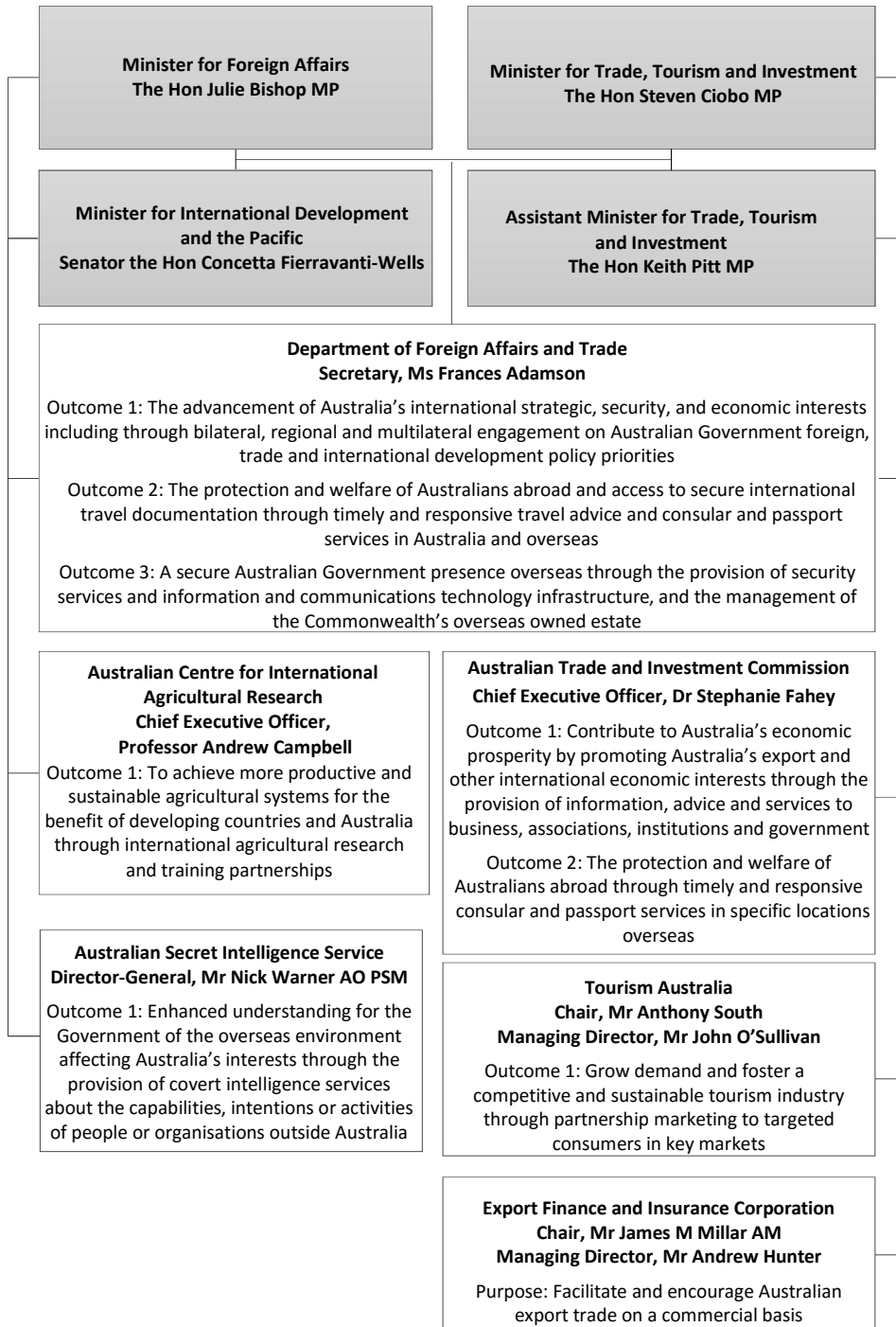
ACIAR contributes to food security, food system resilience, poverty reduction and improved livelihoods, through more productive and sustainable farming systems emerging from collaborative international research. Its mandate is to amplify the impact of Australia's outstanding capabilities in agricultural science by brokering and funding agricultural research for development partnerships in developing countries. The agency works with public and private research institutions to improve the productivity and sustainability of agricultural systems and the resilience of food systems in partner countries.

ACIAR's work aligns closely with Australia's aid program, supporting research collaboration while emphasising human capital building and private sector-led development, targeted at safer and more inclusive agrifood value chains and improved livelihoods in agriculture, forestry and fisheries.

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

For information on resourcing across the portfolio, please refer to Part 1: Agency Financial Resourcing in Budget Paper No. 4: Agency Resourcing.

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



# ENTITY RESOURCES AND PLANNED PERFORMANCE

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

## **Entity resources and planned performance**



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## DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

### Section 1: Entity overview and resources

#### 1.1 STRATEGIC DIRECTION STATEMENT

The Department of Foreign Affairs and Trade (DFAT) supports Australia's foreign, trade and investment, development and international security policy priorities. In 2017-18, the department will continue efforts to make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to global stability and economic growth, particularly in the Indo-Pacific region.

The global environment for advancing Australia's international interests will remain complex and contested for the foreseeable future. To ensure our international engagement continues to rest on a sound footing in the face of an increasingly complex and competitive international environment, the department is leading preparation of a new Foreign Policy White Paper to advance our domestic and international interests, and shape regional and global developments.

A key part of DFAT's role is to respond to, and influence, international developments by providing the Australian Government with timely, high-quality advice and proposals for action. DFAT therefore plays a central role in helping to navigate the ever-changing international scene in pursuit of a stable and prosperous regional and global environment. The department will also work in collaboration with other Commonwealth agencies to support Australia's domestic policy agenda using the insights gained from international engagement.

Central to this effort are Australia's overseas missions, which help build strong networks and enable high-quality information gathering, analysis and advocacy in support of government policies. In particular, the diplomatic network also connects Australia to export markets and investment opportunities, while advancing Australia's national interests around the world. Since 2013, this network has expanded with new missions opening in Bogota (Colombia), Doha (Qatar), Lae (Papua New Guinea), Phuket (Thailand), Makassar (Indonesia), Rabat (Morocco), Surabaya (Indonesia), Shenyang (China), and Ulaanbataar (Mongolia). These missions enhance Australia's presence in regions of key strategic and economic importance, and enable the Government to pursue trade, investment and commercial opportunities, as well as provide consular and passport assistance overseas.

DFAT will continue to help the government shape the international environment through effective engagement with bilateral and regional partners, and multilateral institutions.

## *DFAT Budget Statements*

The department will continue to promote and enhance Australia's relationship with the United States, our most important ally and trusted partner. We will continue to engage on the key global and regional challenges we face and to further develop our trade and investment relationship, which delivers strong benefits for both countries.

DFAT will also strengthen our relationship with the European Union (EU), including through utilising the recently established EU-Australian Leadership Forum, ongoing efforts towards an EU-Australia free trade agreement (FTA), as well as strengthening our relations with Germany and France. Enhancing our relationship with the United Kingdom as it negotiates its exit from the EU (and after) will be a priority, including working towards a future bilateral FTA when the time is right.

In the Indo-Pacific, Australia's relationships with China, India, Japan and the Republic of Korea continue to deepen and expand through ongoing engagement on strategic issues and implementing trade agreements.

Australia will also continue to build and strengthen partnerships with the nations of South-East Asia. As part of these efforts, DFAT will intensify its efforts towards a high-quality Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA), and build upon the benefits already being provided by frameworks such as the Australia-ASEAN (Association of Southeast Asian Nations) Strategic Partnership and the Comprehensive Strategic Partnership with Singapore.

It remains firmly in Australia's interest to have a secure and prosperous Pacific, underpinned by developments such as the recently-concluded Pacific Agreement on Closer Economic Relations (PACER Plus). DFAT will continue to support Australia's long-standing relationship with New Zealand, while also looking to further progress our relations with, and interests in, other Pacific nations, including Papua New Guinea, the Solomon Islands and Fiji.

Outside the Indo-Pacific, the department will continue to advance Australia's interests in the Americas, Europe, the Middle East and Africa.

DFAT will support the Australian Government's involvement in global and regional multilateral institutions. These institutions – including the United Nations (UN), World Trade Organization (WTO), Asia-Pacific Economic Cooperation (APEC), Association of Southeast Asian Nations (ASEAN) Regional Forum (ARF), East Asia Summit (EAS), the Pacific Islands Forum (PIF) and the Indian Ocean Rim Association (IORA) – provide Australia with the opportunity to work with international and regional partners to achieve common interests and strengthen international frameworks and norms. As part of this effort, DFAT will continue to support preparations for the ASEAN-Australia Special Summit, to be hosted in Sydney in early 2018.

Openness to international trade and investment is central to Australia's economic prosperity. More than three decades of liberalising our economy has created jobs and boosted living standards in Australia. The department, alongside Austrade and other

agencies, will continue to assist Australian companies to identify and pursue international commercial opportunities. The department will also communicate clearly to the Australian community the benefits of open trade and investment policies and the risks associated with protectionism. The department, together with Austrade, Efic, Tourism Australia and the Treasury, will also support Australian Government efforts to attract productive foreign investment in line with our national interest.

The WTO is vital to supporting economic growth and jobs in Australia. It provides certainty in international trade arrangements for Australian businesses and offers an effective mechanism to resolve disputes. The WTO also guards against protectionism and spurs pro-growth economic reforms. Australia will continue working to progress a WTO agenda that is flexible and responsive to needs of business. Australia is working to negotiate outcomes for the 11th WTO Ministerial Conference, to take place in December 2017, on issues of importance to Australian business that deliver trade liberalising, pro-growth and market-based policy outcomes.

The department will leverage international networks to access new markets for Australian exports through negotiating and implementing trade and investment agreements in our immediate region and beyond. We will continue efforts to conclude both IA-CEPA and the Regional Comprehensive Economic Partnership negotiations, which will build on Australia's FTAs with ASEAN and New Zealand, as well as further implement trade and investment agreements with other regional partners, including through built-in reviews. DFAT will continue exploring avenues to deliver the Trans-Pacific Partnership (TPP) Agreement's benefits for Australia, including through new agreements. DFAT will also work to ensure that trading partners fully implement their commitments under trade agreements.

The government's expanding online FTA Portal and extensive program of FTA information seminars build awareness among Australian small and medium enterprises and maximise the chance of them taking advantage of the competitive edge provided by existing FTAs.

DFAT will deliver an aid program that promotes Australia's national interests by contributing to sustainable economic growth, poverty reduction and gender equality, particularly in the Indo-Pacific. The department will continue to implement Australia's development policy, *Australian aid: promoting prosperity, reducing poverty, enhancing stability*, which enhances Australia's development leadership in our region. Working in countries with significant security and governance challenges, the aid program will continue to manage risk and adopt safeguards to ensure Australian aid is well targeted to high priority needs. Australia's aid program has a significant focus on supporting private sector development, strengthening human development and facilitating greater trade and investment within developing economies through Aid for Trade initiatives. The department will support the delivery of the *2030 Agenda for Sustainable Development*.

## *DFAT Budget Statements*

The New Colombo Plan deepens Australia's relationships in the Indo-Pacific by offering undergraduate students opportunities for scholarships and grants for study and internships/mentorships in the region. Operating in 40 locations, approximately 10,000 grants will be offered in 2018 as the program expands to enable more students to live, study and work in the Indo-Pacific region. The Australia Awards program enables international leaders of tomorrow to study in Australia to build trust, mutual understanding and support for our development goals.

The department will lead Australia's efforts to help prepare for, and respond to, disasters, particularly in the Indo-Pacific region. We will support countries recovering from disasters, such as the Solomon Islands and Indonesia following earthquakes and the ongoing reconstruction in Fiji from Tropical Cyclone Winston. Beyond our region, the department's flexible crisis response systems will continue to provide life-saving assistance to people affected by ongoing humanitarian crises including in Syria, Iraq, Myanmar, Afghanistan and Africa.

This budget provides the first tranche of funding for the department to deliver the government's election commitment to establish a Regional Health Security Partnerships Fund. This funding will sponsor partnerships and support placements with academic, private sector, non-government and medical institutions to tackle emerging health security risks in the Indo-Pacific region.

In support of the government's broader security and bilateral interests, renewed funding for the Australian diplomatic missions in Baghdad and Kabul will help DFAT continue to participate in the international coalition to combat terrorist groups, including ISIS and Al-Qaeda. DFAT will continue to support counter-people smuggling efforts through the Bali Process, regional cooperation to address irregular migration challenges, and increased preventative and law enforcement activities to combat human trafficking.

DFAT will work to enhance Australia's international influence and reputation. Through public diplomacy, the department will advance initiatives that promote Australia's economic, artistic and cultural, sporting, science and education assets and underline Australia's credentials as a destination for business, investment, tourism and study, and emphasise Australia's engagement with the Indo-Pacific region.

The department will prioritise promoting Australia's creative economy and National Innovation and Science Agenda abroad, including facilitating international research and science partnerships; bringing new innovations into the aid program (including through the innovationXchange) to enhance our reach and cost effectiveness; and collaborating to bring new knowledge and skills into all areas of the department's work. In addition, DFAT will continue to work closely with ACIAR to develop new approaches and build capacity within our region to improve food security and food system resilience, and to deal more effectively with the intersecting challenges of climate change, energy and water – all areas in which Australian science and innovation can play a leadership role in our region.



The department will continue to play a key role in promoting Australia's values internationally. This will be achieved through working to strengthen international frameworks, norms and the rule of law. Areas of focus include human rights, gender equality, peace and security, the environment, anti-corruption and criminal justice. The department will pursue Australia's interests in the UN system, including by pursuing election to the Human Rights Council (2018-20) and the UN Security Council (2029-30).

DFAT will progress Australia's efforts to counter the proliferation of nuclear weapons, constrain illicit arms trade and counter terrorism. The department will support the government's Cyber Security Strategy, including via the newly appointed Ambassador for Cyber Affairs.

The promotion of safe travel and delivery of high-quality consular services remains a key priority for the department. A second three-year Consular Strategy will continue to modernise the delivery of consular services and encourage a culture of responsible travel by providing the tools, through Smartraveller, for Australians to make informed travel decisions.

The department will continue to deliver an efficient passport service, including the delivery of a more technologically advanced passport. The department will work to ensure the integrity, security and quality of Australian passports and deliver increased processing capability, improved client services and enhanced fraud and investigation controls.

The security and safety of Australian Government personnel and their dependants overseas, together with the security of its missions and overseas properties, remains a high priority for the department. This will require the implementation and maintenance of comprehensive and effective strategic risk mitigation strategies and appropriate security measures.

DFAT will continue its efforts to make itself increasingly resilient, flexible and cohesive in order to deliver the government's agenda internationally. The department is committed to providing ongoing support for client agencies in their own international work. This includes consolidating management of the government's overseas property within DFAT and expanding other support to agencies, particularly those with small numbers of staff deployed overseas, where it meets the principles of the Prime Minister's Directive to optimise efficiency and effective use of public resources overseas.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Department of Foreign Affairs and Trade resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	353,439	339,921
Departmental appropriation	1,442,003	1,359,553
s 74 retained revenue receipts (c)	97,228	97,228
Departmental capital budget (d)	51,755	46,501
Annual appropriations - other services - non-operating (e)		
Prior year appropriations available (b)	104,741	19,355
Equity injection	56,535	71,408
<b>Total departmental annual appropriations</b>	<b>2,105,701</b>	<b>1,933,966</b>
<b>Special accounts</b>		
Opening balance	105,917	29,678
Appropriation receipts (g)	82,295	79,714
Appropriation receipts from other entities (h)	33,402	36,966
Non-appropriation receipts	1,775	213,700
<b>Total special accounts</b>	<b>223,389</b>	<b>360,058</b>
<i>less departmental appropriations drawn from annual appropriations and credited to special accounts</i>	<i>82,295</i>	<i>79,714</i>
<b>Total departmental resourcing</b>	<b>2,246,795</b>	<b>2,214,310</b>

*Table continued on the following page.*

**Table 1.1: Department of Foreign Affairs and Trade resource statement — Budget estimates for 2017-18 as at Budget May 2017 (continued)**

	2016-17 <i>Estimated actual</i> \$'000	2017-18 Estimate \$'000
<b>Administered</b>		
Annual appropriations - ordinary annual services (a)		
Outcome 1	4,196,022	3,651,242
Outcome 2	750	750
Administered capital budget (i)	383	443
Payments to corporate entities (j)	143,610	129,308
Annual appropriations - other services - non-operating (e)		
Administered assets and liabilities	1,012,362	150
<b>Total administered annual appropriations</b>	<b>5,353,127</b>	<b>3,781,893</b>
<i>Total administered special appropriations (f)</i>	<i>1,010</i>	<i>1,010</i>
<i>less payments to corporate entities from annual appropriations</i>	<i>143,610</i>	<i>129,308</i>
<b>Total administered resourcing</b>	<b>5,210,527</b>	<b>3,653,595</b>
<b>Total resourcing for DFAT</b>	<b>7,457,322</b>	<b>5,867,905</b>
<b>Average staffing level (number)</b>		
	5,723	5,803

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

	2016-17 <i>Estimated actual</i> \$'000	2017-18 Estimate \$'000
Receipts received from other entities for the provision of services (disclosed above in s74 Retained revenue receipts section above)	97,228	97,228
Payments made to corporate entities within the Portfolio		
Tourism Australia Appropriation	143,610	129,308

- (a) Appropriation Bill (No. 1) 2017-18.
- (b) Excludes \$12.4m subject to administrative quarantine by Finance or withheld under s 51 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).
- (c) Estimated retained revenue receipts under s 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Appropriation Bill (No. 2) 2017-18.
- (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. Amounts credited to the special account(s) from DFAT's annual appropriations.
- (g) Amounts credited to the special account(s) from DFAT's annual and appropriations.
- (h) Amounts credited to the special account(s) from another entity's annual appropriations.
- (i) Administered capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.10 for further details. For accounting purposes, this amount is designated as a 'contribution by owner'.
- (j) 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act.

Please also see Table 2.1.1, 2.2.1 and 2.3.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

### 1.3 BUDGET MEASURES

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

**Table 1.2: Entity 2017-18 Budget measures**

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Expense measures</b>						
Australia's Diplomatic Engagement and Security Arrangements in Afghanistan - continuation	1.1, 3.1					
Departmental expenses		-	60,672	62,705	-	-
<b>Total</b>		-	<b>60,672</b>	<b>62,705</b>	-	-
Australia's Diplomatic Engagement and Security Arrangements in Iraq - continuation	1.1, 3.1					
Departmental expenses		-	40,541	41,854	-	-
<b>Total</b>		-	<b>40,541</b>	<b>41,854</b>	-	-
Overseas Allowances for Australian Government Employees - efficiencies (a)	1.1					
Departmental expenses		-	(1,530)	(3,729)	(6,703)	(9,055)
<b>Total</b>		-	<b>(1,530)</b>	<b>(3,729)</b>	<b>(6,703)</b>	<b>(9,055)</b>
Maintaining the Level of Official Development Assistance (a)	1.2					
Administered expenses		-	-	-	(100,255)	(203,017)
<b>Total</b>		-	-	-	<b>(100,255)</b>	<b>(203,017)</b>
Asia-Pacific Economic Cooperation 2018 - support for meetings in Papua New Guinea (b)	1.2					
Administered expenses		-	(22,670)	(9,040)	-	-
<b>Total</b>		-	<b>(22,670)</b>	<b>(9,040)</b>	-	-

*Table continued on the following page.*

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) – (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Solomon Islands Police Development Program - establishment (c)	1.2					
Administered expenses		-	(22,190)	(17,672)	(17,009)	(17,942)
<b>Total</b>		-	<b>(22,190)</b>	<b>(17,672)</b>	<b>(17,009)</b>	<b>(17,942)</b>
Centralised Management of the Commonwealth's Overseas Property Portfolio (a)	1.1					
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Gold Coast 2018 Commonwealth Games – additional Australian Government support (d)	1.1					
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Total expense measures</b>						
Administered		-	(44,860)	(26,712)	(117,264)	(220,959)
Departmental		-	99,683	100,830	(6,703)	(9,055)
<b>Total</b>		-	<b>54,823</b>	<b>74,118</b>	<b>(123,967)</b>	<b>(230,014)</b>
<b>Capital measures</b>						
Australia's Diplomatic Engagement and Security Arrangements in Afghanistan - continuation	1.1					
Departmental expenses		-	9,811	5,098	-	-
<b>Total</b>		-	<b>9,811</b>	<b>5,098</b>	-	-
Australia's Diplomatic Engagement and Security Arrangements in Iraq - continuation	1.1					
Departmental expenses		-	7,176	3,371	-	-
<b>Total</b>		-	<b>7,176</b>	<b>3,371</b>	-	-
<b>Total capital measures</b>						
Departmental		-	16,987	8,469	-	-
<b>Total</b>		-	<b>16,987</b>	<b>8,469</b>	-	-

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

(a) Refer to Budget Paper No. 2 for further details on this measure.

(b) Asia-Pacific Economic Cooperation 2018 - support for meetings in Papua New Guinea is a cross portfolio measure led by the Department of the Prime Minister and Cabinet. Funding for the ODA eligible aspects of this program will be transferred to the Australian Federal Police from the ODA budget. DFAT's contribution will be absorbed within existing resources.

(c) Funding for the ODA eligible aspects of this program will be transferred to the Australian Federal Police from the ODA budget.

(d) Gold Coast 2018 Commonwealth Games – additional Australian Government support is a cross portfolio measure led by the Department of Human Services. DFAT will absorb \$1.2m in funding for this measure within existing resources.

