

**Portfolio Budget Statements 2018-19**

**Budget Related Paper No. 1.8**

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 2018-19 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

The Hon Julie Bishop MP The Hon Steven Ciobo MP

Minister for Foreign Affairs 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nfp not for publication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 *2018-19 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.

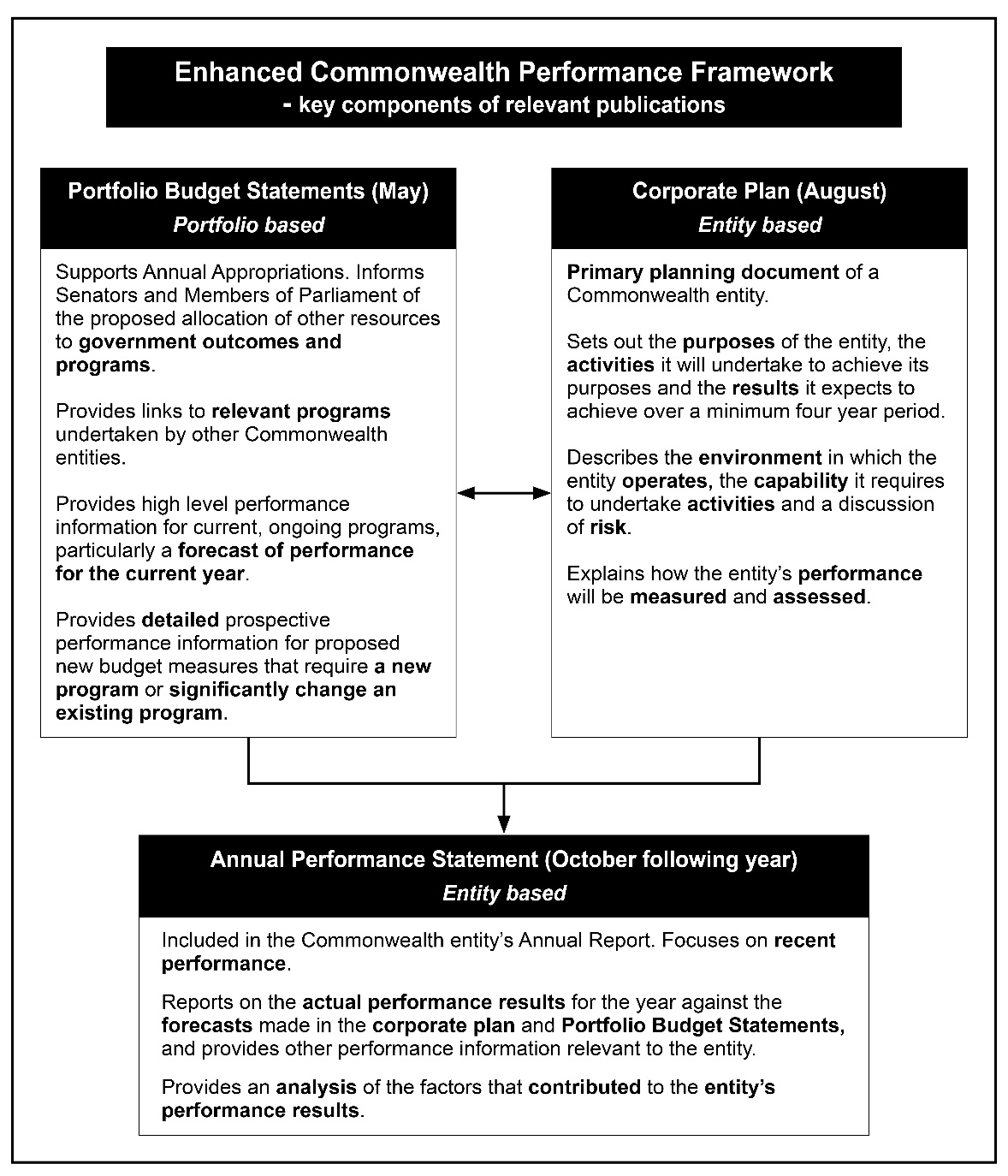
A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2018-19 (or Appropriation (Parliamentary Departments) Bill *(*No. 1) 2018-19 for the parliamentary departments). In this sense, the PB Statements are Budget related 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.