Prepared on Australian Accounting Standards basis.

## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports - to provide an entity's complete performance story.

The most recent corporate plan for DFAT can be found at: <http://dfat.gov.au/about-us/publications/Documents/dfat-corporate-plan-2016-20.pdf>

The most recent annual performance statement can be found at: <http://dfat.gov.au/about-us/publications/corporate/annual-reports/Documents/DFAT-full-annual-report-2015-16.pdf>

## 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 policy priorities**

### Linked programs

<b>Attorney-General's Department</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 - Attorney-General's Department Operating Expenses-Civil Justice and Legal Services</li> <li>• Program 1.2 - Attorney-General's Department Operating Expenses-National Security and Criminal Justice</li> <li>• Program 1.7 - National Security and Criminal Justice</li> </ul>
<b>Australian Centre for International Agricultural Research (ACIAR)</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 - International Agricultural Research For Development For More Productive and Sustainable Agriculture</li> </ul>
<b>Australian Federal Police (AFP)</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.2 - International Police Assistance</li> </ul>
<b>Austrade</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 - Promotion of Australia's Export and Other International Economic Interests</li> <li>• Program 1.2 - Programs to Promote Australia's Export and Other International Economic Interests</li> </ul>
<b>Department of Defence</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 2.8 - Joint Operations Command</li> </ul>

*Table continued on the following page.*

**Linked programs (continued)**

<b>Department of Industry, Innovation and Science</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 2 – Growing Business Investment and Improving Business Capability</li> </ul>
<b>Department of Immigration and Border Protection (DIBP)</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 – Border Enforcement</li> <li>• Program 1.5 – Regional Cooperation</li> <li>• Program 2.3 – Visas</li> <li>• Program 3.2 – Trade Facilitation and Industry Engagement</li> </ul>
<b>Department of Education and Training</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 2.7 – International Education Support</li> </ul>
<b>Tourism Australia</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 – Supporting Outcome 1 (Grow Demand and Industry Development)</li> </ul>
<b>Contribution to Outcome 1 made by linked programs</b> Australia maintains a whole-of-government approach in the pursuit of foreign, trade and investment, tourism, development and international security interests abroad and DFAT is widely supported by partner agencies in its associated leadership, advocacy and coordination roles at overseas missions.



### Budgeted expenses for Outcome 1

This table shows how much the Department of Foreign Affairs and Trade intends to spend (on an accrual basis) on achieving Outcome 1, 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>	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 1.1: Foreign Affairs and Trade Operations</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	6,495	6,573	6,589	6,711	6,838
Other services (Appropriation Bill No. 2)	15,027	-	-	-	-
Expenses not requiring appropriation in the Budget year (a)	16,327	1,300	1,300	1,300	1,100
<b>Administered total</b>	<b>37,849</b>	<b>7,873</b>	<b>7,889</b>	<b>8,011</b>	<b>7,938</b>
Departmental expenses					
Departmental appropriations	609,340	557,446	551,116	519,553	527,445
74 Retained revenue receipts (b)	97,228	97,228	97,228	97,228	97,228
Expenses not requiring appropriation in the Budget year (c)	126,022	118,001	109,548	103,439	118,432
<b>Departmental total</b>	<b>832,590</b>	<b>772,675</b>	<b>757,892</b>	<b>720,220</b>	<b>743,105</b>
<b>Total expenses for program 1.1</b>	<b>870,439</b>	<b>780,548</b>	<b>765,781</b>	<b>728,231</b>	<b>751,043</b>
<b>Program 1.2: Official Development Assistance</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	2,919,800	3,088,994	3,301,926	3,259,536	3,330,207
Expenses not requiring appropriation in the Budget year (c)	200	500	500	500	500
<b>Administered total</b>	<b>2,920,000</b>	<b>3,089,494</b>	<b>3,302,426</b>	<b>3,260,036</b>	<b>3,330,707</b>
Departmental expenses					
Departmental appropriation	242,856	248,927	255,151	258,978	262,863
<b>Departmental total</b>	<b>242,856</b>	<b>248,927</b>	<b>255,151</b>	<b>258,978</b>	<b>262,863</b>
<b>Total expenses for program 1.2</b>	<b>3,162,856</b>	<b>3,338,421</b>	<b>3,557,577</b>	<b>3,519,014</b>	<b>3,593,570</b>

*Table continued on the following page.*

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

	2016-17 Revised Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000
<b>Program 1.3: Official Development Assistance - Multilateral Replenishments</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	781,458	12,622	93,000	733,450	12,622
Other services (Appropriation Bill No. 2)	858,820	-	-	462,000	-
Expenses not requiring appropriation in the Budget year (d)	401,760	-	-	401,760	-
<b>Administered total</b>	<b>2,042,038</b>	<b>12,622</b>	<b>93,000</b>	<b>1,597,210</b>	<b>12,622</b>
<b>Total expenses for program 1.3</b>	<b>2,042,038</b>	<b>12,622</b>	<b>93,000</b>	<b>1,597,210</b>	<b>12,622</b>
<b>Program 1.4: Official Development Assistance - East Asia AIPRD</b>					
Administered expenses					
Expenses not requiring appropriation	-	-	-	-	-
<b>Administered total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses for program 1.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Program 1.5: Payments to International Organisations</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	439,385	466,368	489,281	519,608	551,970
<b>Administered total</b>	<b>439,385</b>	<b>466,368</b>	<b>489,281</b>	<b>519,608</b>	<b>551,970</b>
<b>Total expenses for program 1.5</b>	<b>439,385</b>	<b>466,368</b>	<b>489,281</b>	<b>519,608</b>	<b>551,970</b>
<b>Program 1.6: New Colombo Plan - Transforming Regional Relationships</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	27,790	50,933	50,933	50,933	50,933
Other services (Appropriation Bill No. 2)	425	150	-	-	-
<b>Administered total</b>	<b>28,215</b>	<b>51,083</b>	<b>50,933</b>	<b>50,933</b>	<b>50,933</b>
<b>Total expenses for program 1.6</b>	<b>28,215</b>	<b>51,083</b>	<b>50,933</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 Bill No. 1)	4,594	6,752	6,752	6,752	6,752
<b>Administered total</b>	<b>4,594</b>	<b>6,752</b>	<b>6,752</b>	<b>6,752</b>	<b>6,752</b>
<b>Total expenses for program 1.7</b>	<b>4,594</b>	<b>6,752</b>	<b>6,752</b>	<b>6,752</b>	<b>6,752</b>

Table continued the on following page.

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

	2016-17 Revised Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000
<b>Program 1.8: Programs to Promote Australia's International Tourism Interests</b>					
Administered expenses					
Tourism Australia - Corporate Commonwealth Entity	143,610	129,308	128,374	131,759	143,978
Ordinary annual services (Appropriation Bill No. 1)	16,500	19,000	16,500	14,000	14,000
<b>Administered total</b>	<b>160,110</b>	<b>148,308</b>	<b>144,874</b>	<b>145,759</b>	<b>157,978</b>
<b>Total expenses for program 1.8</b>	<b>160,110</b>	<b>148,308</b>	<b>144,874</b>	<b>145,759</b>	<b>157,978</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1)	4,196,022	3,651,242	3,964,981	4,590,990	3,973,322
Corporate Commonwealth Entity	143,610	129,308	128,374	131,759	143,978
Other services (Appropriation Bill No. 2)	874,272	150	-	462,000	-
Expenses not requiring appropriation in the Budget year (a) (d)	418,287	1,800	1,800	403,560	1,600
<b>Administered total</b>	<b>5,632,191</b>	<b>3,782,500</b>	<b>4,095,155</b>	<b>5,588,309</b>	<b>4,118,900</b>
Departmental expenses					
Departmental appropriations	852,196	806,373	806,267	778,531	790,308
s 74 Retained revenue receipts (b)	97,228	97,228	97,228	97,228	97,228
Expenses not requiring appropriation in the Budget year (c)	126,022	118,001	109,548	103,439	118,432
<b>Departmental total</b>	<b>1,075,446</b>	<b>1,021,602</b>	<b>1,013,043</b>	<b>979,198</b>	<b>1,005,968</b>
<b>Total expenses for Outcome 1</b>	<b>6,707,637</b>	<b>4,804,102</b>	<b>5,108,198</b>	<b>6,567,507</b>	<b>5,124,868</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	<b>3,771</b>	<b>3,836</b>

- (a) Includes expenses for the Debt-to-Health Swap with the Government of Indonesia \$15.0 million in 2016-17 that was funded through Appropriation Act 2.
- (b) Estimated expenses incurred in relation to receipts retained under s 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 and 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.

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**

**Program 1.1: Foreign Affairs and Trade Operations**

	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>1.1.1 - Component 1: Foreign Affairs and Trade Operations</b>					
Annual administered expenses:					
International Climate Change Engagement	3,000	3,000	3,000	3,000	3,000
Personal Benefits - Locally Engaged Staff pension schemes	2,816	2,879	2,879	2,984	3,095
Other Administered Items	679	694	710	727	743
Other services (Appropriation Bill No. 2)					
Debt-to-Health Swap with Government of Indonesia	15,027	-	-	-	-
Expenses not requiring appropriation in the Budget year					
Export Finance and Insurance Corporation (EFIC) - National Interest Account Expenses	1,300	1,300	1,300	1,300	1,100
Other Administered Items	15,027	-	-	-	-
Departmental expenses					
Departmental appropriations	609,340	557,446	551,116	519,553	527,445
s 74 Retained revenue receipts	97,228	97,228	97,228	97,228	97,228
Expenses not requiring appropriation in the Budget year	126,022	118,001	109,548	103,439	118,432
<b>Total Component 1.1.1 expenses</b>	<b>870,439</b>	<b>780,548</b>	<b>765,781</b>	<b>728,231</b>	<b>751,043</b>

**Program 1.2: Official Development Assistance**

	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>1.2.1 - Component 2: Official Development Assistance</b>					
Annual administered expenses:					
Country programs	1,620,496	1,587,660	1,598,845	1,593,845	1,538,745
Regional programs	674,141	655,000	629,361	631,526	628,613
Global programs	357,538	446,678	619,064	639,509	803,193
Humanitarian and emergency response programs	267,624	399,656	454,656	394,656	359,656
Expenses not requiring appropriation in the Budget year	200	500	500	500	500
Departmental expenses					
Departmental appropriation	242,856	248,927	255,151	258,978	262,863
<b>Total Component 1.2.1 expenses</b>	<b>3,162,856</b>	<b>3,338,421</b>	<b>3,557,577</b>	<b>3,519,014</b>	<b>3,593,570</b>

Table continued on the next page.

**Table 2.1.2: Program components of Outcome 1 (continued)****Program 1.8: Programs to Promote Australia's International Tourism Interests**

	2016-17 Revised Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard 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	143,610	129,308	128,374	131,759	143,978
Asia Marketing Fund	14,000	14,000	14,000	14,000	14,000
Working Holiday Makers - employer register and compliance	2,500	5,000	2,500	-	-
<b>Total Component 1.2.1 expenses</b>	<b>160,110</b>	<b>148,308</b>	<b>144,874</b>	<b>145,759</b>	<b>157,978</b>

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

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

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>Program 1.1 – Foreign Affairs and Trade Operations.</b> The department will assist the government to meet its foreign, trade and investment, development and international security policy priorities over 2017-18 and forward years. This includes actively shaping the international environment through development of strong bilateral relationships, coalition building with other nations with common interests, and an activist approach to using regional and global institutions and forums to create rules and norms that promote stability, peace and prosperity.		
<b>Delivery</b>	The department is advancing Australia’s interests through: <ul style="list-style-type: none"><li>• Protecting and advancing the national interest through engaging in effective advocacy in Australia and overseas that promotes Australia’s foreign, trade and investment, tourism, development and international security interests.</li><li>• Delivering accurate and timely policy advice to Ministers and other key clients that addresses the challenges of an evolving international environment.</li><li>• Promoting a whole-of-government approach in pursuit of Australia’s interests abroad, including through leadership at overseas missions and coordination of the overseas diplomatic network and through liaison with domestic Australian Government agencies and state and territory governments.</li><li>• Ensuring the security and protecting the dignity of the diplomatic and consular corps serving in Australia by delivering a quality service and upholding Australia’s obligations under the Vienna Conventions.</li></ul>	
Performance information		
Year	Performance criteria	Targets
2016-17	<ul style="list-style-type: none"><li>• High level of satisfaction of Ministers and high-level clients with the quality and timeliness of advice, briefing and support in relation to Australia’s foreign, trade and economic, development and international security interests.</li><li>• The department’s advocacy, negotiation and liaison on Australia’s foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.</li><li>• Government agencies at overseas missions are satisfied with service provided in accordance with the Prime Minister’s Directive on the Guidelines for the Management of the Australian Government Presence Overseas and service level agreements in place.</li><li>• The diplomatic and consular corps accredited to Australia are satisfied with the level of service provided, including in terms of responsiveness and timeliness in meeting Australia’s obligations under the Vienna Conventions.</li></ul>	<p>Targets are:</p> <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul> <p>DFAT expects that these performance criteria will be met during the course of 2016-17.</p>

**Table 2.1.3: Performance criteria for Outcome 1 (continued)**

2017-18	<ul style="list-style-type: none"><li>• High level of satisfaction of Ministers and high-level clients with the quality and timeliness of advice, briefing and support in relation to Australia's foreign, trade and economic, development and international security interests.</li><li>• The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.</li><li>• Government agencies at overseas missions are satisfied with service provided in accordance with the Prime Minister's Directive on the Guidelines for the Management of the Australian Government Presence Overseas and service level agreements in place.</li><li>• The diplomatic and consular corps posted or accredited to Australia are satisfied with the level of service provided, including in terms of responsiveness and timeliness in meeting Australia's obligations under the Vienna Conventions.</li></ul>	<p>Through case studies, reviews and surveys, DFAT will demonstrate whether these performance criteria have been:</p> <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul>
2018-19 and beyond	As per 2017-18	As per 2017-18
<b>Purposes</b>	To help make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to global stability and economic growth, particularly in the Indo-Pacific region.	
<b>Material changes to Program 1.1 resulting from the following measures:</b>		
<ul style="list-style-type: none"><li>• Nil</li></ul>		

<b>Program 1.2 – Official Development Assistance</b> promotes Australia’s national interests by contributing to sustainable economic growth and poverty reduction.		
<b>Delivery</b>	The Australian Government’s aid policy, <i>Australian aid: promoting prosperity, reducing poverty, enhancing stability</i> shapes the way Australia delivers its official development assistance (ODA). It focuses on two development outcomes: supporting private sector development and strengthening human development. Australia’s ODA investments focus on six priority areas: <ul style="list-style-type: none"><li>• infrastructure, trade facilitation and international competitiveness;</li><li>• agriculture, fisheries and water;</li><li>• effective governance through policies, institutions and functioning economies;</li><li>• education and health;</li><li>• building resilience through humanitarian assistance, disaster risk reduction and social protection; and</li><li>• gender equality and empowering women and girls.</li></ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"><li>• Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program’s performance framework, <i>Making Performance Count</i>.</li><li>• Detailed reporting against the performance framework, including individual program and investment performance, will be published annually in the Performance of Australian Aid report.</li></ul>	Targets are: <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul> DFAT expects that these performance criteria will be met during the course of 2016-17.
2017-18	<ul style="list-style-type: none"><li>• Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program’s performance framework, <i>Making Performance Count</i>.</li><li>• Detailed reporting against the performance framework, including individual program and investment performance, will be published annually in the Performance of Australian Aid report.</li></ul>	Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been: <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul>
2018-19 and beyond	As per 2017-18	As per 2017-18
<b>Purposes</b>	To help make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to global stability and economic growth, particularly in the Indo-Pacific region.	
<b>Material changes to Program 1.2 resulting from the following measures:</b>		
<ul style="list-style-type: none"><li>• Nil</li></ul>		



<b>Program 1.3 – Official Development Assistance – Multilateral Replenishments</b> assists developing countries by contributing to sustainable economic growth and poverty reduction through contributions to multilateral organisations.		
<b>Delivery</b>	Australia's official development assistance is advanced through our work with multilateral organisations. Their reach, leverage, specialisation and other strengths play a critical role in helping Australia to meet its international development objectives.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"><li>Australia assesses the performance of its multilateral partners to inform our engagement with them and to ensure value for money from our multilateral funding.</li><li>Australia is strengthening its approach to the assessment of performance of multilateral organisations in line with the aid performance framework, <i>Making Performance Count</i>.</li><li>Strengthened systems for assessing the performance of multilateral aid delivery partners.</li></ul>	Targets are: <ul style="list-style-type: none"><li>Met</li><li>Partially met</li><li>Not met</li></ul> DFAT expects that these performance criteria will be met during the course of 2016-17.
2017-18	<ul style="list-style-type: none"><li>Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program's performance framework, <i>Making Performance Count</i>.</li><li>Detailed reporting against the performance framework, including for multilateral replenishments, will be published annually in the Performance of Australian Aid report.</li></ul>	Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been: <ul style="list-style-type: none"><li>Met</li><li>Partially met</li><li>Not met</li></ul>
2018-19 and beyond	As per 2017-18	As per 2017-18
<b>Purposes</b>	To help make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to global stability and economic growth, particularly in the Indo-Pacific region.	
<b>Material changes to Program 1.3 resulting from the following measures:</b>		
<ul style="list-style-type: none"><li>Nil</li></ul>		

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<b>Program 1.4 – Official Development Assistance – East Asia: Australia-Indonesia Partnership for Reconstruction and Development (AIPRD)</b> assists Indonesia in reconstruction and development in the aftermath of the 2004 Indian Ocean Tsunami.	
<b>Delivery</b>	<p>The Australia-Indonesia Partnership for Reconstruction and Development (AIPRD) between Australia and Indonesia consisted of \$500 million in grant funding and \$500 million in highly concessional loans.</p> <p>The final disbursement of the AIPRD program was made in 2014-15 and as a result the program is now complete. The Department of Foreign Affairs and Trade no longer provides performance information for this program.</p>

<b>Program 1.5 – Payment to International Organisations</b> advances Australia's foreign, trade and investment, development and international security interests through participation in international organisations.		
<b>Delivery</b>	Australia's participation in international organisations is delivered through: <ul style="list-style-type: none"><li>• Australian membership of international organisations and international treaty secretariats through payments of assessed and voluntary contributions.</li><li>• Effective participation in the United Nations and its Specialised Agencies, the World Trade Organization and other multilateral forums in support of Australia's foreign, trade and economic, development and international security interests.</li><li>• Contributions to United Nations and other international organisations to assist developing countries reduce poverty and lift living standards through sustainable economic growth.</li></ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"><li>• Payments to international organisations are timely and within budget.</li><li>• The department's contributions influence multilateral outcomes which enhance Australia's security and prosperity, maximise the impact of Australia's aid program and represent value for money.</li></ul>	Targets are: <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul> DFAT expects that these performance criteria will be met during the course of 2016-17.
2017-18	<ul style="list-style-type: none"><li>• The department's contributions shape multilateral outcomes in accordance with Australia's interests.</li><li>• High-quality leadership of government strategies on multilateral issues.</li></ul>	Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been: <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul>
2018-19 and beyond	As per 2017-18	As per 2017-18
<b>Purposes</b>	To help make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to global stability and economic growth, particularly in the Indo-Pacific region.	
<b>Material changes to Program 1.5 resulting from the following measures:</b>		
<ul style="list-style-type: none"><li>• Nil</li></ul>		

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<b>Program 1.6 – New Colombo Plan – Transforming Regional Relationships</b> advances Australia’s interests and bilateral relationships through enduring people-to-people, institutional and business links with the Indo-Pacific region.		
<b>Delivery</b>	The New Colombo Plan (NCP) will be delivered in 40 Indo-Pacific locations, fostering closer people-to-people and institutional links and contributing to an overall increase in the number of Australian undergraduate students undertaking study and internships in the region.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"><li>• More Australian undergraduates supported to study and intern in the Indo-Pacific region.</li><li>• NCP participants build relationships in the region and promote the value of the NCP experience.</li><li>• Universities, the private sector and partner governments support the implementation of the NCP.</li><li>• Alumni are engaged through networks that foster professional development and ongoing connections with the region.</li></ul>	Targets are: <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul> DFAT expects that these performance criteria will be met during the course of 2016-17.
2017-18	<ul style="list-style-type: none"><li>• More Australian undergraduates supported to study and intern in the Indo-Pacific region.</li><li>• NCP participants build relationships in the region and promote the value of the NCP experience.</li><li>• Universities, the private sector and partner governments support the implementation of the NCP.</li><li>• Alumni are engaged through networks that foster professional development and ongoing connections with the region.</li></ul>	Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been: <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul>
2018-19 and beyond	As per 2017-18	As per 2017-18
<b>Purposes</b>	To help make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to global stability and economic growth, particularly in the Indo-Pacific region.	
<b>Material changes to Program 1.6 resulting from the following measures:</b>		
<ul style="list-style-type: none"><li>• Nil</li></ul>		

<b>Program 1.7— Public Information Services and Public Diplomacy</b> projects a positive and contemporary image of Australia and promotes a clear understanding of government policies and objectives and engagement with the Indo-Pacific region through the department's public diplomacy, cultural and media activities.		
<b>Delivery</b>	The department's public diplomacy, cultural and media activities are: <ul style="list-style-type: none"><li>• Promoting people-to-people links and a contemporary and positive image of Australia as a creative and innovative nation and as a destination for business, investment, tourism and study and support the government's international policy goals.</li><li>• Advancing Australia's national interests through new approaches which engage audiences on contemporary Australia and facilitate networks, collaboration and connections between people and institutions to build understanding, trust and influence.</li></ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"><li>• An understanding of contemporary Australia and the government's foreign, trade, investment and development credentials, and strengthened people-to-people and institutional links and trade, economic and cultural ties.</li></ul>	Targets are: <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul> DFAT expects that this performance criterion will be met during the course of 2016-17.
2017-18	<ul style="list-style-type: none"><li>• Public diplomacy initiatives build links overseas to further Australia's interests and increase Australia's influence.</li><li>• Inform and influence media reporting on Australia.</li><li>• Timely and high-quality management of domestic and international media enquiries, including measurement of the quantity and quality of departmental responses to media enquiries.</li><li>• High-quality stakeholder engagement including through departmental and embassy websites and social media platforms.</li></ul>	Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been: <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul>
2018-19 and beyond	As per 2017-18	As per 2017-18
<b>Purposes</b>	To help make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to global stability and economic growth, particularly in the Indo-Pacific region.	
<b>Material changes to Program 1.7 resulting from the following measures:</b> <ul style="list-style-type: none"><li>• Nil</li></ul>		

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Program 1.8 – Programs to Promote Australia’s International Tourism Interests		
Delivery	The delivery of this program is the responsibility of Austrade and Tourism Australia.	
Performance information		
Year	Performance criteria	Targets
2016-17	Refer to Austrade’s <i>Outcomes and planned performance</i> section for 2016-17 objectives, deliverables and performance criteria. Refer to Tourism Australia’s <i>Outcomes and planned performance</i> section for 2016-17 objectives, deliverables and performance criteria.	
2017-18	Refer to Austrade’s <i>Outcomes and planned performance</i> section for 2017-18 for objectives, deliverables, performance criteria and targets. Refer to the Tourism Australia’s <i>Outcomes and planned performance</i> section for 2017-18 for objectives, deliverables, performance criteria and targets.	
2018-19 and beyond	See 2017-18 above.	
Purposes	To help make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to global stability and economic growth, particularly in the Indo-Pacific region. Also refer to Austrade’s and Tourism Australia’s corporate plans for information on the contribution of this program to these organisation’s purposes.	
Material changes to Program 1.8 resulting from the following measures:		
<ul style="list-style-type: none"><li>Nil</li></ul>		

## 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

<b>Austrade</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 2.1 – Consular and Passport Services</li> </ul>
<b>Department of Human Services</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 1.1 – Services to the Community-Social Security and Welfare</li> </ul>
<b>Contribution to Outcome 2 made by linked programs</b> DFAT is supported by the Department of Human Services and Austrade in the delivery of high-quality consular services, including the provision of Australian passport information services and the repatriation of vulnerable Australians.

## Budgeted expenses for Outcome 2

This table shows how much the Department of Foreign Affairs and Trade 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>	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 2.1: Consular Services</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1) (a)	200	200	200	200	200
<b>Administered total</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
Departmental expenses					
Departmental appropriation	104,714	96,283	95,512	93,406	93,448
<b>Departmental total</b>	<b>104,714</b>	<b>96,283</b>	<b>95,512</b>	<b>93,406</b>	<b>93,448</b>
<b>Total expenses for program 2.1</b>	<b>104,914</b>	<b>96,483</b>	<b>95,712</b>	<b>93,606</b>	<b>93,648</b>
<b>Program 2.2: Passport Services</b>					
Administered expenses					
Special appropriations: PGPA Act s77 - Passport Refunds	1,010	1,010	1,010	1,010	1,010
<b>Administered total</b>	<b>1,010</b>	<b>1,010</b>	<b>1,010</b>	<b>1,010</b>	<b>1,010</b>
Departmental expenses					
Departmental appropriation	250,791	240,901	243,857	248,368	249,998
<b>Departmental total</b>	<b>250,791</b>	<b>240,901</b>	<b>243,857</b>	<b>248,368</b>	<b>249,998</b>
<b>Total expenses for program 2.2</b>	<b>251,801</b>	<b>241,911</b>	<b>244,867</b>	<b>249,378</b>	<b>251,008</b>

Table continued on the following page.



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

	2016-17 Revised Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000
<b>Outcome 2 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1) (a)	200	200	200	200	200
Special appropriations	1,010	1,010	1,010	1,010	1,010
<b>Administered total</b>	<b>1,210</b>	<b>1,210</b>	<b>1,210</b>	<b>1,210</b>	<b>1,210</b>
Departmental expenses					
Departmental appropriation	355,505	337,184	339,369	341,774	343,446
<b>Departmental total</b>	<b>355,505</b>	<b>337,184</b>	<b>339,369</b>	<b>341,774</b>	<b>343,446</b>
<b>Total expenses for Outcome 2</b>	<b>356,715</b>	<b>338,394</b>	<b>340,579</b>	<b>342,984</b>	<b>344,656</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	1,081	1,089

(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 3.8.

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**

Table 2.2.3 below details the performance criteria for each program associated with Outcome 2. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

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		
Program 2.1 – Consular Services support and assist Australian travellers and Australians overseas through high-quality consular services, including accurate and timely travel advice, practical contingency planning and rapid crisis response.		
Delivery	Australian overseas are assisted through: <ul style="list-style-type: none"><li>• High-quality consular services to Australians overseas, including notarial services and assistance with welfare issues, whereabouts enquiries, arrest or detention matters, deaths, medical emergencies and payment of travellers emergency loans to Australians in need.</li><li>• High-quality travel advisory services, including issuing accurate and timely travel information on travel destinations, promoting this information through the continuation of the Smartraveller campaign and effectively managing an online travel registration service.</li><li>• Effective consular contingency planning for major events or high-risk scenarios, including through regular reviews of procedures and available resources, training of staff, and coordination with other government agencies and foreign governments.</li><li>• Coordination of whole-of-government responses to large-scale crises involving conflict, civil unrest, natural disasters or terrorist incidents.</li></ul>	
Performance information		
Year	Performance criteria	Targets
2016-17	<ul style="list-style-type: none"><li>• The department's delivery of consular services is effective, efficient, timely and responsive, and within the scope of Australian Government responsibility.</li><li>• Travel advisories are accurate and timely and provide clear guidance to a broad audience of potential risks and the extent of Australian Government assistance; public use of the Smartraveller website continues to grow.</li><li>• Consular contingency planning accurately anticipates high-risk events and scenarios, necessary resources for response are readily available, procedures and networks remain valid and viable, and plans are tested and reviewed regularly.</li><li>• Timely and effective consular support to Australians through well-coordinated implementation of whole-of-government responses to large-scale crises.</li></ul>	<p>Targets are:</p> <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul> <p>DFAT expects that these performance criteria will be met during the course of 2016-17.</p>

*Table continued on the following page.*

**Table 2.2.3: Performance criteria for Outcome 2 (continued)**

2017-18	<ul style="list-style-type: none"><li>• Timely and effective delivery of consular services to Australians overseas, including during crises.</li><li>• Timely, effective and well-coordinated implementation of whole-of-government responses to large-scale crises overseas.</li><li>• Timely and accurate information provided to the public, including on responding to incidents and updates to travel advice.</li></ul>	Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been: <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul>
2018-19 and beyond	As per 2017-18	As per 2017-18
Purposes	To help make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to global stability and economic growth, particularly in the Indo-Pacific region.	
Material changes to Program 2.1 resulting from the following measures: <ul style="list-style-type: none"><li>• Nil</li></ul>		

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<b>Program 2.2 – Passport Services</b> provide Australians access to secure international travel documentation through the delivery of high-quality passport services.		
<b>Delivery</b>	Australians are provided with the following passport services: <ul style="list-style-type: none"><li>• High-quality passport services to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud.</li><li>• Maintenance of security standards, promotion of web-enabled services, and adherence to the client service commitment of passport issue, while effectively managing an increasing workload.</li><li>• Ongoing implementation of the National Security – Improved Passport Integrity and Strengthened Issuance Systems program.</li></ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"><li>• Public and travel industry clients are satisfied with the department's efficiency and effectiveness in delivering passport services, with passport issues dealt with in a timely and responsive manner.</li><li>• Staged delivery of the National Security – Improved Passport Integrity and Strengthened Issuance Systems program within budget and against timelines.</li><li>• Prevention, detection and prosecution of passport fraud.</li></ul>	Targets are: <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul> DFAT expects that these performance criteria will be met during the course of 2016-17.
2017-18	<ul style="list-style-type: none"><li>• High-quality delivery of passport services to clients.</li><li>• High standards and interoperability of Australian passports and services.</li><li>• Efficient processing of regular and urgent passport applications.</li><li>• Prevention, detection and prosecution of passport fraud.</li></ul>	Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been: <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul>
2018-19 and beyond	As per 2017-18	As per 2017-18
<b>Purposes</b>	To help make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to global stability and economic growth, particularly in the Indo-Pacific region.	
<b>Material changes to Program 2.2 resulting from the following measures:</b> <ul style="list-style-type: none"><li>• Nil</li></ul>		

## 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>	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 3.1: Foreign Affairs and Trade Security and IT</b>					
Departmental expenses					
Departmental appropriation	203,119	215,996	217,999	141,329	126,650
<b>Departmental total</b>	<b>203,119</b>	<b>215,996</b>	<b>217,999</b>	<b>141,329</b>	<b>126,650</b>
<b>Total expenses for program 3.1</b>	<b>203,119</b>	<b>215,996</b>	<b>217,999</b>	<b>141,329</b>	<b>126,650</b>
<b>Program 3.2: Overseas Property</b>					
Special Accounts: Overseas Property Special Account - DFAT - 2017 (a)	36,803	141,733	160,550	200,990	201,065
Special Accounts: Overseas Property Special Account - DFAT - s20 FMA Act Det 2002/01 (a) (b)	158,672	-	-	-	-
Expenses not requiring appropriation in the Budget year (c)	5,496	18,333	24,402	27,203	24,915
<b>Departmental total</b>	<b>200,971</b>	<b>160,066</b>	<b>184,952</b>	<b>228,193</b>	<b>225,980</b>
<b>Total expenses for program 3.2</b>	<b>200,971</b>	<b>160,066</b>	<b>184,952</b>	<b>228,193</b>	<b>225,980</b>

*Table continued on the following page.*

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

	2016-17 Revised Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000
<b>Outcome 3 Totals by appropriation</b>					
Departmental expenses					
Departmental appropriation	203,119	215,996	217,999	141,329	126,650
Special accounts	36,803	141,733	160,550	200,990	201,065
Expenses not requiring appropriation in the Budget year (c)	5,496	18,333	24,402	27,203	24,915
<b>Departmental total</b>	<b>245,418</b>	<b>376,062</b>	<b>402,951</b>	<b>369,522</b>	<b>352,630</b>
<b>Total expenses for Outcome 3</b>	<b>245,418</b>	<b>376,062</b>	<b>402,951</b>	<b>369,522</b>	<b>352,630</b>

	2016-17	2016-17
<b>Average staffing level (number)</b>	872	881

- (a) This reflects actual cash disbursements from the Overseas Property Special Account.
- (b) This Special Account was closed on 1 April 2017 and was replaced by Special Accounts: Overseas Property Special Account - DFAT – 2017
- (c) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and make good expenses.

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**

Table 2.3.3 below details the performance criteria for each program associated with Outcome 3. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 3 – A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth’s overseas property estate</b>		
<b>Program 3.1 – Foreign Affairs and Trade Security and IT</b> works to ensure:		
<ul style="list-style-type: none"><li>• A secure Australian Government presence overseas for personnel, assets and information by sustaining and improving physical and operational security.</li><li>• Strengthened information and communications technology (ICT) capability at Australia’s missions overseas and DFAT offices in Australia.</li></ul>		
<b>Delivery</b>	The department is delivering security services and ICT through: <ul style="list-style-type: none"><li>• Strengthened physical and operational security mitigation measures commensurate with the evolving international security environment.</li><li>• Protection of official information through effective management of ICT systems, security vetting processes, and security training to ensure high standards of security awareness and vigilance.</li><li>• Continued progress in moving the department’s ICT systems infrastructure to a common platform that can be more efficiently integrated and supported, and implementation of key elements of the government’s ICT Reform Program and ICT elements of the government’s national security policy and objectives.</li><li>• High-quality overseas ICT services to other government agencies.</li><li>• Ongoing implementation of the International Communications Network – upgrade program.</li></ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"><li>• Effective threat analysis, risk assessments and mitigation strategies appropriate to increased security risks, including timely and effective responses to security incidents.</li><li>• Reduced security risks to official information, through a strengthened security culture, evidenced by fewer security breaches.</li><li>• Client satisfaction with the accessibility, reliability and effectiveness of the secure cable network (Official Diplomatic Information Network) and the global secure telecommunications infrastructure.</li><li>• Staged delivery of the International Communications Network – upgrade program within budget and against timelines.</li></ul>	Targets are: <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul> DFAT expects that these performance criteria will be met during the course of 2016-17.

Table continued on the following page.

**Table 2.3.3: Performance criteria for Outcome 3 (continued)**

2017-18	<ul style="list-style-type: none"><li>• A strong security culture.</li><li>• High-quality advice, effective mitigation strategies and timely responses to international security incidents based on considered threat and risk assessments.</li><li>• An accessible and reliable secure cable network.</li></ul>	Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been: <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul>
2018-19 and beyond	As per 2017-18	As per 2017-18
Purposes	To help make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to global stability and economic growth, particularly in the Indo-Pacific region.	
Material changes to Program 3.1 resulting from the following measures:		
<ul style="list-style-type: none"><li>• Nil</li></ul>		



<b>Program 3.2 – Overseas Property</b> is ensuring a secure Australian government presence overseas through the effective management of the Commonwealth's overseas property estate and of the contracts for the leased estate.		
<b>Delivery</b>	The department is a secure Australian Government presence overseas through: <ul style="list-style-type: none"><li>• Efficient and effective management and delivery of a substantial construction and refurbishment program in the overseas property estate.</li><li>• Efficient and effective management of the overseas property estate to meet the government's requirements and maintain conditions and service capabilities.</li><li>• Effective management of outsourced property contract arrangements.</li></ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"><li>• Completion of construction and refurbishment projects within an agreed timeframe and budget.</li><li>• Effective and accountable management of the property services contract and construction project contracts.</li><li>• Achieve a portfolio condition and utility rating of good or better.</li><li>• The majority of tenants rate the performance of the service provider and the Overseas Property Office as good or better.</li><li>• Asset management plans are in place for all owned properties in the estate.</li><li>• Achieve a management expense ratio appropriate to the unique nature of the Commonwealth's overseas owned estate.</li></ul>	Targets are: <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul> DFAT expects that these performance criteria will be met during the course of 2016-17.
2017-18	<ul style="list-style-type: none"><li>• The construction and refurbishment of departmental overseas property completed within agreed timeframes and budgets.</li><li>• Asset management plans are in place for all owned properties in the estate.</li><li>• The majority of tenants rate the performance of the service provider and the Overseas Property Office as good or better.</li></ul>	Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been: <ul style="list-style-type: none"><li>• Met</li><li>• Partially met</li><li>• Not met</li></ul>
2018-19 and beyond	As per 2017-18	As per 2017-18
<b>Purposes</b>	To help make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to global stability and economic growth, particularly in the Indo-Pacific region.	
<b>Material changes to Program 3.2 resulting from the following measures:</b>		
<ul style="list-style-type: none"><li>• Nil</li></ul>		

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences between entity resourcing and financial statements

There are no differences between the resource information presented in the budget papers and in DFAT's Portfolio Budget Statements.

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

The total budgeted revenue from government in 2017-18 is \$1,359.6 million, which represents a decrease of \$51.3 million in appropriations from 2016-17 as shown in Table 3.1. The decrease is primarily attributable to:

- parameter adjustments for overseas and domestic inflation;
- foreign exchange movements; and
- efficiencies agreed in the 2017-18 Budget.

This is partially offset by:

- funding for new measures.

The Income Statement shows a budgeted surplus in 2017-18 of \$24.4 million attributable to the department all of which relates to the Overseas Property Special Account (OPSA).

#### Budgeted Departmental Balance Sheet

The department will receive an equity injection of \$71.4 million in 2017-18 for the purchase or construction of new assets. The department will also receive \$46.5 million through its Departmental Capital Budget to fund the replacement of existing assets.

For 2017-18, the department's non-financial asset position is budgeted to be \$3,867.0 million at year-end. The major asset component is \$3,211.7 million for Land and Buildings.

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

In 2017-18 the department will receive administered appropriation of \$3,652.0 million (excluding capital funding) for programs administered on behalf of the government.

The decrease in appropriations of \$544.8 million from 2016-17 is due to no new multilateral replenishments for International Development Association (IDA) and Asian Development Fund (ADF) being negotiated in 2017-18.

Administered expenses for 'International Development Assistance' are budgeted at \$3,089.0 million, an increase of \$169.2 million from the 2016-17 estimated actual.

Administered expenses for 'New Multilateral Replenishments' are budgeted at \$12.6 million, a decrease of \$768.8 million from the 2016-17 estimated actual due to no new multilateral replenishments for IDA and ADF being negotiated in 2017-18.

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

Expenses under 'Concessional investment discount' relate to the discounting of the investment components of the replenishments for the IDA and ADF.

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

Administered assets and liabilities administered on behalf of the government are budgeted at \$4,790.0 million and \$2,388.7 million respectively for the year ending 30 June 2017.

Administered assets are expected to decrease in 2017-18 by \$351.6 million. This is due to no new multilateral replenishments for IDA and ADF being negotiated in 2017-18.

Administered liabilities are expected to decrease in 2017-18 by \$352.2 million. This is due to new liabilities for the multilateral replenishments for IDA and ADF being negotiated in 2017-18.

#### **Schedule of Budgeted Administered Cash Flows**

Administered cash receipts is primarily comprised of receipts from passport and consular services and is budgeted at \$623.9 million, an increase of \$40.3 million.

Administered cash used in 2017-18 is estimated to increase by \$166.3 million compared to 2016-17. This is due primarily to the increase in expenditure on the Australian Aid Program.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	769,692	746,014	743,486	729,465	732,188
Suppliers	705,662	691,089	699,038	613,781	607,105
Grants	4,930	-	-	-	-
Depreciation and amortisation	159,282	156,012	152,289	146,258	161,686
<b>Total expenses</b>	<b>1,639,566</b>	<b>1,593,115</b>	<b>1,594,813</b>	<b>1,489,504</b>	<b>1,500,979</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	122,395	125,436	127,014	129,060	126,308
Other	11,258	11,258	11,258	11,258	11,258
<b>Total own-source revenue</b>	<b>133,653</b>	<b>136,694</b>	<b>138,272</b>	<b>140,318</b>	<b>137,566</b>
<b>Gains</b>					
Other gains	674	121,271	674	674	674
<b>Total gains</b>	<b>674</b>	<b>121,271</b>	<b>674</b>	<b>674</b>	<b>674</b>
<b>Total own-source income</b>	<b>134,327</b>	<b>257,965</b>	<b>138,946</b>	<b>140,992</b>	<b>138,240</b>
<b>Net cost of/(contribution by) services</b>	<b>1,505,239</b>	<b>1,335,150</b>	<b>1,455,867</b>	<b>1,348,512</b>	<b>1,362,739</b>
<b>Revenue from Government</b>	<b>1,410,820</b>	<b>1,359,553</b>	<b>1,363,635</b>	<b>1,261,634</b>	<b>1,260,404</b>
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(94,419)</b>	<b>24,403</b>	<b>(92,232)</b>	<b>(86,878)</b>	<b>(102,335)</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	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>(94,419)</b>	<b>24,403</b>	<b>(92,232)</b>	<b>(86,878)</b>	<b>(102,335)</b>
<b>Total comprehensive income/(loss) attributable to the Australian</b>	<b>(94,419)</b>	<b>24,403</b>	<b>(92,232)</b>	<b>(86,878)</b>	<b>(102,335)</b>

Table continued on the following page.