**The Enhanced Commonwealth Performance Framework**

The following diagram outlines the key components of the enhanced Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.

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Portfolio overview

Foreign Affairs and Trade portfolio overview

## Ministers and portfolio responsibilities

The four portfolio ministers are:

* the Hon Julie Bishop MP, Minister for Foreign Affairs;
* the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment;
* Senator the Hon Concetta Fierravanti-Wells, Minister for International Development and the Pacific; and
* the Hon Mark Coulton MP, Assistant Minister for Trade, Tourism and Investment.

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).

**Department of Foreign Affairs and Trade**

The Foreign Policy White Paper sets out a comprehensive framework for the portfolio – and broader Australian Government – to advance Australia’s security and prosperity in a contested and competitive world.

In support of this, DFAT works with its portfolio partners and utilises its Canberra-based workforce, state and territory offices and overseas missions to promote a stable and prosperous regional and global environment by deepening Australia’s engagement with bilateral and regional partners and multilateral institutions.

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

The portfolio works 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 Australian 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.

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

DFAT delivers an innovative development assistance program, centred on the Indo-Pacific region, which contributes to sustainable economic growth, poverty reduction and regional stability. It also leads the Australian Government’s response to international crises, including humanitarian emergencies in the Indo-Pacific region.

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 addition, DFAT provides quality protocol services to the diplomatic and consular corps accredited to Australia.

DFAT 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**

Austrade contributes to Australia’s economic prosperity by promoting Australia’s export sector and encouraging productive foreign direct investment into Australia. Austrade works with priority industry sectors to drive the sustained long-term growth of Australian exports. It aims to reduce the time, cost and risk for its clients by providing authoritative commercial insights and information to help them make informed business decisions. Austrade collaborates closely with state and territory governments and other government agencies, and informs and influences policy to support positive trade and investment outcomes.

Austrade, alongside DFAT, 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 also administers several grant programs, including the Export Market Development Grants scheme, and works on tourism policy, projects, programs and research to strengthen Australia's tourism industry and grow Australia's share of the international tourism market. In specific locations, Austrade also helps to deliver consular and passport services.

**ACIAR**

ACIAR supports Australia’s national interests by contributing to sustainable economic growth, 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’s mandate is to amplify the impact of Australia’s outstanding capabilities in agricultural science by brokering and investing in agricultural research partnerships in developing countries. ACIAR 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 objectives reflect Australia’s aid policy and the 2030 agenda for Sustainable Development through 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.

**ASIS**

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.

**Tourism Australia**

Tourism Australia is Australia’s national tourism marketing organisation. It works to promote Australia internationally as a compelling tourism destination for leisure and business events travel. 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.

**Efic**

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 Australian Government, including the Defence Export Facility, and where directed, provide support to other Australian Government entities.

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**

**Minister for Foreign Affairs**

**The Hon Julie Bishop MP**

**Minister for Trade, Tourism and Investment**

**The Hon Steven Ciobo MP**

**Minister for International Development**

**and the Pacific**

**Senator the Hon Concetta Fierravanti-Wells**

**Assistant Minister for Trade, Tourism**

**and Investment**

**The Hon Mark Coulton MP**



**Department of Foreign Affairs and Trade**

**Secretary, Ms Frances Adamson**

Outcome

1

:

The advancement of Australia’s international strategic

,

security

and economic interests

including through bilateral

,

regional and multilateral engagement on Australian Government foreign

,

trade and international development policy priorities

Outcome

2

:

The protection and welfare of Australians abroad and access to secure international

travel documentation through timely and responsive travel advice and consular and passport

services in Australia and overseas

Outcome

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

**Australian Centre for International**

**Agricultural Research**

**Chief Executive Officer,**

**Professor Andrew Campbell**

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

**Australian Trade and Investment Commission**

**Chief Executive Officer, Dr Stephanie Fahey**

Outcome 1: Contribute to Australia’s economic

prosperity by promoting Australia’s export and

other international economic interests through the

provision of information

,

advice and services to

business

,

associations

,

institutions and government

Outcome

2

:

The protection and welfare of

Australians abroad through timely and responsive

consular and passport service in specific locations

overseas

**Tourism Australia**

**Chair, Mr Bob East**

**Managing Director, Mr John O’Sullivan**

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



**Australian Secret Intelligence Service**

**Director-General, Mr Paul Symon AO**

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

**Export Finance and Insurance Corporation**

**Chair, Mr James M Millar AM**

**Managing Director and CEO, Ms Swati Dave**

Purpose: Facilitate and encourage Australian export trade on a commercial basis

Entity resources and  
planned performance

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Australian Secret Intelligence Service (ASIS) 124

Tourism Australia 137

Department of Foreign Affairs and Trade (DFAT)

Entity resources and planned performance

Department of Foreign Affairs and Trade

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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 (‘the department’) supports Australia’s foreign, trade and investment, development and international security policy priorities. In 2018-19, the department will lead efforts across Government to maximise Australia’s security and prosperity through implementation of the Foreign Policy White Paper, launched in November 2017.

The White Paper provides a strategic framework to guide Australia’s international engagement over the coming decade. It describes a contested and competitive world that presents opportunities for Australia to prosper but also brings risks to our interests.

Over the decade ahead, technological change, challenges to globalisation and the rules-based international order, continued economic dynamism and growth in Asia, shifts in strategic power regionally and globally, Islamist terrorism, and climate change will be among the significant trends shaping our world.

As the White Paper makes clear, we will have to work harder to maximise our international influence and secure our national interests: the prosperity of Australia; the independence of our decision-making; and the security, safety and freedom of our people.

Australia has considerable national strengths, which allow us to approach this period of change with confidence. Our outlook is global. Our democracy is strong, our society resilient. Our economy has grown for 26 years. We live in the most economically dynamic region of the world.

The policy framework outlined in the White Paper will guide the deployment of the department’s resources and capabilities. It identifies five objectives of fundamental importance to Australia’s security and prosperity:

* promote an open, inclusive and prosperous Indo-Pacific region in which the rights of all states are respected;
* deliver more opportunities for our businesses and stand against protectionism;
* ensure Australians remain safe, secure and free;
* promote and protect the international rules that support stability and prosperity and enable cooperation to tackle global challenges; and
* step up support for a more resilient Pacific and Timor-Leste.

Collectively, these priorities and the policies that support them provide a clear-eyed and active agenda for Australia’s international engagement. The department has incorporated these objectives into its existing outcomes and priority functions.

New funding in the 2018-19 Budget will support the department to implement the White Paper. In line with the Government’s commitment to step up our support for a more resilient Pacific, we are establishing the Australia Pacific Security College to deliver security and law enforcement training at the leadership level. Initiatives such as this build on Australia’s already deep engagement with the Pacific.

A package of new maritime cooperation initiatives will add fresh momentum to Australia’s partnerships in Southeast Asia following the success of the ASEAN-Australia Leaders’ Summit in March 2018. Expanded engagement with the business community on issues such as improving the competitiveness of our services exports and addressing non-tariff barriers to trade will be critical to countering global protectionism and ensuring Australia’s continued prosperity. We are also increasing our efforts to continue to promote an open economic, trade and investment environment domestically and internationally.

The department will continue to pursue free trade agreements to deliver more opportunities for Australian business and drive economic growth. Australia’s ten free trade agreements provide Australian businesses with better access to global markets, and a legally guaranteed framework for trade and investment. The recently concluded Comprehensive and Progressive Agreement for the Trans-Pacific Partnership (TPP-11) will deliver immediate economic and commercial benefits to Australia, and significantly increase market access for Australian exporters of goods and services. The recently concluded Peru-Australia Free Trade Agreement will substantially improve access to the fastest growing market in Latin America. Free trade agreement negotiations with Indonesia, Hong Kong, the Pacific Alliance and the Regional Comprehensive Economic Partnership are ongoing, and steps have been taken towards the launch of negotiations with the European Union.

The department will also continue to develop the whole of government capabilities required to deliver on the Government’s international engagement agenda. This includes: developing new approaches to building and exercising influence as part of a soft power review led by the department; ensuring a multi-disciplinary approach to policy development; developing a stronger strategic futures capability and better use of advanced analytical techniques; and continuing to strengthen our international engagement capabilities, including through the Diplomatic Academy.