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)****Note: Impact of net cash appropriation arrangements**

	2016-17 Revised Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000
<b>Total comprehensive income excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>64,863</b>	<b>180,415</b>	<b>60,057</b>	<b>59,380</b>	<b>59,351</b>
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	159,282	156,012	152,289	146,258	161,686
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(94,419)</b>	<b>24,403</b>	<b>(92,232)</b>	<b>(86,878)</b>	<b>(102,335)</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 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2016-17 Revised Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard 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	653,270	837,731	810,011	720,168	641,894
<b>Total financial assets</b>	<b>710,565</b>	<b>895,026</b>	<b>867,306</b>	<b>777,463</b>	<b>699,189</b>
<b>Non-financial assets</b>					
Land and buildings	3,184,604	3,211,654	3,239,745	3,332,831	3,381,621
Property, plant and equipment	303,720	318,530	306,391	289,272	289,100
Intangibles	108,326	109,613	113,671	119,711	123,158
Inventories	47,586	47,586	47,586	47,586	47,586
Other non-financial assets	95,300	96,169	97,046	97,933	97,933
Assets held for sale	83,453	83,453	-	-	-
<b>Total non-financial assets</b>	<b>3,822,989</b>	<b>3,867,005</b>	<b>3,804,439</b>	<b>3,887,333</b>	<b>3,939,398</b>
<b>Total assets</b>	<b>4,533,554</b>	<b>4,762,031</b>	<b>4,671,745</b>	<b>4,664,796</b>	<b>4,638,587</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	81,552	81,552	82,374	83,205	83,205
Other payables	92,139	92,570	93,004	93,323	93,323
<b>Total payables</b>	<b>173,691</b>	<b>174,122</b>	<b>175,378</b>	<b>176,528</b>	<b>176,528</b>
<b>Provisions</b>					
Employee provisions	236,314	238,481	240,671	242,882	242,882
Other provisions	18,876	18,989	19,103	19,216	19,216
<b>Total provisions</b>	<b>255,190</b>	<b>257,470</b>	<b>259,773</b>	<b>262,098</b>	<b>262,098</b>
<b>Total liabilities</b>	<b>428,881</b>	<b>431,592</b>	<b>435,151</b>	<b>438,626</b>	<b>438,626</b>
<b>Net assets</b>	<b>4,104,673</b>	<b>4,330,439</b>	<b>4,236,594</b>	<b>4,226,170</b>	<b>4,199,961</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	2,510,735	2,628,644	2,717,684	2,794,138	2,870,264
Reserves	1,483,437	1,483,437	1,483,437	1,483,437	1,483,437
Retained surplus	110,501	218,358	35,473	(51,405)	(153,740)
<b>Total parent entity interest</b>	<b>4,104,673</b>	<b>4,330,439</b>	<b>4,236,594</b>	<b>4,226,170</b>	<b>4,199,961</b>
<b>Total Equity</b>	<b>4,104,673</b>	<b>4,330,439</b>	<b>4,236,594</b>	<b>4,226,170</b>	<b>4,199,961</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017-18)**

	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	110,501	1,483,437	2,510,735	4,104,673
<b>Adjusted opening balance</b>	<b>110,501</b>	<b>1,483,437</b>	<b>2,510,735</b>	<b>4,104,673</b>
<b>Comprehensive income</b>				
Other comprehensive income	-	-	-	-
Surplus/(deficit) for the period	24,403	-	-	24,403
<b>Total comprehensive loss</b>	<b>24,403</b>	<b>-</b>	<b>-</b>	<b>24,403</b>
of which:				
Attributable to the Australian Government	24,403	-	-	24,403
<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	-	-	71,408	71,408
Departmental Capital Budget (DCB)	-	-	46,501	46,501
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>117,909</b>	<b>117,909</b>
<b>Other movements</b>	<b>83,454</b>	<b>-</b>	<b>-</b>	<b>83,454</b>
<b>Estimated closing balance as at 30 June 2017</b>	<b>218,358</b>	<b>1,483,437</b>	<b>2,628,644</b>	<b>4,330,439</b>
<b>Closing balance attributable to the Australian Government</b>	<b>218,358</b>	<b>1,483,437</b>	<b>2,628,644</b>	<b>4,330,439</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	1,410,820	1,359,553	1,363,635	1,261,634	1,260,404
Sale of goods and rendering of services	133,653	136,694	138,272	140,318	137,566
Other	133,556	135,203	77,713	150,891	137,625
<b>Total cash received</b>	<b>1,678,029</b>	<b>1,631,450</b>	<b>1,579,620</b>	<b>1,552,843</b>	<b>1,535,595</b>
<b>Cash used</b>					
Employees	760,846	743,847	741,296	727,254	732,188
Suppliers	742,034	691,089	698,216	612,950	607,105
Other	41,593	276,469	55,195	61,748	58,677
<b>Total cash used</b>	<b>1,544,473</b>	<b>1,711,405</b>	<b>1,494,707</b>	<b>1,401,952</b>	<b>1,397,970</b>
<b>Net cash from/(used by) operating activities</b>	<b>133,556</b>	<b>(79,955)</b>	<b>84,913</b>	<b>150,891</b>	<b>137,625</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of land, buildings, property, plant and equipment	-	215,158	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>215,158</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase and development of land, buildings, property, plant, equipment and intangibles	346,587	266,001	172,299	228,265	213,751
<b>Total cash used</b>	<b>346,587</b>	<b>266,001</b>	<b>172,299</b>	<b>228,265</b>	<b>213,751</b>
<b>Net cash from/(used by) investing activities</b>	<b>(346,587)</b>	<b>(50,843)</b>	<b>(172,299)</b>	<b>(228,265)</b>	<b>(213,751)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	213,031	130,798	94,586	77,374	76,126
<b>Total cash received</b>	<b>213,031</b>	<b>130,798</b>	<b>94,586</b>	<b>77,374</b>	<b>76,126</b>
<b>Cash used</b>					
Returns of equity	-	-	7,200	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>7,200</b>	<b>-</b>	<b>-</b>
<b>Net cash used by financing activities</b>	<b>213,031</b>	<b>130,798</b>	<b>87,386</b>	<b>77,374</b>	<b>76,126</b>
<b>Net increase/decrease in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	57,295	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	-	-	-	-	-
<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 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	51,755	46,501	69,765	75,611	76,126
Equity injections - Bill 2	56,535	71,408	19,275	843	-
<b>Total new capital appropriations</b>	<b>108,290</b>	<b>117,909</b>	<b>89,040</b>	<b>76,454</b>	<b>76,126</b>
<b>Provided for:</b>					
Purchase of non-financial assets	108,290	117,909	89,040	76,454	76,126
<b>Total Items</b>	<b>108,290</b>	<b>117,909</b>	<b>89,040</b>	<b>76,454</b>	<b>76,126</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	161,276	84,297	24,821	1,763	-
Funded by capital appropriation - DCB (b)	51,755	46,501	69,765	75,611	76,126
Funded internally from departmental resources (c)	133,556	135,203	77,713	150,891	137,625
<b>TOTAL</b>	<b>346,587</b>	<b>266,001</b>	<b>172,299</b>	<b>228,265</b>	<b>213,751</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	346,587	266,001	172,299	228,265	213,751
<b>Total cash used to acquire assets</b>	<b>346,587</b>	<b>266,001</b>	<b>172,299</b>	<b>228,265</b>	<b>213,751</b>

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

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

(c) Includes the following sources of funding:

- Bill 1 and current Bill 3 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
- internally developed assets;
- s 74 Retained revenue receipts; and
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

**Table 3.6: Statement of asset movements (Budget year 2017-18)**

	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	1,593,397	1,737,799	412,592	200,544	83,453	4,027,785
Accumulated depreciation/amortisation and impairment	-	(146,592)	(108,872)	(92,218)	-	(347,682)
<b>Opening net book balance</b>	<b>1,593,397</b>	<b>1,591,207</b>	<b>303,720</b>	<b>108,326</b>	<b>83,453</b>	<b>3,680,103</b>
<b>Capital asset additions</b>						
<b>Estimated expenditure on new or replacement assets</b>						
By purchase - appropriation equity (a)	-	47,500	36,797	-	-	84,297
By purchase - appropriation ordinary annual services (b)	-	140,789	25,827	15,088	-	181,704
<b>Total additions</b>	<b>-</b>	<b>188,289</b>	<b>62,624</b>	<b>15,088</b>	<b>-</b>	<b>266,001</b>
<b>Other movements</b>						
Depreciation/amortisation expense	-	(94,397)	(47,814)	(13,801)	-	(156,012)
Other	-	-	-	-	-	-
<b>Total other movements</b>	<b>-</b>	<b>(94,397)</b>	<b>(47,814)</b>	<b>(13,801)</b>	<b>-</b>	<b>(156,012)</b>
<b>As at 30 June 2017</b>						
Gross book value	1,593,397	1,926,088	475,216	215,632	-	4,293,786
Accumulated depreciation/amortisation and impairment	-	(240,989)	(156,686)	(106,019)	-	(503,694)
<b>Closing net book balance</b>	<b>1,593,397</b>	<b>1,685,099</b>	<b>318,530</b>	<b>109,613</b>	<b>83,453</b>	<b>3,790,092</b>

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2017-18.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2017-18 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
International Development Assistance	2,919,800	3,088,994	3,301,926	3,259,536	3,330,207
New multilateral replenishments	781,458	12,622	93,000	733,450	12,622
Concessional investment discount	401,760	-	-	401,760	-
Other contributions	492,148	546,947	567,376	595,220	627,598
Export Finance and Insurance Corporation (Efic)	16,327	1,300	1,300	1,300	1,100
Other expenses	3,826	3,889	3,889	3,994	4,105
Payments to Corporate entities	143,610	129,308	128,374	131,759	143,978
Depreciation and amortisation	200	500	500	500	500
<b>Total expenses administered on behalf of Government</b>	<b>4,759,129</b>	<b>3,783,560</b>	<b>4,096,365</b>	<b>5,127,519</b>	<b>4,120,110</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Non-taxation revenue</b>					
Fees and Charges	505,968	546,158	571,811	598,044	615,150
Efic	46,759	46,497	47,818	49,722	53,291
Returns of prior year administered expenses	30,641	30,982	43,229	44,310	45,000
Other revenue and gains	254	254	255	255	255
<b>Total non-taxation revenue</b>	<b>583,622</b>	<b>623,891</b>	<b>663,113</b>	<b>692,331</b>	<b>713,696</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>583,622</b>	<b>623,891</b>	<b>663,113</b>	<b>692,331</b>	<b>713,696</b>
<b>Net cost of services</b>	<b>(4,175,507)</b>	<b>(3,159,669)</b>	<b>(3,433,252)</b>	<b>(4,435,188)</b>	<b>(3,406,414)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Total comprehensive loss</b>	<b>(4,175,507)</b>	<b>(3,159,669)</b>	<b>(3,433,252)</b>	<b>(4,435,188)</b>	<b>(3,406,414)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	257	257	257	257	257
Loans and receivables	146,689	147,239	147,789	148,339	148,889
Investments (IDA/ADF)(a)	2,046,684	2,046,684	2,046,684	2,106,684	2,106,684
Investment accounted for using the equity method	464,842	464,842	464,842	464,842	464,842
Appropriation receivable - other	2,478,238	2,126,139	1,906,726	2,701,340	2,388,596
<b>Total financial assets</b>	<b>5,136,710</b>	<b>4,785,161</b>	<b>4,566,298</b>	<b>5,421,462</b>	<b>5,109,268</b>
<b>Non-financial assets</b>					
Leasehold improvements	62	62	62	62	62
Infrastructure, plant and equipment	6	6	6	6	6
Intangibles	4,277	4,220	4,224	4,252	4,280
Other non-financial assets	572	572	572	572	572
<b>Total non-financial assets</b>	<b>4,917</b>	<b>4,860</b>	<b>4,864</b>	<b>4,892</b>	<b>4,920</b>
<b>Total assets administered on behalf of Government</b>	<b>5,141,627</b>	<b>4,790,021</b>	<b>4,571,162</b>	<b>5,426,354</b>	<b>5,114,188</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
IDA/ADF grant component (a)	1,215,102	976,307	769,296	1,021,390	907,525
IDA/ADF concessional component (a)	817,816	723,846	613,487	1,087,913	946,323
Aid program payable	598,120	578,636	676,593	744,687	687,398
Other payables	20,223	20,223	20,223	20,223	20,223
<b>Total payables</b>	<b>2,651,261</b>	<b>2,299,012</b>	<b>2,079,599</b>	<b>2,874,213</b>	<b>2,561,469</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>2,740,972</b>	<b>2,388,723</b>	<b>2,169,310</b>	<b>2,963,924</b>	<b>2,651,180</b>
<b>Net assets</b>	<b>2,400,655</b>	<b>2,401,298</b>	<b>2,401,852</b>	<b>2,462,430</b>	<b>2,463,008</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Fees and Charges	505,968	546,158	571,811	598,044	615,150
Efic	46,759	46,497	47,818	49,722	53,291
Return of prior year administered expenses	30,641	30,982	43,229	44,310	45,000
Other	254	254	255	255	255
<b>Total cash received</b>	<b>583,622</b>	<b>623,891</b>	<b>663,113</b>	<b>692,331</b>	<b>713,696</b>
<b>Cash used</b>					
International Development Assistance	3,300,567	3,441,539	3,636,857	3,640,131	3,635,573
Other contributions	492,148	546,947	567,376	595,220	627,598
Payments to corporate commonwealth entities	143,610	129,308	128,374	131,759	143,978
Efic NIA	15,027	-	-	-	-
Other	4,801	4,589	4,439	4,544	4,655
<b>Total cash used</b>	<b>3,956,153</b>	<b>4,122,383</b>	<b>4,337,046</b>	<b>4,371,654</b>	<b>4,411,804</b>
<b>Net cash used by operating activities</b>	<b>(3,372,531)</b>	<b>(3,498,492)</b>	<b>(3,673,933)</b>	<b>(3,679,323)</b>	<b>(3,698,108)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sale of property plant and equipment	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	383	443	504	528	528
<b>Total cash used</b>	<b>383</b>	<b>443</b>	<b>504</b>	<b>528</b>	<b>528</b>
<b>Net cash used by investing activities</b>	<b>(383)</b>	<b>(443)</b>	<b>(504)</b>	<b>(528)</b>	<b>(528)</b>
<b>Net increase decrease in cash held</b>	<b>(3,372,914)</b>	<b>(3,498,935)</b>	<b>(3,674,437)</b>	<b>(3,679,851)</b>	<b>(3,698,636)</b>
Cash and cash equivalents at beginning of reporting period	257	257	257	257	257
Cash from Official Public Account for:					
- Appropriations and Special Accounts	3,956,536	4,122,826	4,337,550	4,372,182	4,412,332
Cash to Official Public Account for:					
- Appropriations	(583,622)	(623,891)	(663,113)	(692,331)	(713,696)
<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 3.10: Administered capital budget statement (for the period ended 30 June)**

	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (ACB)	383	443	504	528	528
Administered Assets and Liabilities - Bill 2	874,272	150	-	462,000	-
<b>Total new capital appropriations</b>	<b>874,655</b>	<b>593</b>	<b>504</b>	<b>462,528</b>	<b>528</b>
<b>Provided for:</b>					
Purchase of non-financial assets	383	443	504	528	528
Other Items	874,272	150	-	462,000	-
<b>Total items</b>	<b>874,655</b>	<b>593</b>	<b>504</b>	<b>462,528</b>	<b>528</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - ACB (a)	383	443	504	528	528
<b>TOTAL</b>	<b>383</b>	<b>443</b>	<b>504</b>	<b>528</b>	<b>528</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total accrual purchases	383	443	504	528	528
<b>Total cash used to acquire assets</b>	<b>383</b>	<b>443</b>	<b>504</b>	<b>528</b>	<b>528</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.11: Statement of administered asset movements (Budget year 2017-18)**

	Buildings	Other property, plant and equipment	Other	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2016</b>				
Gross book value	590	30	12,807	13,427
Accumulated depreciation/amortisation and impairment	(528)	(24)	(8,530)	(9,082)
<b>Opening net book balance</b>	<b>62</b>	<b>6</b>	<b>4,277</b>	<b>4,345</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services (a)	-	-	443	443
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>443</b>	<b>443</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	-	(500)	(500)
<b>Total other movements</b>	<b>-</b>	<b>-</b>	<b>(500)</b>	<b>(500)</b>
<b>As at 30 June 2017</b>				
Gross book value	590	30	13,250	13,870
Accumulated depreciation/amortisation and impairment	(528)	(24)	(9,030)	(9,582)
<b>Closing net book balance</b>	<b>62</b>	<b>6</b>	<b>4,220</b>	<b>4,288</b>

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bills (No.1) 2017-18 for depreciation/amortisation expenses, ACBs or other operational expenses.

Prepared on Australian Accounting Standards basis.





# **Australian Trade and Investment Commission (Austrade)**

**Entity resources and planned  
performance**



# AUSTRALIAN TRADE AND INVESTMENT COMMISSION (AUSTRADE)

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

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

### **1.1 STRATEGIC DIRECTION STATEMENT**

The Australian Trade and Investment Commission (Austrade) is the Australian Government's international trade, investment and education promotion agency. Austrade also has Federal Government responsibility for policies and programs to strengthen Australia's tourism sector. Austrade is helping secure Australia's future prosperity by promoting opportunities for Australian businesses and institutions overseas. This includes promoting benefits to business from Australia's free trade agreements (FTAs) and by working to strengthen the tourism sector, one of Australia's major services export sectors.

Austrade's outcomes are:

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

Austrade's purposes, and how it intends to achieve them, are set out on its website and in its corporate plan.

Austrade will continue to identify valuable international business opportunities for businesses and institutions across Australia, and provide them with advice and services. In doing so, it will draw on its commercial knowledge, international network, relationships and connections with international customers, investors and decision-makers.

Austrade provides Australian businesses with a unique perspective gained from its international market presence, commercial knowledge and firm-level interactions. It will continue to inform the export and investment activities of businesses and institutions, including in tourism and international education, as well as informing policy advice to government.

The pace of geopolitical and technological changes will require Austrade to respond in innovative ways to the evolving needs of clients, investors and customers. Those changes will also require Austrade to explore insights which can be drawn from new

### *Austrade Budget Statements*

sources of information, including data analytics. Austrade will also explore and use emerging technologies to ensure delivery of contemporary services.

Austrade will continue to take the lead role in coordinating international business missions led by ministers and the Prime Minister, including Australia Week events. Its work, in particular with the international education, tourism and advanced manufacturing sectors, will help transition the Australian economy toward a greater reliance on services-led growth. Austrade will continue to provide small and medium enterprises with useful and practical information on how to take up the opportunities available through FTAs. Furthermore, it will continue to support the government's vision for developing Northern Australia and facilitating vital foreign investment into the region.

Austrade will, through its trade promotion and investment attraction activities, contribute to the government's economic diplomacy agenda. This work will be closely coordinated with, and complementary to, other agencies in the Foreign Affairs and Trade portfolio, including Efic's work in challenging markets.

Austrade's overseas network comprises 83 overseas points of presence in 49 different markets. Those points of presence are weighted towards growth and emerging markets that have high commercial potential, and where Austrade's assistance can have the most impact. Austrade's trade promotion work will continue to focus on markets where it is more difficult for companies acting alone to access commercial opportunities. It helps Australian businesses to navigate language, business and cultural barriers and challenges associated with opaque regulatory frameworks and business processes. Often Austrade's visibility is the vital 'badge of government' that helps to secure commercial outcomes for Australian businesses in overseas markets.

In established markets, such as North America and Europe, Austrade will continue to use partners, referrals and online services to support Australian businesses' trade development activities. Austrade will also identify relevant global value chains of multinational corporations where a collaborative Australian approach can be used to present best-in-class Australian solutions. Austrade will also continue to explore new opportunities linked to innovation, as well as cross-border e-commerce opportunities. Austrade will continue to focus on those sectors with high growth potential and where Australia has a comparative advantage.

As part of the government's Global Innovation Strategy, Austrade will continue to operate five landing pads in Tel Aviv, San Francisco, Shanghai, Berlin and Singapore. The landing pads will support Australian start-ups to build networks and engage in new innovation ecosystems. In this, Austrade will liaise closely with DFAT and the Department of Industry, Innovation and Science.

Austrade will support the government's investment agenda with the resources of its international network. Austrade will continue to attract productive foreign direct investment into Australia with a focus on the five nationally-agreed priority sectors:

resources and energy; agribusiness and food; major infrastructure; tourism infrastructure; and advanced manufacturing, services and technology. Austrade's investment promotion and attraction activities will continue to be concentrated in North America, Western Europe and Japan, along with the high-growth and emerging markets of China, India, ASEAN, the Republic of Korea and the Middle East.

Austrade's activities in key student-source markets will continue to contribute to the growth in demand for Australian education services. Its activities will help to position Australia as a provider of high quality education services, and contribute to the development of a sustainable international education sector. Austrade, in partnership with the education sector, will continue implementing Australian International Education 2025, a long-term plan for the development of international markets.

Austrade's Tourism Division has responsibility for policies to improve the competitiveness of Australia's tourism industry. It will continue to implement the national long-term tourism strategy *Tourism 2020* to strengthen Australia's tourism industry and help grow Australia's tourism market share. Austrade will also continue to administer various tourism programs to support the Australian tourism sector.

Austrade will continue to administer the Export Market Development Grants (EMDG) scheme, which helps small and medium-sized Australian businesses meet the challenges associated with undertaking promotion in export markets.

Austrade also continues to deliver timely consular and passport services to Australians in 16 overseas locations, extending Australia's consular network.

Within Australia, Austrade has a strong regional focus. Operating in 10 locations, Austrade's reach is extended through its TradeStart network in 28 locations across regional and metropolitan Australia. This initiative is managed and co-funded in partnership with state, territory and local governments and industry bodies.

Austrade will continue to partner with private sector organisations and state and territory governments to run the Australian Export Awards, which promote and recognise successful Australian export businesses.

## **1.2 ENTITY RESOURCE STATEMENT**

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome X' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.



**Table 1.1: Austrade resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	2016-17 <i>Estimated actual</i> \$'000	2017-18 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	36,768	50,090
Departmental appropriation (c)	198,436	193,869
s 74 retained revenue receipts (d)	27,400	27,400
Departmental capital budget (e)	14,526	14,076
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	2,711	1,100
Equity injection	1,595	-
<i>Total departmental annual appropriations</i>	<i>281,436</i>	<i>286,535</i>
<b>Total departmental resourcing</b>	<b>281,436</b>	<b>286,535</b>
<b>Administered</b>		
Annual appropriations - ordinary annual services (a)	140,113	141,018
Prior year appropriations available (b)		
Outcome 1	2,614	2,614
<i>Total administered annual appropriations</i>	<i>142,727</i>	<i>143,632</i>
<b>Total administered resourcing</b>	<b>142,727</b>	<b>143,632</b>
<b>Total resourcing for Austrade</b>	<b>424,163</b>	<b>430,167</b>
	2016-17	2017-18
<b>Average staffing level (number)</b>	<b>1,036</b>	<b>1,033</b>

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

(a) Appropriation Bill (No.1) 2017-18.

(b) Excludes \$0.699m subject to quarantine by the Department of Finance or withheld under s 51 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

(c) Excludes departmental capital budget (DCB).

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

(e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(f) Appropriation Bill (No.2) 2017-18.

Prepared on a resourcing (that is, appropriations available) basis.

### 1.3 BUDGET MEASURES

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

**Table 1.2: Entity 2017-18 Budget measures**

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Expense measures</b>						
Overseas Allowances for Australian Government Employees - efficiencies	1.1					
Departmental expense		-	85	354	352	349
<b>Total</b>		-	<b>85</b>	<b>354</b>	<b>352</b>	<b>349</b>
Centralised Management of the Commonwealth Overseas Property Portfolio (a)	1.1					
Departmental expense		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Gold Coast 2018 Commonwealth Games - additional Australian Government support (b)	1.1					
Departmental expense		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Queensland Tourism Cyclone Debbie Recovery Package (c)						
<b>Total</b>		-	-	-	-	-
<b>Total expense measures</b>						
Departmental		-	85	354	352	349
<b>Total</b>		-	<b>85</b>	<b>354</b>	<b>352</b>	<b>349</b>

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

- (a) The lead entity for measure Centralised Management of the Commonwealth Overseas Property Portfolio is the Department of Foreign Affairs and Trade. The full measure description and package details appear in Budget Paper No. 2 under the Department of Foreign Affairs and Trade portfolio.
- (b) Gold Coast 2018 Commonwealth Games - additional Australian Government support is a cross portfolio measure led by the Department of Human Services.
- (c) The lead entity for measure Queensland Tourism Cyclone Debbie Recovery Package is the Treasury. The full measure description and package details appear in Budget Paper No. 2 under the Treasury portfolio.

## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for Austrade can be found at: <https://www.austrade.gov.au/ArticleDocuments/1358/Austrade-Corporate-Plan-2016-17.pdf.aspx>.

The most recent annual performance statement can be found at: <http://www.austrade.gov.au/AR-201516/part-02-report-performance/annual-performance-statement.html>.

## 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

<b>Department of Foreign Affairs and Trade</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 1.1 – Foreign Affairs and Trade Operations</li><li>• Program 1.7 – Public Information Services and Public Diplomacy</li><li>• Program 1.8 – Programs to Promote Australia’s International Tourism Interests</li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>DFAT and Austrade work closely across a number of areas. This cooperation results in stronger economic ties, and includes the maximisation of trade and investment opportunities for Australia through the promotion of free trade agreements. It also contributes to the projection of a positive image of Australia as a destination for business, investment, tourism and study.</p>
<b>Tourism Australia</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 1 - Supporting Outcome 1 (Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets)</li></ul>
<b>Contribution to Outcome 1 made by linked program</b> <p>Austrade provides research and policy support to Tourism Australia’s activities of promoting the export of Australian tourism services. These exports contribute to Australia’s prosperity.</p>
<b>Department of Industry, Innovation and Science (DIIS)</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 3 – Program Support</li></ul>
<b>Contribution to Outcome 1 made by linked program</b> <p>DIIS provides administrative support in relation to the grants for the Australian Tropical Medicine Commercialisation scheme. DIIS also co-operates with Austrade on the government’s National Innovation and Science agenda through Landing Pads, the Inbound Innovation Forum, and the secondment of a staff member to the Office of Innovation and Science Australia.</p>

**Linked programs (continued)**

<b>Department of Immigration and Border Protection (DIBP)</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 3.2 – Trade Facilitation and Industry Engagement</li> </ul>
<b>Contribution to Outcome 1 made by linked program</b> Austrade co-operates with the DIBP by providing advice on visa policy where this affects trade, tourism, international education and investment. Austrade is also the sole nominating entity for the Premium Investment Visa program and is a nominating entity for the Significant Investor Visa program, which are managed by DIBP.
<b>Department of Education and Training (DET)</b>
<b>Programs</b> <ul style="list-style-type: none"> <li>• Program 2.7 – International Education Support</li> </ul>
<b>Contribution to Outcome 1 made by linked program</b> The National Strategy for International Education, led by the Department of Education and Training, seeks to strengthen the fundamentals of the international education sector and complements Austrade’s focus through <i>Australian International Education 2025</i> on enabling the sector’s ongoing international growth.

### 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: Contribute to Australia's economic prosperity by promoting Australia's export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government</b>					
	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 1.1: Promotion of Australia's export and other international economic interests</b>					
Departmental expenses					
Departmental appropriations	188,722	184,603	184,101	181,746	180,825
Retained revenue receipts (a)	23,906	23,896	23,896	23,896	23,896
Special accounts					
Services for Other Entities and Trust Moneys Special Account	872	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	19,000	19,000	19,000	19,460	19,367
<b>Departmental total</b>	<b>232,500</b>	<b>227,499</b>	<b>226,997</b>	<b>225,102</b>	<b>224,088</b>
<b>Total expenses for program 1.1</b>	<b>232,500</b>	<b>227,499</b>	<b>226,997</b>	<b>225,102</b>	<b>224,088</b>
<b>Program 1.2: Programmes to promote Australia's exports and other international economic interests</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	140,113	141,018	140,687	138,400	137,900
<b>Administered total</b>	<b>140,113</b>	<b>141,018</b>	<b>140,687</b>	<b>138,400</b>	<b>137,900</b>
<b>Total expenses for program 1.2</b>	<b>140,113</b>	<b>141,018</b>	<b>140,687</b>	<b>138,400</b>	<b>137,900</b>
<b>Other administered</b>					
Administered expenses					
Special accounts					
Administered Payments and Receipts for Other Entities	2,684	-	-	-	-
<b>Administered total</b>	<b>2,684</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses for other administered</b>	<b>2,684</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table continued on the following page.

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

<b>Outcome 1 Totals by appropriation type</b>					
	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	140,113	141,018	140,687	138,400	137,900
Special accounts	2,684	-	-	-	-
<b>Administered total</b>	<b>142,797</b>	<b>141,018</b>	<b>140,687</b>	<b>138,400</b>	<b>137,900</b>
Departmental expenses					
Departmental appropriations	188,722	184,603	184,101	181,746	180,825
s74 Retained revenue receipts (a)	23,906	23,896	23,896	23,896	23,896
Special accounts	872	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	19,000	19,000	19,000	19,460	19,367
<b>Departmental total</b>	<b>232,500</b>	<b>227,499</b>	<b>226,997</b>	<b>225,102</b>	<b>224,088</b>
<b>Total expenses for Outcome 1</b>	<b>375,297</b>	<b>368,517</b>	<b>367,684</b>	<b>363,502</b>	<b>361,988</b>
	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Movement of administered funds between years (c)</b>					
Outcome 1:					
<Program 1.2>	(601)	360	241	-	-
<b>Total movement of administered funds</b>	<b>(601)</b>	<b>360</b>	<b>241</b>	<b>-</b>	<b>-</b>
	2016-17	2017-18			
<b>Average staffing level (number)</b>	998	995			

(a) Estimated expenses incurred in relation to receipts retained under s 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.

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

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>					
	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>1.2.1 - Component 1: Export Market Development Grants scheme</b>					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)	137,900	137,900	137,900	137,900	137,900
<b>Total component 1 expenses</b>	<b>137,900</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 Bill No. 1)	200	-	-	-	-
<b>Total component 2 expenses</b>	<b>200</b>	<b>-</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 Bill No. 1)	773	500	500	500	-
<b>Total component 3 expenses</b>	<b>773</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>-</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 Bill No. 1)	1,240	2,618	2,287	-	-
<b>Total component 4 expenses</b>	<b>1,240</b>	<b>2,618</b>	<b>2,287</b>	<b>-</b>	<b>-</b>
<b>Total program expenses</b>	<b>140,113</b>	<b>141,018</b>	<b>140,687</b>	<b>138,400</b>	<b>137,900</b>



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

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

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		
Program 1.1 – Promotion of Australia’s export and other international economic interests		
Delivery	Austrade achieves this by generating market information and insight, promoting Australian capabilities, developing policy, making connections through an extensive global network of contacts, leveraging the badge of government offshore and providing quality advice and services. Specifically, it <ul style="list-style-type: none"><li>• helps Australian companies to grow their businesses in international markets</li><li>• promotes the Australian education and training sector in international markets</li><li>• provides coordinated government assistance to promote, attract and facilitate productive foreign direct investment into Australia</li><li>• provides advice to the Australian Government on its trade, tourism, international education and training and investment policy agendas</li><li>• develops policy, manages programs and provides research to strengthen Australia’s tourism industry and to grow Australia’s market share</li></ul>	
Performance information		
Year	Performance criteria (a)	Targets
2016-17	Satisfaction	
	High level of satisfaction for ministers, Australian business community, institutions and key partners with Austrade’s services.	<b>Forecast:</b> Austrade expects this level of satisfaction to be at least 70%, as measured in surveys
	Develop international markets, and promote international education	
		Proportion of Australian businesses which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities. <b>Forecast:</b> Austrade expects this proportion to be at least 70%, as measured in a survey.
		Proportion of Australian businesses which have engaged with Austrade, and say they have achieved some form of commercial outcome as a result of working with Austrade. <b>Forecast:</b> Austrade expects this proportion to be at least 70%, as measured in a survey.

<b>Outcome 1 – Contribute to Australia’s economic prosperity by promoting Australia’s export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government</b>		
<b>Program 1.1 – Promotion of Australia’s export and other international economic interests</b>		
		<p>Proportion of Australian education institutions which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities.</p> <p><b>Forecast:</b> Austrade expects this proportion to be at least 70%, as measured in a survey.</p>
		<p>Proportion of Australian education institutions which have engaged with Austrade, and say they have achieved some form of commercial outcome as a result of working with Austrade.</p> <p><b>Forecast:</b> Austrade expects this proportion to be at least 70%, as measured in a survey.</p>
	<b>Win productive foreign direct investment</b>	
		<p>Number of investment outcomes facilitated.</p> <p><b>Forecast:</b> Austrade expects to facilitate at least 50 investment outcomes during 2016-17.</p>
		<p>Amount of investment value associated with foreign direct investment outcomes facilitated.</p> <p><b>Forecast:</b> Austrade expects to facilitate investment outcomes that amount to at least \$3 billion during 2016-17.</p>
		<p>Number of new jobs created / retained (ongoing full time equivalents) as a direct result of investment outcomes facilitated.</p> <p><b>Forecast:</b> Austrade expects to facilitate investment outcomes during 2016-17 that generate or retain at least 3,000 FTE jobs.</p>
		<p>Anticipated annual exports from investment outcomes facilitated.</p> <p><b>Forecast:</b> Austrade expects to facilitate investment outcomes during 2016-17 that generate at least \$1 million in annual exports.</p>
		<p>Number of information, project and visitation request, and stakeholder introductions generated from potential investors.</p>

<b>Outcome 1 – Contribute to Australia’s economic prosperity by promoting Australia’s export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government</b>		
<b>Program 1.1 – Promotion of Australia’s export and other international economic interests</b>		
		<b>Forecast:</b> Austrade expects to handle at least 200 information, project and visitation requests and stakeholder introductions from potential investors during 2016-17.
	<b>Strengthen Australia’s tourism industry</b>	
		Priorities and outputs outlined in the Tourism 2015-2020 Implementation Plan progressed in accordance with agreed timeframes <b>Forecast:</b> Progress will meet agreed timeframes for 2016-17.
		Proportion of tourism operators which use Austrade’s tourism research and information and say it helped support their marketing and business decisions <b>Forecast:</b> Austrade expects at least 75% of respondents to report that it helped support their marketing and business decisions in 2016-17, as measured in a survey.
	<b>Whole of Government</b>	
	Effective contribution to whole of government policy development using Austrade’s commercial perspectives on export, investment, international education and tourism	
2017-18	<b>Satisfaction</b>	<b>Satisfaction</b>
	High level of satisfaction for ministers, Australian business community, institutions and key partners with Austrade’s services.	<b>Forecast:</b> Austrade expects this level of satisfaction to be at least 70%, as measured in surveys and feedback
2018-19 and beyond	As per 2017-18	As per 2017-18
<b>Purposes</b>	<p>The purpose of the Australian Trade and Investment Commission – Austrade – is to contribute to Australia’s economic prosperity by helping Australian businesses, education institutions, tourism operators, governments to:</p> <ul style="list-style-type: none"> <li>• develop international markets</li> <li>• promote international education</li> <li>• win productive foreign direct investment</li> <li>• strengthen Australia’s tourism industry</li> </ul>	

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Program 1.2 – Programs to promote Australia’s export and other international economic interests		
Delivery	Austrade will administer programs that support Australian businesses’ engagement in international business, provide an incentive for small to medium businesses to enter into export markets and grow to become sustainable exporters, or that strengthen and stimulate growth in the tourism industry. It will help Australian companies to grow their business in international markets, including through the administration of the Export Market Development Grants scheme, and promotion of opportunities arising from Australia’s free trade agreements.	
Performance information		
Year	Performance criteria (a)	Targets
2016-17	Export Market Development Grants (EMDG) scheme	
	Proportion of EMDG scheme recipients reporting that the receipt of a grant supported their business to become a more sustainable exporter  <b>Forecast:</b> Austrade expects at least 90% of EMDG recipients to report that receiving a grant in 2016-17 supported their business to become a more sustainable exporter, as measured by a survey.	
		Proportion of EMDG scheme recipients reporting that the receipt of a grant enabled them to grow their international revenue.  <b>Forecast:</b> Austrade expects at least 50% of EMDG recipients to report that receiving a grant in 2016-17 enabled them to grow their international revenue, as measured by a survey.
	Free Trade Agreement (FTA) Promotion	
		Proportion of seminar and roadshow attendees reporting an increased awareness of FTAs.  <b>Forecast:</b> Austrade expects at 90% of seminar and roadshow attendees to report increased awareness of FTAs in 2016-17, as measured by feedback forms.
		Proportion of seminar and roadshow attendees reporting an increased understanding of how to use and benefit from FTAs.  <b>Forecast:</b> Austrade expects at least 90% of seminar and roadshow attendees to report increased understanding of how to use and benefit from FTAs in 2016-17, as measured by feedback forms.

<b>Program 1.2 – Programs to promote Australia’s export and other international economic interests</b>		
	<b>Tourism Demand Driver Infrastructure (TDDI) Program</b>	
		Budgeted TDDI funding distributed to state and territory governments. <b>Forecast:</b> Austrade expects at least \$9 million of TDDI funding will be distributed to state and territory governments in 2016-17.
		TDDI funding distributed to projects identified by state and territory governments in National Partnership Agreements, consistent with funding principles agreed by tourism ministers. <b>Forecast:</b> Austrade expects that funding will be distributed to all states and territories in 2016-17 in line with projects identified in National Partnership Agreements.
	<b>Developing Northern Australia – positioning the north as a leader in tropical health</b>	
		Funds and advice provided to the Department of Industry, Innovation and Science, consistent with agreed principles, to increase foreign investment in the commercialisation of Australian Tropical Medicine research and development. <b>Forecast:</b> Austrade expects that at least \$1.45 million will be paid as grants in 2016-17.
	<b>National Innovation and Science Agenda – Global Innovation Strategy</b>	
		Establishment of landing pads in global innovation hot spots. <b>Forecast:</b> All five landing pads are already in operation.
2017-18	EMDG recipients report that the receipt of a grant encouraged them to increase their export promotion activities	<b>Forecast:</b> Austrade expects at least 70% of EMDG recipients to report that receiving a grant in 2016-17 encouraged them to increase their export promotion activities.

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<b>Program 1.2 – Programs to promote Australia’s export and other international economic interests</b>		
	<b>Free Trade Agreement (FTA) Promotion</b>	
	Proportion of seminar and roadshow attendees reporting an increased understanding of how to use and benefit from FTAs	<b>Forecast:</b> Austrade expects at least 85% of seminar and roadshow attendees to report increased understanding of how to use and benefit from FTAs in 2017-18, as measured by feedback forms.
2018-19 and beyond	As per 2017-18	As per 2017-18
<b>Purposes</b>	<p>The purpose of the Australian Trade and Investment Commission – Austrade – is to contribute to Australia’s economic prosperity by helping Australian businesses, education institutions, tourism operators, governments to:</p> <ul style="list-style-type: none"> <li>• develop international markets</li> <li>• promote international education</li> <li>• win productive foreign direct investment</li> <li>• strengthen Australia’s tourism industry</li> </ul>	

## **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**

<b>Department of Foreign Affairs and Trade</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 2.1 – Consular Services</li><li>• Program 2.2 – Passport Services</li><li>• Program 3.1 – Foreign Affairs and Trade Security and IT</li><li>• Program 3.2 – Overseas Property</li></ul>
<b>Contribution to Outcome 2 made by linked programs</b> <p>Where Austrade has overseas locations that complement those of DFAT, Austrade provides consular and passport services to Australians in those locations. DFAT ensures a secure Austrade presence overseas for personnel, assets and information.</p>

## 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 through timely and responsive consular and passport services in specific locations overseas</b>					
	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 2.1: Consular Services</b>					
Departmental expenses					
Departmental appropriation	9,714	9,266	9,224	9,220	9,265
s 74 Retained revenue receipts (a)	3,504	3,504	3,504	3,504	3,504
<b>Departmental total</b>	<b>13,218</b>	<b>12,770</b>	<b>12,728</b>	<b>12,724</b>	<b>12,769</b>
<b>Total expenses for program 2.1</b>	<b>13,218</b>	<b>12,770</b>	<b>12,728</b>	<b>12,724</b>	<b>12,769</b>
<b>Outcome 2 Totals by appropriation type</b>					
Departmental expenses					
Departmental appropriation	9,714	9,266	9,224	9,220	9,265
s74 Retained revenue receipts (a)	3,504	3,504	3,504	3,504	3,504
<b>Departmental total</b>	<b>13,218</b>	<b>12,770</b>	<b>12,728</b>	<b>12,724</b>	<b>12,769</b>
<b>Total expenses for Outcome 2</b>	<b>13,218</b>	<b>12,770</b>	<b>12,728</b>	<b>12,724</b>	<b>12,769</b>
	2016-17	2017-18			
<b>Average staffing level (number)</b>	<b>38</b>	<b>38</b>			

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

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

**Table 2.2.2: Program components of Outcome 2**

Program 2.1 has only one component as described in Table 2.2.1.



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

Table 2.2.3 below details the performance criteria for each program associated with Outcome 2. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

Outcome 2 – The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas		
Program 2.1 – Consular and Passport Services		
Delivery	In overseas locations where Austrade has designated consular management responsibilities, Austrade will continue to place a high priority on helping Australians through the delivery of effective consular services, efficient passport services and practical contingency planning, in accordance with DFAT's Consular Services and Passports Client Services charters	
Performance information		
Year	Performance criteria (a)	Targets
2016-17	Normal passport applications are scanned within 24 hours <b>Forecast:</b> Austrade expects at least 98% of normal passport applications to be scanned within 24 hours in 2016-17.	
		Routine passports are issued in a timely and responsive manner. <b>Forecast:</b> Austrade expects at least 97% of routine passports to be issued in a timely and responsive manner in 2016-17.
		Urgent passport issues are dealt with in a timely responsive manner. <b>Forecast:</b> Austrade expects 97% of urgent passports to be issued as quickly as reasonably possible in 2016-17.
		Notarial services are to be delivered when the correct documents are lodged by a client. <b>Forecast:</b> Austrade expects 97% of the notarial services it provides in 2016-17 to be delivered at the time of appointment, once the correct documentation has been lodged.
2017-18	Timely and effective delivery of consular and passport services to Australians overseas	Meets DFAT's standards for provision of consular and passport services.
2018-19 and beyond	As per 2017-18	As per 2017-18
Purposes	Help Australian citizens by providing consular and passport services in designated overseas locations.	

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

There are no differences between the resource information presented in the budget Papers and in Austrade's Portfolio Budget Statements.

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

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

#### **Departmental financial statements**

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

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

This statement provides estimated actual financial results for 2016-17 and the estimated revenue and expenses for 2017-18 and forward years.

Total income in 2017-18 is estimated to be \$221.3 million, which represents a decrease of \$4.6 million in appropriations from the 2016-17 estimated actual shown at Table 3.1. The decrease is primarily a result of:

- Foreign exchange adjustment under the no win, no loss policy – a decrease of \$5.0 million;
- Reduced appropriation from whole of government procurement arrangements – a decrease of \$0.6 million; and
- Prior rounds foreign exchange and parameters adjustment – a decrease of \$1.2 million.

Partially offset by:

- Implementation of budget measures – an increase of \$2.0 million; and

- Parameters adjustment – an increase of \$0.2 million.

Total estimated expenses for 2017-18 have decreased by \$5.5 million to reflect the reduction in income.

Austrade is receiving funding of \$14.1 million to fund the Departmental Capital Budget which is treated as an equity injection. Austrade also moved \$1.1 million in equity injections from prior year to fund capital expenditure.

### **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 2017-18 of \$65.1 million represents a decrease of \$1.4 million from the 2016-17 estimated actual in table 3.2 due to the variation between capital program funding (\$14.1 million), estimated asset revaluation surplus (\$3.5 million) and estimated depreciation expense (\$19.0 million).

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

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

Total equity at the end of 2017-18 is estimated to be \$65.1 million, a decrease of \$1.4 million due to the variation between capital program funding (\$14.1 million), estimated asset revaluation surplus (\$3.5 million) and estimated depreciation expense (\$19.0 million).

### **Budgeted departmental statement of cash flows**

This statement shows the extent and nature of cash flows as a result of Austrade's operating, investing and financing activities. Austrade's cash balance at the end of 2017-18 is estimated to be \$5.5 million.