Crucial to Australia’s influence is the quality and reach of our diplomacy. Australia’s global diplomatic network enables us to pursue our international interests and provide assistance to Australian businesses and citizens overseas, including consular and passport services. We will continue to use more efficient means and cost-effective technologies to support our international engagement, including as we expand our diplomatic network. The 2018-19 Budget includes funding for two new Indo-Pacific posts: a Consulate-General in Kolkata, India; and a High Commission in Funafuti, Tuvalu, where we have been discussing the possibility of co-location with New Zealand. These new posts continue the single largest expansion of our diplomatic network in 40 years.

Australia’s development assistance program remains a reflection of our values and an investment in the stability and prosperity of our region and the world. Our assistance alleviates suffering and serves our national interests by helping countries to advance economic reform, build resilience to natural disasters and economic shocks, guard against the spread of infectious diseases and counter growing violent extremism. We support better state capability to improve governance and reduce poverty and inequality. Our development program magnifies the influence that Australia brings to bear on pressing regional and global problems, including efforts to meet the Sustainable Development Goals. The department will continue to lead Australia’s efforts to help prepare for, and respond to, disasters, particularly in the Indo-Pacific region.

The New Colombo Plan deepens Australia’s relationships in the Indo-Pacific by offering young Australians opportunities to study and undertake internships. This builds institutional and people-to-people links with the region. The department will continue to work to ensure this becomes a transformative program for Australia.

The strength and diversity of Australia’s connections to the world mean that partnerships between all levels of government, and between the Australian Government and business and civil society, are essential to effective foreign policy. The department will continue to work closely with a broad range of partners, including business and development partners, to advance our security and prosperity.

### 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’ 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 2018-19 as at Budget May 2018



*Table continued on the following page.*

Table 1.1: Department of Foreign Affairs and Trade resource statement — Budget estimates for 2018-19 as at Budget May 2018 (continued)



1. Appropriation Bill (No. 1) 2018-19.
2. Excludes $31.9m subject to administrative quarantine by Finance or withheld under section 51 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act)
3. Excludes departmental capital budget (DCB).
4. Estimated retained revenue receipts under section 74 of the PGPA Act.
5. 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'.
6. Appropriation Bill (No. 2) 2018-19.
7. Excludes 'Special Public Money' held in accounts like the Consular Services Special Account or Services for Other Entities and Trust Moneys accounts. For further information on special appropriations and special accounts, please refer to Budget Paper No. 4 - Agency Resourcing.
8. Amounts credited to the special account(s) from DFAT's annual appropriation.
9. Amounts credited to the special account(s) from other entity's annual appropriations.
10. 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'.
11. 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act.

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

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

Please also see Section 2 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations and special appropriations.

### 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 2018-19 Budget measures

Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO)



Please refer to Budget Paper No. 2 for further detail on the above measures

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.

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



(a) This measure includes $18.8m in Official Development Assistance (ODA) to be funded from within DFAT's existing resources. Full details appear in 2017-18 MYEFO.

(b) This measure was included as a 'decision taken but not yet announced' in the 2017-18 Budget.

(c) This is a cross-portfolio measure led by DFAT. ODA eligible funding has been transferred to the Department of Home Affairs and the Fair Work Ombudsman. DFAT's contribution has been funded from within existing resources. Full details appear in 2017-18 MYEFO.

(d) This is a cross-portfolio measure led by DFAT. ODA eligible funding has been transferred to the Department of Home Affairs and the Department of Jobs and Small Business. DFAT's contribution has been funded from within existing resources. Full details appear in 2017-18 MYEFO.

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.

## 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/corporate-plan-2017-18.pdf

The most recent annual performance statement can be found at: http://dfat.gov.au/about-us/publications/corporate/annual-reports/pages/annual-reports.aspx

### 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

|  |
| --- |
| **Attorney-General’s Department** |
| **Programs**   * Program 1.1 – Attorney-General’s Department Operating Expenses-Civil Justice and Legal Services * Program 1.2 – Attorney-General’s Department Operating Expenses-National Security and Criminal Justice |
| **Australian Centre for International Agricultural Research** |
| **Programs**   * Program 1.1 – International Agricultural Research For Development For More Productive and Sustainable Agriculture |
| **Australian Federal Police** |
| **Programs**   * Program 1.2 – International Police Assistance |
| **Austrade** |
| **Programs**   * Program 1.1 – Promotion of Australia’s export and other international economic interests * Program 1.2 – Programs to promote Australia’s export and other international economic interests |
| **Department of Defence** |
| **Programs**   * Program 2.8 – Australian Defence Force Headquarters |