### **Departmental capital budget statement**

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

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

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

### **Schedule of administered activity**

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

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

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

Administered expenses of \$141.0 million for 2017-18 relate to the EMDG scheme (\$137.9 million), Free Trade Agreement Promotion (\$0.5 million) and Developing Northern Australia - positioning the north as a leader in tropical health (\$2.6 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. Free Trade Agreement Promotion and Developing Northern Australia - positioning the north as a leader in 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 2017-18 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.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	147,716	145,977	143,911	141,496	142,862
Suppliers	79,002	75,292	76,814	76,870	74,628
Depreciation and amortisation	19,000	19,000	19,000	19,460	19,367
<b>Total expenses</b>	<b>245,718</b>	<b>240,269</b>	<b>239,725</b>	<b>237,826</b>	<b>236,857</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	24,210	24,200	24,200	24,200	24,200
Rental income	200	200	200	200	200
Other	3,000	3,000	3,000	3,000	3,000
<b>Total own-source revenue</b>	<b>27,410</b>	<b>27,400</b>	<b>27,400</b>	<b>27,400</b>	<b>27,400</b>
<b>Gains</b>					
<b>Total gains</b>	-	-	-	-	-
<b>Total own-source income</b>	<b>27,410</b>	<b>27,400</b>	<b>27,400</b>	<b>27,400</b>	<b>27,400</b>
<b>Net (cost of)/contribution by services</b>	<b>(218,308)</b>	<b>(212,869)</b>	<b>(212,325)</b>	<b>(210,426)</b>	<b>(209,457)</b>
Revenue from Government	198,436	193,869	193,325	190,966	190,090
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(19,872)</b>	<b>(19,000)</b>	<b>(19,000)</b>	<b>(19,460)</b>	<b>(19,367)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	3,500	3,500	-	-	-
<b>Total other comprehensive income</b>	<b>3,500</b>	<b>3,500</b>	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>(16,372)</b>	<b>(15,500)</b>	<b>(19,000)</b>	<b>(19,460)</b>	<b>(19,367)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(16,372)</b>	<b>(15,500)</b>	<b>(19,000)</b>	<b>(19,460)</b>	<b>(19,367)</b>
<b>Note: Impact of net cash appropriation arrangements</b>					
	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations</b>	<b>2,628</b>	<b>3,500</b>	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	19,000	19,000	19,000	19,460	19,367
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(16,372)</b>	<b>(15,500)</b>	<b>(19,000)</b>	<b>(19,460)</b>	<b>(19,367)</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 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	5,500	5,500	5,500	5,500	5,500
Trade and other receivables	50,137	49,037	47,826	47,326	46,826
<b>Total financial assets</b>	<b>55,637</b>	<b>54,537</b>	<b>53,326</b>	<b>52,826</b>	<b>52,326</b>
<b>Non-financial assets</b>					
Land and buildings	15,594	16,944	16,048	13,418	10,883
Property, plant and equipment	12,978	11,133	8,478	6,881	4,131
Intangibles	25,226	25,397	25,391	24,759	25,377
Other non-financial assets	9,431	9,431	9,431	9,431	9,431
<b>Total non-financial assets</b>	<b>63,229</b>	<b>62,905</b>	<b>59,348</b>	<b>54,489</b>	<b>49,822</b>
Assets held for sale					
<b>Total assets</b>	<b>118,866</b>	<b>117,442</b>	<b>112,674</b>	<b>107,315</b>	<b>102,148</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	12,814	12,814	12,814	12,814	12,814
Other payables	2,192	2,192	2,192	2,192	2,192
<b>Total payables</b>	<b>15,006</b>	<b>15,006</b>	<b>15,006</b>	<b>15,006</b>	<b>15,006</b>
<b>Provisions</b>					
Employee provisions	37,024	37,024	37,024	37,024	37,024
Other provisions	308	308	308	308	308
<b>Total provisions</b>	<b>37,332</b>	<b>37,332</b>	<b>37,332</b>	<b>37,332</b>	<b>37,332</b>
Liabilities included in disposal groups held for sale					
<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>66,528</b>	<b>65,104</b>	<b>60,336</b>	<b>54,977</b>	<b>49,810</b>
	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	102,816	116,892	131,124	145,225	159,425
Reserves	35,677	39,177	39,177	39,177	39,177
Retained surplus (accumulated deficit)	(71,965)	(90,965)	(109,965)	(129,425)	(148,792)
<b>Total parent entity interest</b>	<b>66,528</b>	<b>65,104</b>	<b>60,336</b>	<b>54,977</b>	<b>49,810</b>
<b>Total non-controlling interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>66,528</b>	<b>65,104</b>	<b>60,336</b>	<b>54,977</b>	<b>49,810</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>					
Balance carried forward from previous period	(71,965)	35,677	-	102,816	66,528
<b>Adjusted opening balance</b>	<b>(71,965)</b>	<b>35,677</b>	<b>-</b>	<b>102,816</b>	<b>66,528</b>
<b>Comprehensive income</b>					
Other comprehensive income	-	3,500	-	-	3,500
Surplus/(deficit) for the period	(19,000)	-	-	-	(19,000)
<b>Total comprehensive income</b>	<b>(19,000)</b>	<b>3,500</b>	<b>-</b>	<b>-</b>	<b>(15,500)</b>
of which:					
Attributable to the Australian Government	(19,000)	3,500	-	-	(15,500)
Attributable to non-controlling interest	-	-	-	-	-
<b>Contributions by owners</b>					
Departmental capital budget (DCB)				14,076	14,076
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,076</b>	<b>14,076</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>(90,965)</b>	<b>39,177</b>	<b>-</b>	<b>116,892</b>	<b>65,104</b>
Less: non-controlling interests*	-	-	-	-	-
<b>Closing balance attributable to the Australian Government</b>	<b>(90,965)</b>	<b>39,177</b>	<b>-</b>	<b>116,892</b>	<b>65,104</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	199,234	192,258	194,536	191,466	190,591
Sale of goods and rendering of services	24,410	24,400	24,400	24,400	24,400
Net GST received	4,431	4,431	4,431	4,431	4,431
Other	3,000	3,000	3,000	3,000	3,000
<b>Total cash received</b>	<b>231,075</b>	<b>224,089</b>	<b>226,367</b>	<b>223,297</b>	<b>222,422</b>
<b>Cash used</b>					
Employees	147,716	145,977	143,911	138,088	142,862
Suppliers	79,002	75,292	76,814	80,278	74,629
Net GST paid	4,431	4,431	4,431	4,431	4,431
<b>Total cash used</b>	<b>231,149</b>	<b>225,700</b>	<b>225,156</b>	<b>222,797</b>	<b>221,922</b>
<b>Net cash from/(used by) operating activities</b>	<b>(74)</b>	<b>(1,611)</b>	<b>1,211</b>	<b>500</b>	<b>500</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	15,521	15,176	15,443	14,601	14,700
<b>Total cash used</b>	<b>15,521</b>	<b>15,176</b>	<b>15,443</b>	<b>14,601</b>	<b>14,700</b>
<b>Net cash from/(used by) investing activities</b>	<b>(15,521)</b>	<b>(15,176)</b>	<b>(15,443)</b>	<b>(14,601)</b>	<b>(14,700)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	16,121	16,787	14,232	14,101	14,200
<b>Total cash received</b>	<b>16,121</b>	<b>16,787</b>	<b>14,232</b>	<b>14,101</b>	<b>14,200</b>
<b>Cash used</b>					
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>16,121</b>	<b>16,787</b>	<b>14,232</b>	<b>14,101</b>	<b>14,200</b>
<b>Net increase/(decrease) in cash held</b>	<b>526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	4,974	5,500	5,500	5,500	5,500
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>

Prepared on Australian Accounting Standards basis.



**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	14,526	14,076	14,042	14,101	14,200
Equity injections - Bill 2	1,595	-	190	-	-
<b>Total new capital appropriations</b>	<b>16,121</b>	<b>14,076</b>	<b>14,232</b>	<b>14,101</b>	<b>14,200</b>
<i>Provided for:</i>					
Purchase of non-financial assets	16,121	14,076	14,232	14,101	14,200
<b>Total items</b>	<b>16,121</b>	<b>14,076</b>	<b>14,232</b>	<b>14,101</b>	<b>14,200</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	995	1,100	1,401	500	500
Funded by capital appropriation - DCB (b)	14,526	14,076	14,042	14,101	14,200
<b>TOTAL</b>	<b>15,521</b>	<b>15,176</b>	<b>15,443</b>	<b>14,601</b>	<b>14,700</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	15,521	15,176	15,443	14,601	14,700
<b>Total cash used to acquire assets</b>	<b>15,521</b>	<b>15,176</b>	<b>15,443</b>	<b>14,601</b>	<b>14,700</b>

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

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

Prepared on Australian Accounting Standards basis.

**Table 3.6: Statement of asset movements (Budget year 2017-18)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>				
Gross book value	21,429	18,739	78,278	118,446
Accumulated depreciation/ amortisation and impairment	(5,835)	(5,761)	(53,052)	(64,648)
<b>Opening net book balance</b>	<b>15,594</b>	<b>12,978</b>	<b>25,226</b>	<b>53,798</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services (b)	2,855	3,000	8,326	14,181
By purchase - other (a)	995	-	-	995
<b>Total additions</b>	<b>3,850</b>	<b>3,000</b>	<b>8,326</b>	<b>15,176</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(5,000)	(5,845)	(8,155)	(19,000)
Other (c)	2,500	1,000	-	3,500
<b>Total other movements</b>	<b>(2,500)</b>	<b>(4,845)</b>	<b>(8,155)</b>	<b>(15,500)</b>
	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 30 June 2018</b>				
Gross book value	27,779	22,739	86,604	137,122
Accumulated depreciation/ amortisation and impairment	(10,835)	(11,606)	(61,207)	(83,648)
<b>Closing net book balance</b>	<b>16,944</b>	<b>11,133</b>	<b>25,397</b>	<b>53,474</b>

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2017-18 and prior Act 2/4/6 appropriations, including CDABs.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2017-18 for depreciation/amortisation expenses, DCBs or other operational expenses.

(c) Revaluation/fair value movements.

Prepared on Australian Accounting Standards basis.

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	5,253	5,253	5,253	5,253	5,253
Suppliers	1,642	1,642	1,642	1,642	1,642
Grants	133,218	134,123	133,792	131,505	131,005
<b>Total expenses administered on behalf of Government</b>	<b>140,113</b>	<b>141,018</b>	<b>140,687</b>	<b>138,400</b>	<b>137,900</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Total own-sourced income administered on behalf of Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (cost of)/contribution by services</b>	<b>140,113</b>	<b>141,018</b>	<b>140,687</b>	<b>138,400</b>	<b>137,900</b>
<b>Surplus/(deficit) before income tax</b>	<b>(140,113)</b>	<b>(141,018)</b>	<b>(140,687)</b>	<b>(138,400)</b>	<b>(137,900)</b>
Income tax expense					
<b>Surplus/(deficit) after income tax</b>	<b>(140,113)</b>	<b>(141,018)</b>	<b>(140,687)</b>	<b>(138,400)</b>	<b>(137,900)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>(140,113)</b>	<b>(141,018)</b>	<b>(140,687)</b>	<b>(138,400)</b>	<b>(137,900)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward 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 non-financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Assets held for sale					
<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
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 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	195	195	195	195	195
<b>Total cash received</b>	<b>195</b>	<b>195</b>	<b>195</b>	<b>195</b>	<b>195</b>
<b>Cash used</b>					
Grant	133,218	134,123	133,792	131,505	131,005
Suppliers	1,642	1,642	1,642	1,642	1,642
Net GST paid	195	195	195	195	195
Employees	5,253	5,253	5,253	5,253	5,253
<b>Total cash used</b>	<b>140,308</b>	<b>141,213</b>	<b>140,882</b>	<b>138,595</b>	<b>138,095</b>
<b>Net cash from/(used by) operating activities</b>	<b>(140,113)</b>	<b>(141,018)</b>	<b>(140,687)</b>	<b>(138,400)</b>	<b>(137,900)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(140,113)</b>	<b>(141,018)</b>	<b>(140,687)</b>	<b>(138,400)</b>	<b>(137,900)</b>
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	140,113	141,018	140,687	138,400	137,900
<b>Total cash from Official Public Account</b>	<b>140,113</b>	<b>141,018</b>	<b>140,687</b>	<b>138,400</b>	<b>137,900</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 Centre for International Agricultural Research (ACIAR)**

## **Entity resources and planned performance**





# AUSTRALIAN CENTRE OF INTERNATIONAL AGRICULTURAL RESEARCH (ACIAR)

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# AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH (ACIAR)

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Australian Centre for International Agricultural Research (ACIAR) contributes to poverty reduction and improved livelihoods, through more productive and sustainable agriculture emerging from collaborative international research.

ACIAR's mandate is to amplify the impact of Australia's outstanding capabilities in agricultural science by brokering and funding agricultural research for development partnerships in developing countries. The agency works with public and private research institutions to improve the productivity and sustainability of agricultural systems and the resilience of food systems in partner countries.

ACIAR supports Australia's national interests by contributing to sustainable economic growth and poverty reduction and enhanced regional stability, with a particular focus on economic diplomacy and women's economic empowerment. ACIAR's work aligns closely with Australia's aid program, supporting research collaboration while emphasising human capital building and private sector-led development, targeted at improved livelihoods in agriculture, forestry and fisheries.

ACIAR's portfolio contributes to four goals:

- **Food security and poverty reduction** – Productive, sustainable and resilient farming systems;
- **Human health and nutrition** - Healthier and better nourished families;
- **Natural resources and climate change** - More resilient livelihoods in the face of climate change; and
- **Value chains and private sector engagement** - Safer and more inclusive agrifood value chains.

These strategic goals are consistent with Australian ODA priorities and the Sustainable Development Goals (SDGs). In addition to the four goals identified above, are two essential, cross-cutting goals that inform ACIAR's work:

- **Empowering women and girls; and**
- **Capacity building at individual and institutional levels in our partner countries and in Australia.**

Around 70 per cent of our research expenditure is progressed primarily through **bilateral** partnerships between ACIAR and partner countries. In 2017-18, ACIAR will enhance our focus on PNG and the Pacific, recognising capacity constraints. New country strategies will be developed, or finalised, with Myanmar, Timor-Leste, Vietnam and Cambodia. Programs in PNG, Laos and Pakistan, having grown in recent years, have reached capacity limits and will consolidate. Security situations in some countries, especially Afghanistan and parts of Pakistan, potentially limit program viability in these areas. Our programs with China and India will continue to be relatively small and driven by the need for very substantial co-investment. We will establish permanent representation in the Pacific. Relationships with Indonesia, the Philippines and PNG will receive particular support over the coming year. We will develop a small new program of collaboration with Sri Lanka, starting with aquaculture.

The secondary pathway for contracting research activity is **multilateral** global initiatives, chief among which is the CGIAR Consortium of International Agricultural Research Centres (CGIAR). Australia's contribution to the CGIAR (around \$20m annually) is managed by ACIAR, and ACIAR staff are involved in the highest levels of governance of the CGIAR system. During 2017-18, ACIAR will continue to work globally in our bilateral country partnerships and multilateral global programs through the CGIAR and other international research collaborations. ACIAR will continue to contribute to the implementation of the second round of CGIAR Research Programs as a member of the CGIAR System Council and lead the development of a coordinated Australian engagement with CGIAR; represent the Pacific Donor Constituency on the System Council and support the Independent Science and Partnership Council (ISPC) and Independent Evaluation Arrangement (IEA) activities. We will also continue to support three other key global partners: Asia Pacific Association of Agricultural Research Institutions (APAARI), Centre for Agriculture and Bioscience International (CABI) and World Vegetable Centre.

We will also engage in co-investments with larger donors such as DFAT, the Canadian International Development Research Center (IDRC), Syngenta Foundation, the Bill and Melinda Gates Foundation (BMGF) and the private sector.

In our **regional programs**, ACIAR will work with ASEAN, to ensure better engagement with greater regional collaboration and will seek to establish trilateral technical cooperation partnerships with the more advanced agricultural economies including: Indonesia; Malaysia; Thailand, and the Philippines.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to ACIAR for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses for Outcome 1' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: ACIAR resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	3,439	3,460
Departmental appropriation	9,490	9,364
s 74 retained revenue receipts (b)	2,530	1,170
Departmental capital budget (c)	247	245
<i>Total departmental annual appropriations</i>	15,706	14,239
<b>Total departmental resourcing</b>	<b>15,706</b>	<b>14,239</b>
<b>Administered</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	608	500
Outcome 1	93,993	96,882
<i>Total administered annual appropriations</i>	94,601	97,382
Special accounts (d)		
Opening balance	21,144	12,218
Non-appropriation receipts	11,576	16,340
<i>Total special account receipts</i>	32,720	28,558
<b>Total administered resourcing</b>	<b>127,321</b>	<b>125,940</b>
<b>Total resourcing for ACIAR</b>	<b>143,027</b>	<b>140,179</b>
	2016-17	2017-18
<b>Average staffing level (number)</b>	<b>77</b>	<b>76</b>

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

- (a) Appropriation Bill (No.1) 2017-18.
- (b) Estimated retained revenue receipts under s 74 of the PGPA Act.
- (c) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (d) 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 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for ACIAR can be found at:

[http://aciarc.gov.au/files/16336\\_aciar-corporate\\_plan\\_2016-20-web\\_new.pdf](http://aciarc.gov.au/files/16336_aciar-corporate_plan_2016-20-web_new.pdf)

The most recent annual performance statement can be found at:

[http://aciarc.gov.au/files/16242\\_aciar\\_annual\\_report\\_2016\\_web.pdf](http://aciarc.gov.au/files/16242_aciar_annual_report_2016_web.pdf)

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

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

**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: Budgeted expenses for Outcome 1**

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 1: International Agricultural Research and Development</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	93,993	96,882	97,946	99,416	101,006
Special accounts	20,502	20,670	18,450	18,704	21,210
<b>Administered total</b>	<b>114,495</b>	<b>117,552</b>	<b>116,396</b>	<b>118,120</b>	<b>122,216</b>
Departmental expenses					
Departmental appropriations s 74 Retained revenue receipts (a)	9,490	9,364	9,302	9,321	9,367
Expenses not requiring appropriation in the Budget year (b)	1,868	1,170	1,476	1,754	2,050
	491	382	376	399	400
<b>Departmental total</b>	<b>11,849</b>	<b>10,916</b>	<b>11,154</b>	<b>11,474</b>	<b>11,817</b>
<b>Total expenses for program 1.1</b>	<b>126,344</b>	<b>128,468</b>	<b>127,550</b>	<b>129,594</b>	<b>134,033</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	93,993	96,882	97,946	99,416	101,006
Special accounts	20,502	20,670	18,450	18,704	21,210
<b>Administered total</b>	<b>114,495</b>	<b>117,552</b>	<b>116,396</b>	<b>118,120</b>	<b>122,216</b>
Departmental expenses					
Departmental appropriations s74 Retained revenue receipts (a)	9,490	9,364	9,302	9,321	9,367
Expenses not requiring appropriation in the Budget year (b)	1,868	1,170	1,476	1,754	2,050
	491	382	376	399	400
<b>Departmental total</b>	<b>11,849</b>	<b>10,916</b>	<b>11,154</b>	<b>11,474</b>	<b>11,817</b>
<b>Total expenses for Outcome 1</b>	<b>126,344</b>	<b>128,468</b>	<b>127,550</b>	<b>129,594</b>	<b>134,033</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	<b>77</b>	<b>76</b>

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

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation 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: Performance criteria for Outcome 1**

Table 2.2 below details the performance criteria for the single program associated with Outcome 1. It also summarises how the program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – To achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through international agricultural research and training partnerships.		
Program 1 – International agricultural research for development for more productive and sustainable agriculture		
Delivery	ACIAR's delivery mechanism is as both a valued funder and knowledgeable research broker operating through establishing active working partnerships, supporting the empowerment of women and girls, and providing timely and consistent funding and strong technical backing. ACIAR will build on its current close working relations with regional and country agricultural research organisations and forums to support the development of national agricultural systems.	
Performance information		
Year	Performance criteria	Targets
2016-17	<b>Productivity and profitability of agricultural systems</b> <b>Sustainability</b> <b>Capability</b> <b>Institutional efficiency and effectiveness</b>	<i>Forecast against targets for 2016-17 were generally met. A high level of satisfaction was expressed by ministers. New measures have been instigated to improve ACIAR's domestic visibility.</i>
2017-18	<b>Food security and poverty reduction</b>  <b>Human health and nutrition</b>  <b>Natural resources and climate change</b>  <b>Value chains and private sector engagement</b>  <b>Empowering women and girls</b>  <b>Capacity building</b>	- Productive, sustainable and resilient farming systems  -Healthier and better nourished families  - More resilient livelihoods in the face of climate change  -Safer and more inclusive agrifood value chains  -Improved social inclusion and greater empowerment of women and girls  -Individual and institutional level capacity built in our partner countries, in Australia and in ACIAR
2018-19 and beyond	<i>As per 2017-18</i>	<i>As per 2017-18</i>
Purpose	ACIAR's purpose is to achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through supporting international agricultural research and training partnerships.	

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Explanatory notes and analysis of budgeted financial statements

##### Departmental financial statements and schedule of administered activity

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

- Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.
- Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments and administered revenues include taxes, fees, fines and excises.

##### Appropriations in the budgeting framework

Under the Australian Government's budgeting framework, separate annual appropriations are provided. These include:

- Departmental appropriations: representing the government's funding for agency programs;
- Departmental capital budget appropriations: representing the government's funding through additional equity for the replacement of existing agency assets as they reach the end of their useful life;
- Departmental capital appropriations: for new investments by the government through additional equity; and

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

**Asset valuation**

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

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	7,419	6,435	6,873	7,251	7,647
Suppliers	3,970	4,130	3,937	3,856	3,802
Depreciation and amortisation	460	351	344	367	368
<b>Total expenses</b>	<b>11,849</b>	<b>10,916</b>	<b>11,154</b>	<b>11,474</b>	<b>11,817</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	2,530	1,170	1,476	1,754	2,050
<b>Total own-source revenue</b>	<b>2,530</b>	<b>1,170</b>	<b>1,476</b>	<b>1,754</b>	<b>2,050</b>
<b>Gains</b>					
Other	31	31	32	32	32
<b>Total gains</b>	<b>31</b>	<b>31</b>	<b>32</b>	<b>32</b>	<b>32</b>
<b>Total own-source income</b>	<b>2,561</b>	<b>1,201</b>	<b>1,508</b>	<b>1,786</b>	<b>2,082</b>
<b>Net (cost of)/contribution by services</b>	<b>(9,288)</b>	<b>(9,715)</b>	<b>(9,646)</b>	<b>(9,688)</b>	<b>(9,735)</b>
Revenue from Government	9,490	9,364	9,302	9,321	9,367
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>202</b>	<b>(351)</b>	<b>(344)</b>	<b>(367)</b>	<b>(368)</b>
<b>Total comprehensive income/(loss)</b>	<b>202</b>	<b>(351)</b>	<b>(344)</b>	<b>(367)</b>	<b>(368)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>202</b>	<b>(351)</b>	<b>(344)</b>	<b>(367)</b>	<b>(368)</b>

Table continued on the following page.

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)****Note: Impact of net cash appropriation arrangements**

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>202</b>	<b>(351)</b>	<b>(344)</b>	<b>(367)</b>	<b>(368)</b>
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	-	-	-	-	-
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>202</b>	<b>(351)</b>	<b>(344)</b>	<b>(367)</b>	<b>(368)</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 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	71	71	71	71	71
Trade and other receivables	3,733	3,766	3,809	3,843	3,843
<b>Total financial assets</b>	<b>3,804</b>	<b>3,837</b>	<b>3,880</b>	<b>3,914</b>	<b>3,914</b>
<b>Non-financial assets</b>					
Land and buildings	974	840	718	602	486
Property, plant and equipment	276	246	231	205	200
Intangibles	1,082	1,140	1,178	1,196	1,194
Other non-financial assets	152	152	152	152	152
<b>Total non-financial assets</b>	<b>2,484</b>	<b>2,378</b>	<b>2,279</b>	<b>2,155</b>	<b>2,032</b>
Assets held for sale					
<b>Total assets</b>	<b>6,288</b>	<b>6,215</b>	<b>6,159</b>	<b>6,069</b>	<b>5,946</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	531	590	600	606	606
Other payables	378	338	298	258	258
<b>Total payables</b>	<b>909</b>	<b>928</b>	<b>898</b>	<b>864</b>	<b>864</b>
<b>Provisions</b>					
Employee provisions	2,221	2,235	2,308	2,376	2,376
<b>Total provisions</b>	<b>2,221</b>	<b>2,235</b>	<b>2,308</b>	<b>2,376</b>	<b>2,376</b>
<b>Total liabilities</b>	<b>3,130</b>	<b>3,163</b>	<b>3,206</b>	<b>3,240</b>	<b>3,240</b>
<b>Net assets</b>	<b>3,158</b>	<b>3,052</b>	<b>2,953</b>	<b>2,829</b>	<b>2,706</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	2,234	2,479	2,724	2,967	3,212
Reserves	112	112	112	112	112
Retained surplus (accumulated deficit)	812	461	117	(250)	(618)
<b>Total parent entity interest</b>	<b>3,158</b>	<b>3,052</b>	<b>2,953</b>	<b>2,829</b>	<b>2,706</b>
<b>Total equity</b>	<b>3,158</b>	<b>3,052</b>	<b>2,953</b>	<b>2,829</b>	<b>2,706</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017-18)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	812	112	2,234	3,158
<b>Adjusted opening balance</b>	<b>812</b>	<b>112</b>	<b>2,234</b>	<b>3,158</b>
<b>Comprehensive income</b>				
Surplus/(deficit) for the period	(351)	-	-	(351)
<b>Total comprehensive income</b>	<b>(351)</b>	<b>-</b>	<b>-</b>	<b>(351)</b>
of which:				
Attributable to the Australian Government	(351)	-		(351)
Departmental capital budget (DCB)		-	245	245
<b>Sub-total transactions with owners</b>	<b>(351)</b>	<b>-</b>	<b>245</b>	<b>(106)</b>
<b>Closing balance attributable to the Australian Government</b>	<b>461</b>	<b>112</b>	<b>2,479</b>	<b>3,052</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	9,469	9,331	9,259	9,287	9,310
Receipts from Government					
Sale of goods and rendering of services	2,530	1,170	1,475	1,754	2,050
Net GST received	230	230	230	230	230
<b>Total cash received</b>	<b>12,229</b>	<b>10,731</b>	<b>10,964</b>	<b>11,271</b>	<b>11,590</b>
<b>Cash used</b>					
Employees	7,371	6,421	6,799	7,183	7,647
Suppliers	4,196	4,310	4,165	4,088	3,943
<b>Total cash used</b>	<b>11,567</b>	<b>10,731</b>	<b>10,964</b>	<b>11,271</b>	<b>11,590</b>
<b>Net cash from/(used by) operating activities</b>	<b>662</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	909	245	245	243	245
<b>Total cash used</b>	<b>909</b>	<b>245</b>	<b>245</b>	<b>243</b>	<b>245</b>
<b>Net cash from/(used by) investing activities</b>	<b>(909)</b>	<b>(245)</b>	<b>(245)</b>	<b>(243)</b>	<b>(245)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	247	245	245	243	245
<b>Total cash received</b>	<b>247</b>	<b>245</b>	<b>245</b>	<b>243</b>	<b>245</b>
<b>Net cash from/(used by) financing activities</b>	<b>247</b>	<b>245</b>	<b>245</b>	<b>243</b>	<b>245</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	71	71	71	71	71
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>71</b>

Prepared on Australian Accounting Standards basis.



**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	247	245	245	243	245
<b>Total new capital appropriations</b>	<b>247</b>	<b>245</b>	<b>245</b>	<b>243</b>	<b>245</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB (a)	247	245	245	243	245
Funded internally from departmental resources (b)	662				
<b>TOTAL</b>	<b>909</b>	<b>245</b>	<b>245</b>	<b>243</b>	<b>245</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	909	245	245	243	245
<b>Total cash used to acquire assets</b>	<b>909</b>	<b>245</b>	<b>245</b>	<b>243</b>	<b>245</b>

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).

(b) s 74 Retained revenue receipts.

Prepared on Australian Accounting Standards basis.

**Table 3.6: Statement of asset movements (Budget year 2017-18)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000		\$'000
<b>As at 1 July 2017</b>				
Gross book value	1,246	581	1,784	3,611
Accumulated depreciation/ amortisation and impairment	(272)	(305)	(702)	(1,279)
<b>Opening net book balance</b>	<b>974</b>	<b>276</b>	<b>1,082</b>	<b>2,332</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services (a)	-	45	200	245
<b>Total additions</b>	<b>-</b>	<b>45</b>	<b>200</b>	<b>245</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(134)	(75)	(142)	(351)
<b>Total other movements</b>	<b>(134)</b>	<b>(75)</b>	<b>(142)</b>	<b>(351)</b>
<b>As at 30 June 2018</b>				
Gross book value	1,246	626	1,984	3,856
Accumulated depreciation/ amortisation and impairment	(406)	(380)	(844)	(1,630)
<b>Closing net book balance</b>	<b>840</b>	<b>246</b>	<b>1,140</b>	<b>2,226</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	917	2,735	2,708	2,761	2,810
Suppliers	113,578	114,817	113,688	115,359	119,406
<b>Total expenses administered on behalf of Government</b>	<b>114,495</b>	<b>117,552</b>	<b>116,396</b>	<b>118,120</b>	<b>122,216</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Sale of goods and rendering of services	11,576	16,340	17,100	17,700	18,300
<b>Total non-taxation revenue</b>	<b>11,576</b>	<b>16,340</b>	<b>17,100</b>	<b>17,700</b>	<b>18,300</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>11,576</b>	<b>16,340</b>	<b>17,100</b>	<b>17,700</b>	<b>18,300</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>11,576</b>	<b>16,340</b>	<b>17,100</b>	<b>17,700</b>	<b>18,300</b>
<b>Net (cost of)/contribution by services</b>	<b>102,919</b>	<b>101,212</b>	<b>99,296</b>	<b>100,420</b>	<b>103,916</b>

Prepared on Australian Accounting Standards basis.

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	12,218	7,888	6,538	5,534	2,624
Taxation receivables	538	538	538	538	538
<b>Total financial assets</b>	<b>12,756</b>	<b>8,426</b>	<b>7,076</b>	<b>6,072</b>	<b>3,162</b>
<b>Total assets administered on behalf of Government</b>	<b>12,756</b>	<b>8,426</b>	<b>7,076</b>	<b>6,072</b>	<b>3,162</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	866	817	817	817	817
Other payables	482	482	482	482	482
<b>Total payables</b>	<b>1,348</b>	<b>1,299</b>	<b>1,299</b>	<b>1,299</b>	<b>1,299</b>
<b>Provisions</b>					
Employee provisions	30	79	79	79	79
<b>Total provisions</b>	<b>30</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>
<b>Total liabilities administered on behalf of Government</b>	<b>1,378</b>	<b>1,378</b>	<b>1,378</b>	<b>1,378</b>	<b>1,378</b>
<b>Net assets/(liabilities)</b>	<b>11,378</b>	<b>7,048</b>	<b>5,698</b>	<b>4,694</b>	<b>1,784</b>

Prepared on Australian Accounting Standards basis.

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	5,000	5,000	5,000	5,000	5,000
Other	11,576	16,340	17,100	17,700	18,300
<b>Total cash received</b>	<b>16,576</b>	<b>21,340</b>	<b>22,100</b>	<b>22,700</b>	<b>23,300</b>
<b>Cash used</b>					
Suppliers	113,591	114,826	113,588	115,259	119,406
Employees	904	2,686	2,708	2,761	2,810
<b>Total cash used</b>	<b>114,495</b>	<b>117,512</b>	<b>116,296</b>	<b>118,020</b>	<b>122,216</b>
<b>Net cash from/(used by) operating activities</b>	<b>(97,919)</b>	<b>(96,172)</b>	<b>(94,196)</b>	<b>(95,320)</b>	<b>(98,916)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(97,919)</b>	<b>(96,172)</b>	<b>(94,196)</b>	<b>(95,320)</b>	<b>(98,916)</b>
Cash and cash equivalents at beginning of reporting period	21,144	12,218	7,928	6,678	5,774
Cash from Official Public Account for:					
- Appropriations	93,993	96,882	97,946	99,416	101,006
<b>Total cash from Official Public Account</b>	<b>93,993</b>	<b>96,882</b>	<b>97,946</b>	<b>99,416</b>	<b>101,006</b>
Cash to Official Public Account for:					
- Appropriations	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
<b>Total cash to Official Public Account</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>(5,000)</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>12,218</b>	<b>7,928</b>	<b>6,678</b>	<b>5,774</b>	<b>2,864</b>

Prepared on Australian Accounting Standards basis.



# **Australian Secret Intelligence Service (ASIS)**

**Entity resources and planned  
performance**





# AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

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## **AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)**

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

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

In 2017-18 the Australian Secret Intelligence Service (ASIS) will continue to enhance government understanding of the overseas environment affecting Australia's vital interests. ASIS will take appropriate action, consistent with applicable legislation, to protect and promote Australia's vital interests through the provision of unique foreign intelligence services as directed by the government.

The primary functions of ASIS are:

- (a) to obtain, in accordance with the government's requirements, intelligence about the capabilities, intentions or activities of people or organisations outside Australia;
- (b) to communicate, in accordance with the government's requirements, such intelligence;
- (c) to provide assistance to the Defence Force in support of military operations and to co-operate with the Defence Force on intelligence matters;
- (d) to conduct counter-intelligence activities;
- (e) to liaise with intelligence or security services, or other authorities, of other countries;
- (f) to co-operate with and assist ASD, AGO, ASIO and other Commonwealth and State authorities in the performance of their functions; and
- (g) to undertake such other activities as the responsible Minister directs relating to the capabilities, intentions or activities of people or organisations outside Australia.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: ASIS resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	2016-17 <i>Estimated actual</i> \$'000	2017-18 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	103,942	105,782
Departmental appropriation	257,659	256,805
s 74 retained revenue receipts (b)	63,500	79,000
Departmental capital budget (c)	18,499	15,234
Annual appropriations - other services - non-operating (d)		
Equity injection	20,879	48,796
<i>Total departmental annual appropriations</i>	<i>464,479</i>	<i>505,617</i>
<b>Total departmental resourcing</b>	<b>464,479</b>	<b>505,617</b>
<b>Total resourcing for ASIS</b>	<b>464,479</b>	<b>505,617</b>

Prepared on a resourcing (that is, appropriations available) basis.

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

(a) Appropriation Bill (No.1) 2017-18.

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

(c) Departmental capital budgets are not separately identified in Appropriation Bill (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 Bill (No.2) 2017-18.

### 1.3 BUDGET MEASURES

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

**Table 1.2: Entity 2017-18 Budget measures**

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)**

		2016-17	2017-18	2018-19	2019-20	2020-21
	Program	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expense measures</b>						
National Security - Australian Secret Intelligence Service - additional funding	1.1, 1.2					
Departmental expenses		-	nfp	nfp	nfp	nfp
<b>Total</b>		-	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>
<b>Capital measures</b>						
National Security - Australian Secret Intelligence Service - additional funding	1.1, 1.2					
Departmental capital		-	nfp	nfp	nfp	nfp
<b>Total</b>		-	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>

Prepared on a Government Finance Statistics (fiscal) basis.

## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

## 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 ASIS 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**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 1.1: Secret Intelligence</b>					
Departmental expenses					
Departmental appropriation	193,244	192,604	193,844	197,859	204,946
s 74 Retained revenue receipts (a)	47,625	59,250	62,250	64,500	66,375
Expenses not requiring appropriation in the Budget year (b)	18,478	22,847	27,896	29,429	28,128
<b>Departmental total</b>	<b>259,347</b>	<b>274,701</b>	<b>283,990</b>	<b>291,788</b>	<b>299,449</b>
<b>Total expenses for program 1.1</b>	<b>259,347</b>	<b>274,701</b>	<b>283,990</b>	<b>291,788</b>	<b>299,449</b>
<b>Program 1.2: Other Services</b>					
Departmental expenses					
Departmental appropriation	64,415	64,201	64,614	65,953	68,315
s 74 Retained revenue receipts (a)	15,875	19,750	20,750	21,500	22,125
Expenses not requiring appropriation in the Budget year (b)	6,159	7,615	9,298	9,809	9,376
<b>Departmental total</b>	<b>86,449</b>	<b>91,566</b>	<b>94,662</b>	<b>97,262</b>	<b>99,816</b>
<b>Total expenses for program 1.2</b>	<b>86,449</b>	<b>91,566</b>	<b>94,662</b>	<b>97,262</b>	<b>99,816</b>
<b>Outcome 1 Totals by appropriation type</b>					
Departmental expenses					
Departmental appropriation	257,659	256,805	258,458	263,812	273,261
s 74 Retained revenue receipts (a)	63,500	79,000	83,000	86,000	88,500
Expenses not requiring appropriation in the Budget year (b)	24,637	30,462	37,194	39,238	37,504
<b>Departmental total</b>	<b>345,796</b>	<b>366,267</b>	<b>378,652</b>	<b>389,050</b>	<b>399,265</b>
<b>Total expenses for Outcome 1</b>	<b>345,796</b>	<b>366,267</b>	<b>378,652</b>	<b>389,050</b>	<b>399,265</b>

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

(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**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ASIS' finances for the 2017-18 Budget year, including the impact of budget measures and resourcing on financial statements.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000
<b>EXPENSES</b>					
<b>Total expenses</b>	<b>345,796</b>	<b>366,267</b>	<b>378,652</b>	<b>389,050</b>	<b>399,265</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Other	63,500	79,000	83,000	86,000	88,500
<b>Total own-source revenue</b>	<b>63,500</b>	<b>79,000</b>	<b>83,000</b>	<b>86,000</b>	<b>88,500</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>63,500</b>	<b>79,000</b>	<b>83,000</b>	<b>86,000</b>	<b>88,500</b>
<b>Net (cost of)/contribution by services</b>	<b>(282,296)</b>	<b>(287,267)</b>	<b>(295,652)</b>	<b>(303,050)</b>	<b>(310,765)</b>
Revenue from Government	257,659	256,805	258,458	263,812	273,261
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(24,637)</b>	<b>(30,462)</b>	<b>(37,194)</b>	<b>(39,238)</b>	<b>(37,504)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(24,637)</b>	<b>(30,462)</b>	<b>(37,194)</b>	<b>(39,238)</b>	<b>(37,504)</b>

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

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'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)	24,637	30,462	37,194	39,238	37,504
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(24,637)</b>	<b>(30,462)</b>	<b>(37,194)</b>	<b>(39,238)</b>	<b>(37,504)</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.

Prepared on Australian Accounting Standards basis.



**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>	105,782	108,007	109,369	111,098	113,273
<b>Non-financial assets</b>	168,741	202,310	227,370	246,561	246,579
<b>Total assets</b>	<b>274,523</b>	<b>310,317</b>	<b>336,739</b>	<b>357,659</b>	<b>359,852</b>
<b>LIABILITIES</b>					
<b>Payables</b>	44,550	45,100	45,650	46,200	46,750
<b>Interest bearing liabilities</b>	-	-	-	-	-
<b>Provisions</b>	45,232	46,908	47,720	48,898	50,524
<b>Total liabilities</b>	<b>89,782</b>	<b>92,008</b>	<b>93,370</b>	<b>95,098</b>	<b>97,274</b>
<b>Net assets</b>	<b>184,741</b>	<b>218,309</b>	<b>243,369</b>	<b>262,561</b>	<b>262,578</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	219,378	283,408	345,662	404,092	441,613
Reserves	80,000	80,000	80,000	80,000	80,000
Retained surplus (accumulated deficit)	(114,637)	(145,099)	(182,293)	(221,531)	(259,035)
<b>Total parent entity interest</b>	<b>184,741</b>	<b>218,309</b>	<b>243,369</b>	<b>262,561</b>	<b>262,578</b>
<b>Total equity</b>	<b>184,741</b>	<b>218,309</b>	<b>243,369</b>	<b>262,561</b>	<b>262,578</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017-18)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</b>					
Balance carried forward from previous period	(114,637)	-	80,000	219,378	184,741
<b>Adjusted opening balance</b>	<b>(114,637)</b>	<b>-</b>	<b>80,000</b>	<b>219,378</b>	<b>184,741</b>
<b>Comprehensive income</b>					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(30,462)	-	-	-	(30,462)
<b>Total comprehensive income</b>	<b>(30,462)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30,462)</b>
of which:					
Attributable to the Australian Government	(30,462)	-	-	-	(30,462)
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity injection - Appropriation	-	-	-	48,796	48,796
Departmental capital budget (DCB)	-	-	-	15,234	15,234
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,030</b>	<b>64,030</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>(145,099)</b>	<b>-</b>	<b>80,000</b>	<b>283,408</b>	<b>218,309</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(145,099)</b>	<b>-</b>	<b>80,000</b>	<b>283,408</b>	<b>218,309</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	256,877	254,579	257,096	262,084	271,085
Other	63,500	79,000	83,000	86,000	88,500
<b>Total cash received</b>	<b>320,377</b>	<b>333,579</b>	<b>340,096</b>	<b>348,084</b>	<b>359,585</b>
<b>Cash used</b>					
Other	320,377	333,579	340,096	348,084	359,585
<b>Total cash used</b>	<b>320,377</b>	<b>333,579</b>	<b>340,096</b>	<b>348,084</b>	<b>359,585</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	39,378	64,030	62,254	58,430	37,521
<b>Total cash used</b>	<b>39,378</b>	<b>64,030</b>	<b>62,254</b>	<b>58,430</b>	<b>37,521</b>
<b>Net cash from/(used by) investing activities</b>	<b>(39,378)</b>	<b>(64,030)</b>	<b>(62,254)</b>	<b>(58,430)</b>	<b>(37,521)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	39,378	64,030	62,254	58,430	37,521
<b>Total cash received</b>	<b>39,378</b>	<b>64,030</b>	<b>62,254</b>	<b>58,430</b>	<b>37,521</b>
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>39,378</b>	<b>64,030</b>	<b>62,254</b>	<b>58,430</b>	<b>37,521</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	30,000	30,000	30,000	30,000	30,000
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>

Prepared on Australian Accounting Standards basis.



# **Tourism Australia**

## **Entity resources and planned performance**



# TOURISM AUSTRALIA

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# TOURISM AUSTRALIA

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

#### *Purpose*

Tourism Australia's purpose is to grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets. This purpose is synonymous with our Australian Government outcome, reflecting the desired results and impact of our activities for the Australian community as influenced by the Australian Government.

#### *Operating environment and industry outlook*

Trends impacting Australian tourism have been explored and addressed in the development of Tourism Australia's strategies for 2017-18.