*Table continued on the following page.*

**Linked programs (continued)**

|  |
| --- |
| **Department of Home Affairs** |
| **Programs**   * Program 1.1 – Border Enforcement * Program 1.5 – Regional Cooperation * Program 1.7 – National Security and Criminal Justice * Program 1.9 – Counter-terrorism * Program 2.3 – Visas * Program 3.2 – Trade Facilitation and Industry Engagement |
| **Department of Human Services** |
| **Programs**   * Program 1.1 – Services to the Community-Social Security and Welfare |
| **Department of Industry, Innovation and Science** |
| **Programs**   * Program 1 – Science and Commercialisation * Program 2 – Growing Business Investment and Improving Business Capability |
| **Department of Education and Training** |
| **Programs**   * Program 2.7 – International Education Support |
| **Tourism Australia** |
| **Programs**   * Program 1.1 – Supporting Outcome 1 (Grow Demand and Industry Development) |
| **Contribution to Outcome 1 made by linked programs**  Australia maintains a whole of government approach in the pursuit of foreign, trade and investment, tourism, development and international security interests abroad. 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



*Table continued on the following page.*

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)



*Table continued the on following page.*

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)



1. Expenses not requiring appropriation in the Budget year relates to the Export Finance Insurance Corporation administrative fee.
2. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
3. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees.
4. 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.

Note: Since publishing the 2017-18 Foreign Affairs and Trade Portfolio Budget Statements, Program 1.4 - Official Development Assistance - East Asia AIPRD has been completed. As a result, Programs 1.5 to 1.8 have been renumbered.

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



*Table continued on the next page.*

Table 2.1.2: Program components of Outcome 1 (continued)



##### 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 2018-19 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 | | |
| **Program 1.1 – Foreign Affairs and Trade Operations**. The department will assist the government to meet its foreign, trade and investment, development and international security policy priorities over 2018-19 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. | | |
| **Delivery** | The department is protecting and advancing Australia’s interests through:   * Promoting an open, inclusive and prosperous Indo-Pacific region in which the rights of all states are respected; * Delivering more opportunities for Australian businesses globally and standing against protectionism; * Ensuring Australians remain safe, secure and free in the face of threats such as terrorism; * Promoting and protecting the international rules that support stability and prosperity and enable cooperation to tackle global challenges; * Stepping up our engagement with Papua New Guinea and the wider Pacific and supporting Timor-Leste to strengthen stability, security and opportunities for economic prosperity; * Maximising Australia’s influence by developing and leveraging partnerships; * Effective contribution to the domestic policy agenda through use of the department’s substantial international network; and * Ensuring the security and protecting the dignity of senior foreign Government leaders and the diplomatic and consular corps undertaking duties in Australia by providing high-quality protocol services, consistent with Australia’s international obligations. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2017-18 | * High level of satisfaction of Ministers and high-level clients with the quality and timeliness of advice, briefing and support in relation to Australia’s foreign, trade and economic, development and international security interests. * The department’s advocacy, negotiation and liaison on Australia’s foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians. | Targets are:   * Met * Partially met * Not met   DFAT expects that these performance criteria will be met during the course of 2017-18. |

*Table continued on the following page.*

Table 2.1.3: Performance criteria for Outcome 1 (continued)

|  |  |  |
| --- | --- | --- |
|  | * Government agencies at overseas missions are satisfied with service provided in accordance with the Prime Minister’s Directive on the Guidelines for the Management of the Australian Government Presence Overseas and service level agreements in place. * The diplomatic and consular corps posted or accredited to Australia are satisfied with the level of service provided, including in terms of responsiveness and timeliness in meeting Australia’s obligations under the Vienna Conventions. |  |
| 2018-19 | * High level of satisfaction of Ministers and key stakeholders with the quality and timeliness of advice, briefing and support in relation to Australia’s international objectives. * The department’s whole-of-government coordination and leadership shape bilateral, regional and multilateral outcomes to advance interests of Australia and Australians. * Influential advocacy in favour of open markets, resisting protectionism and the rules-based trading system, internationally and domestically. * The diplomatic and consular corps posted or accredited to Australia are satisfied with the delivery of protocol services. | Through case studies, reviews, surveys or other measures, DFAT will demonstrate whether these performance criteria are:   * Achieved * On track * Not on track |
| 2019-20 and beyond | As per 2018-19 | As per 2018-19 |
| **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 1.1 resulting from the following measures:**   * Nil | | |

|  |  |  |
| --- | --- | --- |
| **Program 1.2 – Official Development Assistance** promotes Australia’s national interests by contributing to sustainable economic growth and poverty reduction. | | |
| **Delivery** | The Australian Government’s development assistance policy, *Australian aid: promoting prosperity, reducing poverty, enhancing stability* 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:   * Infrastructure, trade facilitation and international competitiveness; * Agriculture, fisheries and water; * Effective governance through policies, institutions and functioning economies; * Education and health; * Building resilience through humanitarian assistance, disaster risk reduction and social protection; and * Gender equality and empowering women and girls. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2017-18 | * Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program’s performance framework, *Making Performance Count*. * Detailed reporting against the performance framework, including individual program and investment performance, will be published annually in the *Performance of Australian Aid* report. | Targets are:   * Met * Partially met * Not met   DFAT expects that these performance criteria will be met during the course of 2017-18. |
| 2018-19 | * Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program’s performance framework, *Making Performance Count*. * Detailed reporting against the performance framework, including individual program and investment performance, will be published annually in the *Performance of Australian Aid* report. | Through case studies, reviews, surveys or other measures, DFAT will demonstrate whether these performance criteria are:   * Achieved * On track * Not on track |
| 2019-20 and beyond | As per 2018-19 | As per 2018-19 |
| **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 1.2 resulting from the following measures:**   * Nil | | |

| **Program 1.3 – Official Development Assistance – Multilateral Replenishments** assists developing countries by contributing to sustainable economic growth and poverty reduction through contributions to multilateral organisations. | | |
| --- | --- | --- |
| **Delivery** | 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. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2017-18 | * Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program’s performance framework, *Making Performance Count*. * Detailed reporting against the performance framework, including for multilateral replenishments, will be published annually in the *Performance of Australian Aid* report. | Targets are:   * Met * Partially met * Not met   DFAT expects that these performance criteria will be met during the course of 2017-18. |
| 2018-19 | * Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program’s performance framework, *Making Performance Count*. * Detailed reporting against the performance framework, including for multilateral replenishments, will be published annually in the *Performance of Australian Aid* report. | Through case studies, reviews, surveys or other measures, DFAT will demonstrate whether these performance criteria are:   * Achieved * On track * Not on track |
| 2019-20 and beyond | As per 2018-19 | As per 2018-19 |
| **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 1.3 resulting from the following measures:**   * Nil | | |

| **Program 1.4 – Payment to International Organisations**advances Australia’s foreign, trade and investment, development and international security interests through participation in international organisations. | | |
| --- | --- | --- |
| **Delivery** | Australia uses its membership in international organisations to:   * Engage and advocate internationally in support of political, economic and religious freedom, liberal institutions, the rule of law, racial and gender equality, and mutual respect; * Support Australia’s foreign, trade and economic, development and international security interests through effective participation in the United Nations and its Specialised Agencies, the World Trade Organization, multilateral banks and funds and other multilateral forums; and * Assist developing countries to reduce poverty and lift living standards through sustainable economic growth via contributions to multilateral banks and funds, the United Nations and other international organisations. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2017-18 | * The department’s contributions shape multilateral outcomes in accordance with Australia’s interests. * High-quality leadership of government strategies on multilateral issues. | Targets are:   * Met * Partially met * Not met   DFAT expects that these performance criteria will be met during the course of 2017-18. |
| 2018-19 | * The department’s contributions shape multilateral outcomes, institutions and norms to advance the interests of Australia and our Commonwealth partners. * High-quality whole-of-government leadership and coordination on multilateral issues and in multilateral forums. | Through case studies, reviews, surveys or other measures, DFAT will demonstrate whether these performance criteria are:   * Achieved * On track * Not on track |
| 2019-20 and beyond | As per 2018-19 | As per 2018-19 |
| **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 1.4 resulting from the following measures:**   * Nil | | |