TRENDS IMPACTING AUSTRALIAN TOURISM	
Economic	<ul style="list-style-type: none"> <li>• Overall outlook remains mixed: continuing growth of Asian, economies led by China; concerns around the impact of Brexit on the United Kingdom and upcoming elections in Europe.</li> <li>• Increasing competitiveness of global tourism as countries identify tourism as a source of economic growth.</li> </ul>
Marketing channels	<ul style="list-style-type: none"> <li>• Increasing use of programmatic advertising to target consumers.</li> <li>• Costly mass-market media challenging the ability to cut through.</li> <li>• Increasing use of digital, video and content across activity.</li> </ul>
Consumer	<ul style="list-style-type: none"> <li>• Rising demand for experience-based travel and personalisation.</li> <li>• Increasing use of mobile technologies and direct transactions between consumers and tourism experiences and products.</li> <li>• Continued digital disruption, impacting communications – including increasing use of video and moving from bundled to fragmented media and content.</li> </ul>
Travel industry	<ul style="list-style-type: none"> <li>• Continuing rise of the sharing economy, including the provision of accommodation and transport services.</li> <li>• Continuing growth and consolidation of online travel agencies.</li> <li>• Australia's open skies agreement with China, which provides Chinese airlines with unrestricted capacity into Australia.</li> <li>• Expansion of low cost carriers, changing global airline configurations.</li> </ul>

#### *Tourism 2020*

Tourism 2020 is a whole-of-government and industry long-term strategy to build the resilience and competitiveness of Australia's tourism industry and grow its economic contribution to Australia's economy. Tourism Australia works with industry, state and federal agencies to maximise the economic contribution of Australian tourism.

## Tourism Australia Budget Statements

The industry has set a goal to increase overnight tourism expenditure from \$70 billion in 2009 to more than \$115 billion in 2020. In 2017-18 Tourism Australia's goal is to increase overnight tourism expenditure by 8 percent to \$108.8 billion.

### Strategies

**Customer strategy:** Target two types of consumers: (1) leisure customers and (2) business events customers.

Leisure target customers are high value, out-of-region travellers who want to come to Australia and whose travel interests align with Australia's destination strengths – aquatic and coastal, food and wine, nature and wildlife. From 2017-18 Tourism Australia will transition from a demographically defined leisure target customer to a behavioural and attitudinally defined customer. Tourism Australia's business events target customers remain the same as last year, being key decision makers from the associations and incentives sectors.

**Markets strategy:** Invest effort and resources in a balanced portfolio of priority markets that present the greatest expenditure opportunity to 2020.

Markets fall into one of four categories with marketing activity aimed at maximising the opportunity in each market based on their level of maturity.

MARKET PORTFOLIO FRAMEWORK				
CATEGORY	Build access and distribution	Full build	Partnership-led conversion	Maintain access and distribution
STRATEGIC OBJECTIVE	Establish access and distribution	Focus on distribution supported by broad marketing including with partners	Capitalise on established distribution through partnership marketing	Ongoing distribution and partnership
COUNTRIES	Indonesia	China, India, United States	Hong Kong, Japan, Malaysia, Singapore, South Korea, United Kingdom	Germany, France, Italy

**Marketing strategy:** Invite the world to experience the Australian way of life through global campaigns that reinforce why *There's nothing like Australia*.

Tourism Australia will continue to create global campaigns that position Australia as the most desirable and memorable destination on earth. This strategy will leverage partnerships to boost customer reach, reinforce messaging and convert awareness into travel bookings. Messaging will continue under the campaign umbrella *There's nothing like Australia* and will focus on the most important reasons for travel, including aquatic and coastal and food and wine experiences. Competitive positioning will be strengthened by a range of support activities that promote Indigenous tourism, youth/Working Holiday Makers (WHM) and premium tourism experiences. Marketing campaigns will be delivered through social media, content, our websites

(Australia.com and Australia.cn), targeted global media buying and personalisation, taking advantage of changing consumer travel buying behaviours.

**Business Events strategy:** Grow international demand for Australian business events products, destinations and experiences.

Through its dedicated unit, Business Events Australia (BEA), Tourism Australia will deliver partnership marketing and trade programs that target key decision-makers in the international associations and incentives sectors. The aim is to drive awareness, intention and booking of business events in Australia.

**Partnership strategy:** Select partners that extend our ability to target customers, enable conversion to booking and facilitate industry development.

Tourism Australia is a partnership marketing organisation that actively collaborates with government and industry. It secures commercial partnerships to extend its ability to target customers, enable conversion to booking and facilitate industry development. This includes partnering with state and territory tourism organisations (STOs) to deliver campaigns with commercial partners. It also includes strengthening aviation access by working closely with airlines, airports and STOs and working with federal and state governments to influence and facilitate tourism investment opportunities in Australia.

**Distribution strategy:** Drive greater conversion from intention to visitation.

The focus of our distribution strategy is to ensure the target customer has the right information and can easily access and book quality Australian tourism products. This will be achieved by increasing the presence of Australian tourism experiences in the programs of international distributors. This will also include educating frontline sellers on how to best sell Australian tourism experiences and connecting buyers of Australian tourism product with sellers through trade events both in Australia and overseas.

**Enabling Strategy:** Tourism Australia's activity is underpinned by a committed, high performing workforce, government and industry engagement and collaboration and effective systems and processes that support delivery of robust corporate governance.

## **1.2 ENTITY RESOURCE STATEMENT**

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1.1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Tourism Australia resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	2016-17 estimated actual \$'000	2017-18 estimate \$'000
<b>Opening balance/cash reserves at 1 July</b>	-	-
<b>Funds from Government</b>		
Annual appropriations - ordinary annual services (a)		
Outcome 1 - Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets.	140,266	129,308
Annual appropriations - other items (b)		
Appropriation provided by portfolio department	16,500	19,000
<i>Total annual appropriations</i>	<i>156,766</i>	<i>148,308</i>
<b>Total funds from Government</b>	<b>156,766</b>	<b>148,308</b>
<b>Funds from industry sources</b>		
Other	22,756	17,718
<b>Total funds from industry sources</b>	<b>22,756</b>	<b>17,718</b>
<b>Funds from other sources</b>		
Interest	850	909
<b>Total funds from other sources</b>	<b>850</b>	<b>909</b>
<b>Total net resourcing for Tourism Australia</b>	<b>180,372</b>	<b>166,935</b>
	2016-17	2017-18
<b>Average staffing level (number) (c)</b>	207	207

Prepared on a resourcing (that is, appropriations available) basis.

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

(a) Appropriation Bill (No. 1) 2017-18.

(b) Asian Marketing Fund and Working Holiday Makers.

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

### 1.3 BUDGET MEASURES

**Table 1.2: Entity 2017-18 Budget measures**

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Measures</b>						
Queensland Tourism Cyclone Debbie Recovery Package (a)	1.1					
Departmental expenses		500	-	-	-	-
<b>Total</b>		<b>500</b>	-	-	-	-
Gold Coast 2018 Commonwealth Games - additional Australian Government support (b)						
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Total measures</b>						
Departmental		500	-	-	-	-
<b>Total</b>		<b>500</b>	-	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(a) The lead entity for measure Queensland Tourism Cyclone Debbie Recovery Package is the Treasury. The full measure description and package details appear in Budget Paper No. 2 under the Treasury portfolio. The actual funding was only received in 2017-18 Appropriation Bill 1.

(b) Gold Coast 2018 Commonwealth Games – additional Australian Government support is a cross portfolio measure led by the Department of Human Services. Tourism Australia will absorb \$1.1m in funding for this measure within existing resources.

## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for Tourism Australia can be found at: [http://www.tourism.australia.com/documents/corporate/corporate\\_plan\\_2016-2017.pdf](http://www.tourism.australia.com/documents/corporate/corporate_plan_2016-2017.pdf)

The most recent annual performance statement can be found at: [http://www.tourism.australia.com/documents/corporate/TA\\_Annual\\_Report\\_2016\\_Web.pdf](http://www.tourism.australia.com/documents/corporate/TA_Annual_Report_2016_Web.pdf)

## 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

<b>Department of Foreign Affairs and Trade</b>
<ul style="list-style-type: none"> <li>Program 1.8 - Programs to promote Australia's International Tourism Interests.</li> </ul>
<b>Contribution of this program to Tourism Australia's Outcome 1</b>
<ul style="list-style-type: none"> <li>The program provides funding to Tourism Australia to deliver Outcome 1.</li> </ul>
<b>Austrade</b>
<ul style="list-style-type: none"> <li>Program 1.2 - Programs to promote Australia's export and other international economic interests.</li> </ul>
<b>Contribution of this program to Tourism Australia's Outcome 1</b>
<ul style="list-style-type: none"> <li>Austrade provides research and policy support to Tourism Australia's activities by promoting the export of Australian tourism services. These exports contribute to Australia's prosperity.</li> </ul>
<b>Department of Immigration and Border Protection</b>
<ul style="list-style-type: none"> <li>Program 3.2 Trade Facilitation and Industry Engagement</li> </ul>
<b>Contribution of this program to Tourism Australia's Outcome 1</b>
<ul style="list-style-type: none"> <li>Tourism Australia works with the DIBP by providing advice on visa and traveller facilitation policy relevant to the Australian tourism industry.</li> </ul>
<b>Department of Infrastructure and Regional Development</b>
<ul style="list-style-type: none"> <li>Program 2.4 Air Transport</li> </ul>
<b>Contribution of this program to Tourism Australia's Outcome 1</b>
<ul style="list-style-type: none"> <li>An efficient, sustainable, competitive, safe and secure air transport system contributes to increasing international visitor arrivals and expenditure, and growing demand for Australia as a destination for tourism and business events.</li> </ul>
<ul style="list-style-type: none"> <li>Program 3.1 Regional development</li> </ul>
<b>Contribution of this program to Tourism Australia's Outcome 1</b>
<ul style="list-style-type: none"> <li>Tourism Australia works in partnership with state and territory governments, industry and commercial partners to build demand and increase visitor arrivals and spend in Australia, including encouraging international visitors to disperse beyond gateway cities into regional areas.</li> </ul>

## 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>					
	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 1.1: Support Outcome 1</b>					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	140,266	129,308	128,374	131,759	143,978
Appropriation provided by portfolio department (a)	16,500	19,000	16,500	14,000	14,000
Revenues from industry sources	22,756	17,718	17,718	17,718	17,718
Revenues from other independent sources	850	909	909	909	909
<b>Total expenses for Program 1.1</b>	<b>180,372</b>	<b>166,935</b>	<b>163,501</b>	<b>164,386</b>	<b>176,605</b>
<b>Outcome 1 totals by resource type</b>					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	140,266	129,308	128,374	131,759	143,978
Appropriation provided by portfolio department (a)	16,500	19,000	16,500	14,000	14,000
Revenues from industry sources	22,756	17,718	17,718	17,718	17,718
Revenues from other independent sources	850	909	909	909	909
<b>Total expenses for Outcome 1</b>	<b>180,372</b>	<b>166,935</b>	<b>163,501</b>	<b>164,386</b>	<b>176,605</b>
<b>Average staffing level (number) (b)</b>					
	207	207			

(a) Asia Marketing Fund and Working Holiday Makers.

(b) 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: Program components of Outcome 1**

<b>Program 1.1: Supporting Outcome 1</b>					
	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>1.1.1 - Component 1 (Grow demand)</b>					
Annual departmental expenses:					
Program Support (a)	153,691	142,720	139,651	139,728	150,114
<b>Total component 1 expenses</b>	<b>153,691</b>	<b>142,720</b>	<b>139,651</b>	<b>139,728</b>	<b>150,114</b>
<b>1.1.2 - Component 2: (Industry development)</b>					
Annual departmental expenses:					
Program Support	26,681	24,215	24,150	24,658	26,491
<b>Total component 2 expenses</b>	<b>26,681</b>	<b>24,215</b>	<b>24,150</b>	<b>24,658</b>	<b>26,491</b>
<b>Total program expenses</b>	<b>180,372</b>	<b>166,935</b>	<b>163,801</b>	<b>164,386</b>	<b>176,605</b>

(a) Includes estimated expenses incurred in relation to measure Working Holiday Makers – employer register and compliance; and measure Queensland Tourism Cyclone Debbie Recovery Package.

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

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

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

Outcome and purpose – Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets		
Program component 1.1 – Grow demand Objective: Identify and target best prospect consumers, inspire them to travel to Australia. To focus activities and resources, utilise a dedicated market categorisation approach.		
Delivery	<p><i>Target groups:</i> High value leisure travellers and the Business Events decision-makers in key international markets.</p> <p>Leisure travellers in key international markets:</p> <ul style="list-style-type: none"><li>• Consumer research to build knowledge about what motivates the target customer when choosing a travel destination</li><li>• Campaigns in partnership with commercial partners, state and territory tourism organisations.</li><li>• Marketing activities to stimulate target customers, including brand advertising and promotions, broadcasts, public relations, international media hosting, content development and social media.</li><li>• Work in partnership with government and industry to align efforts and activities increasing Australia's collective share of voice in the global marketplace to achieve efficiency and effectiveness.</li></ul> <p>Business Events decision-makers in key international markets:</p> <ul style="list-style-type: none"><li>• Consumer research to build knowledge of the needs of incentive and association decision-makers when choosing destinations for corporate and association meetings and incentives and to understand the needs and decision-making patterns of individual delegates.</li><li>• Deliver activities to promote Australia as a business events destination, including trade events, buyer and agent familiarisation visits, direct marketing and public relations.</li></ul>	
Performance information		
Year	Performance criteria (a)	Targets
2016-17	<b>Metric</b> Tourism 2020: Overnight Tourism Expenditure International Tourism Expenditure International Expenditure from TA markets International Leisure Expenditure from TA markets International BE Expenditure from TA markets Earned advertising value Total unique visitors to TA websites Return on marketing investment	<b>Estimated performance</b> \$100.7 bn \$40.7 bn \$30.2 bn \$17.0 bn \$2.2 bn \$265 m \$31.3 m \$16:1
2017-18	<b>Metric</b> Tourism 2020: Overnight Tourism Expenditure Tourism 2020: International Tourism Expenditure Tourism 2020: International Tourism Visitors Total Expenditure from TA markets Leisure Expenditure from TA markets Business Events expenditure from TA markets Earned advertising value Total unique visitors to TA websites	<b>Targets 2017-18</b> \$108.8 bn \$44.0 bn \$8.8m \$33.1 bn \$19.6 bn \$2.4 bn \$291.5 m \$34.0 m
2018-19 and	<b>Metric (same as 2017-18)</b> Tourism 2020: Overnight Tourism Expenditure Tourism 2020: International Tourism Expenditure	<b>Targets 2020-21</b> \$128.0 bn \$54.0 bn

<b>Outcome and purpose – Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets</b>		
<b>Program component 1.1 – Grow demand</b>		
Objective: Identify and target best prospect consumers, inspire them to travel to Australia. To focus activities and resources, utilise a dedicated market categorisation approach.		
beyond	Tourism 2020: International Tourism Visitors Total Expenditure from TA markets Leisure Expenditure from TA markets Business Events expenditure from TA markets Earned advertising value Total unique visitors to TA websites	\$10.4 m \$42.7 bn \$28.2 bn \$2.9 bn \$387.9 m \$45.2 m
<b>Outcome and purpose – Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets</b>		
<b>Program component 1.2 – Industry development</b>		
Objective: An Australian tourism industry that is competitive and sustainable and delivers on the needs of the target customer.		
<b>Delivery</b>	<i>Target group:</i> The Australian tourism industry and trade and distribution partners in key international markets. <i>Key activities:</i> <ul style="list-style-type: none"><li>• Development of the distribution system</li><li>• Provision of platforms to do business</li><li>• Support of supply-side industry goals</li><li>• Dissemination of insights and engagement of industry stakeholders.</li></ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets</b>
2016-17	<b>Metric</b> Stakeholders indicate TA adds value to their business	<b>Estimated performance</b> <b>90%</b>
2017-18	<b>Metric</b> Stakeholders indicate TA adds value to their business	<b>Target 2017-18</b> <b>90%</b>
2018-19 and beyond	<b>Metric</b> Stakeholders indicate TA adds value to their business	<b>Targets 2020-21</b> <b>90%</b>

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

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

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

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

Total operating revenue for 2017-18 is estimated at \$166.9 million and is made up of government funding of \$148.3 million and revenue from other sources of \$18.6 million. The government funding includes (1) appropriations of \$129.3 million, (2) \$14 million for the Asian Marketing Fund and (3) \$5 million for the Working Holiday Makers budget measure.

The changes from 2016-17 include:

- A reduction in appropriations for 2017-18 due to the application of parameter adjustments, such as foreign exchange movements, domestic inflation and the efficiency dividend.
- Both the Asian Marketing Fund and the Working Holiday Makers budget measure are protected from indexation and the efficiency dividend (that apply to appropriations).

Corresponding total expenses are also estimated to be \$166.9 million. Funding for Working Holiday Makers has increased to \$5 million in 2017-18 from \$2.5 million in 2016-17.

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

Tourism Australia is budgeting a net asset position of \$20 million in 2017-18. Net assets are projected to remain the same beyond 2017-18.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	32,846	<b>32,229</b>	32,711	33,200	33,697
Suppliers	143,026	<b>130,206</b>	126,290	126,686	138,408
Depreciation and amortisation	4,500	<b>4,500</b>	4,500	4,500	4,500
<b>Total expenses</b>	<b>180,372</b>	<b>166,935</b>	<b>163,501</b>	<b>164,386</b>	<b>176,605</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Interest	850	<b>909</b>	909	909	909
<b>Total own-source revenue</b>	<b>850</b>	<b>909</b>	<b>909</b>	<b>909</b>	<b>909</b>
<b>Gains</b>					
Sale of assets	-	-	-	-	-
Other	22,756	<b>17,718</b>	17,718	17,718	17,718
<b>Total gains</b>	<b>22,756</b>	<b>17,718</b>	<b>17,718</b>	<b>17,718</b>	<b>17,718</b>
<b>Total own-source income</b>	<b>23,606</b>	<b>18,627</b>	<b>18,627</b>	<b>18,627</b>	<b>18,627</b>
<b>Net (cost of)/contribution by services</b>	<b>(156,766)</b>	<b>(148,308)</b>	<b>(144,874)</b>	<b>(145,759)</b>	<b>(157,978)</b>
Revenue from Government (a)	156,766	<b>148,308</b>	<b>144,874</b>	<b>145,759</b>	<b>157,978</b>
<b>Surplus/(deficit) attributable to the Australian Government</b>	-	-	-	-	-
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	-	-	-	-	-
<b>Total other comprehensive income</b>	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	-	-	-	-	-
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	-	-	-	-	-

(a) Departmental: Appropriation Bill (No. 1) 2017-18 and Appropriation provided by portfolio department: Asian Marketing Fund and Working Holiday Makers.

Prepared on Australian Accounting Standards basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	13,271	13,271	13,271	13,271	13,271
Trade and other receivables	5,670	5,670	5,670	5,670	5,670
<b>Total financial assets</b>	<b>18,941</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 (a)	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>
Assets held for sale					
<b>Total assets</b>	<b>39,451</b>	<b>39,451</b>	<b>39,451</b>	<b>39,451</b>	<b>39,451</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	7,080	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>12,968</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>
Liabilities included in disposal groups held for sale					
<b>Total liabilities</b>	<b>19,402</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>

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

a) Prepayments - Supplier and other.

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017-18)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</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>Transactions with owners</b>					
Transfers between equity					
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2018</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 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations (a)	140,266	129,308	128,374	131,759	143,978
Appropriation provided by portfolio department) (b)	16,500	19,000	16,500	14,000	14,000
Interest	850	909	909	909	909
Other	26,100	17,718	17,718	17,718	17,718
<b>Total cash received</b>	<b>183,716</b>	<b>166,935</b>	<b>163,501</b>	<b>164,386</b>	<b>176,605</b>
<b>Cash used</b>					
Employees	32,849	32,229	32,711	33,200	32,995
Suppliers	143,089	130,239	126,323	126,719	139,143
<b>Total cash used</b>	<b>175,938</b>	<b>162,468</b>	<b>159,034</b>	<b>159,919</b>	<b>172,138</b>
<b>Net cash from/(used by) operating activities</b>	<b>7,778</b>	<b>4,467</b>	<b>4,467</b>	<b>4,467</b>	<b>4,467</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	4,467	4,467	4,467	4,467	4,467
<b>Total cash used</b>	<b>4,467</b>	<b>4,467</b>	<b>4,467</b>	<b>4,467</b>	<b>4,467</b>
<b>Net cash from/(used by) investing activities</b>	<b>(4,467)</b>	<b>(4,467)</b>	<b>(4,467)</b>	<b>(4,467)</b>	<b>(4,467)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>	<b>3,311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	9,960	13,271	13,271	13,271	13,271
Effect of exchange rate movements on cash and cash equivalents at the beginning of reporting period					
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>13,271</b>	<b>13,271</b>	<b>13,271</b>	<b>13,271</b>	<b>13,271</b>

(a) Departmental: Appropriation Bill (No. 1) 2017-18

(b) Asian Marketing Fund and Working Holiday Makers.

Prepared on Australian Accounting Standards basis.



**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources (a)	4,500	4,500	4,500	4,500	4,500
<b>TOTAL</b>	<b>4,500</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	4,500	4,500	4,500	4,500	4,500
<b>Total cash used to acquire assets</b>	<b>4,500</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;
- internally developed assets;
- other independent sources.

Prepared on Australian Accounting Standards basis.

**Table 3.6: Statement of asset movements (Budget year 2017-18)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 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>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
<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 2018</b>				
Gross book value	9,689	5,065	58,192	72,946
Accumulated depreciation/ amortisation and impairment	(6,334)	(4,497)	(45,721)	(56,552)
<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 Bill (No.1) 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

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.