| **Program 1.5 – New Colombo Plan – Transforming Regional Relationships** advances Australia’s interests and bilateral relationships through enduring people-to-people, institutional and business links with the Indo-Pacific region. | | |
| --- | --- | --- |
| **Delivery** | 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. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2017-18 | * More Australian undergraduates supported to study and intern in the Indo-Pacific region. * NCP participants build relationships in the region and promote the value of the NCP experience. * Universities, the private sector and partner governments support the implementation of the NCP. * Alumni are engaged through networks that foster professional development and ongoing connections with the region. | Targets are:   * Met * Partially met * Not met   DFAT expects that these performance criteria will be met during the course of 2017-18. |
| 2018-19 | * At least 10,000 Australian undergraduates supported to study in the Indo-Pacific region. * NCP participants build relationships in the region and promote the value of the NCP experience. * Universities, the private sector and partner governments support the implementation of the NCP. * Alumni are engaged through networks that foster professional development and ongoing connections with the region. | Through case studies, reviews, surveys or other measures, DFAT will demonstrate whether these performance criteria are:   * Achieved * On track * Not on track |
| 2019-20 and beyond | As per 2018-19 | As per 2018-19 |
| **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 1.5 resulting from the following measures:**   * Nil | | |

| **Program 1.6 – Public Information Services and Public Diplomacy** 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. | | |
| --- | --- | --- |
| **Delivery** | The Department’s public diplomacy, cultural and media activities are:   * 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; and * 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. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2017-18 | * Public diplomacy initiatives build links overseas to further Australia’s interests and increase Australia’s influence. * Inform and influence media reporting on Australia. * Timely and high-quality management of domestic and international media enquiries, including measurement of the quantity and quality of departmental responses to media enquiries. * High-quality stakeholder engagement including through departmental and embassy websites and social media platforms. | Targets are:   * Met * Partially met * Not met   DFAT expects that these performance criteria will be met during the course of 2017-18. |
| 2018-19 | * Public diplomacy initiatives build links overseas to further Australia’s interests and increase Australia’s influence. * Inform and influence media reporting on Australia. * Management of domestic and international media enquiries, by volume and timeliness. | Through case studies, reviews, surveys or other measures, DFAT will demonstrate whether these performance criteria are:   * Achieved * On track * Not on track |
| 2019-20 and beyond | As per 2018-19 | As per 2018-19 |
| **Purposes** | To make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to economic growth and global stability, particularly in the Indo-Pacific region. | |
| **Material changes to Program 1.6 resulting from the following measures:**   * Nil | | |

| **Program 1.7 – 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** |
| 2017-18 | Refer to Austrade’s *Outcomes and planned performance* section for 2017-18 objectives, deliverables and performance criteria.  Refer to Tourism Australia’s *Outcomes and planned performance* section for 2017-18 objectives, deliverables and performance criteria. | |
| 2018-19 | Refer to Austrade’s *Outcomes and planned performance* section for 2018-19 for objectives, deliverables, performance criteria and targets.  Refer to the Tourism Australia’s *Outcomes and planned performance* section for 2018-19 for objectives, deliverables, performance criteria and targets. | |
| 2019-20 and beyond | As per 2018-19 | |
| **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.  Refer to Austrade’s and Tourism Australia’s corporate plans for information on the contribution of this program to these organisations’ purposes. | |
| **Material changes to Program 1.7 resulting from the following measures:**   * Nil | | |

### 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

| **Austrade** |
| --- |
| **Programs**   * Program 2.1 – Consular and Passport Services |
| **Department of Human Services** |
| **Programs**   * Program 1.1 – Services to the Community-Social Security and Welfare |
| **Contribution to Outcome 2 made by linked programs**  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



*Table continued on the following page.*

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



1. This expense does not include $0.55m for Travellers 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 2018-19 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** | Australians overseas are assisted through:   * High-quality consular services, including notarial services and assistance with welfare issues, whereabouts enquiries, arrest or detention matters, deaths, medical emergencies and payment of travellers emergency loans to Australians in need; * High-quality travel advisory services, including issuing accurate and timely travel information on travel destinations, promoting this information through the continuation of the Smartraveller campaign and effectively managing an online travel registration service; * Effective consular contingency planning for major events or high-risk scenarios, including through regular reviews of procedures and available resources, training of staff, and coordination with other government agencies and foreign governments; and * Coordination of whole-of-government responses to large-scale crises involving conflict, civil unrest, natural disasters or terrorist incidents. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2017-18 | * Timely and effective delivery of consular services to Australians overseas, including during crises. * Timely, effective and well-coordinated implementation of whole-of-government responses to large-scale crises overseas. * Timely and accurate information provided to the public, including on responding to incidents and updates to travel advice. | Targets are:   * Met * Partially met * Not met   DFAT expects that these performance criteria will be met during the course of 2017-18. |

*Table continued on the following page.*

Table 2.2.3: Performance criteria for Outcome 2 (continued)

|  |  |  |
| --- | --- | --- |
| 2018-19 | * Timely and effective delivery of consular services to Australians overseas, including during crises. * Timely, effective and well-coordinated implementation of whole-of-government responses to large-scale crises overseas. * Timely and accurate information provided to the public, including on responding to incidents and updates to travel advice. | Through case studies, reviews, surveys or other measures, DFAT will demonstrate whether these performance criteria are:   * Achieved * On track * Not on track |
| 2019-20 and beyond | As per 2018-19 | As per 2018-19 |
| **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:**   * Nil | | |

|  |  |  |
| --- | --- | --- |
| **Program 2.2 – Passport Services** provide Australians access to secure international travel documentation through the delivery of high-quality passport services. | | |
| **Delivery** | Australians are provided with the following passport services:   * High-quality passport services to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud; and * 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. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2017-18 | * High-quality delivery of passport services to clients. * High standards and interoperability of Australian passports and services. * Efficient processing of regular and urgent passport applications. * Prevention, detection and prosecution of passport fraud. | Targets are:   * Met * Partially met * Not met   DFAT expects that these performance criteria will be met during the course of 2017-18. |
| 2018-19 | * Percentage of passports processed within 10 business days. * Percentage of priority passports processed within two business days. * Client use of online passport application. * Detection and prosecution of passport fraud. | Through case studies, reviews, surveys or other measures, DFAT will demonstrate whether these performance criteria are:   * Achieved * On track * Not on track   Specific targets are:   * 95 per cent of passports processed within 10 business days * 98 per cent of priority passports processed within two business days * 70 per cent of persons applying online * 85 per cent satisfaction rate of overall passport service from client survey * 85 per cent satisfaction rate with Australian Passport Information Service from client survey * 100 per cent of identified high risk passport applications scrutinised by specialist staff * 90 per cent of administrative investigations finalised within five business days * 95 per cent of referrals to prosecuting authorities accepted for prosecution |

*Table continued on the following page.*

Table 2.2.3: Performance criteria for Outcome 2 (continued)

|  |  |  |
| --- | --- | --- |
| 2019-20 and beyond | As per 2018-19 | As per 2018-19 |
| **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 2.2 resulting from the following measures:**   * Nil | | |

### 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



*Table continued on the following page.*

Table 2.3.1: Budgeted expenses for Outcome 3 (continued)



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

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

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

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 2018-19 Budget measures have created new programs or materially changed existing programs.

| 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 | | |
| --- | --- | --- |
| **Program 3.1 – Foreign Affairs and Trade Security and IT** works to ensure:   * A secure Australian Government presence overseas for personnel, assets and information by sustaining and improving physical and operational security; and * Strengthened information and communications technology (ICT) capability at Australia’s missions overseas and DFAT and partner agencies offices in Australia. | | |
| **Delivery** | The department is delivering security services and ICT through:   * Strengthened physical and operational security mitigation measures commensurate with the evolving international security environment and enhancing the department’s security culture; * The DFAT Security Framework, which integrates risk management tools; * 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; * Maintaining accessible, reliable and secure departmental ICT systems infrastructure and implementing key elements of the government’s ICT Reform Program and ICT components of the government’s national security policy and objectives; and * High-quality overseas ICT services to 40 partner agencies. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2017-18 | * A strong security culture. * High-quality advice, effective mitigation strategies and timely responses to international security incidents based on considered threat and risk assessments. * An accessible and reliable secure cable network. | Targets are:   * Met * Partially met * Not met   DFAT expects that these performance criteria will be met during the course of 2017-18. |
| 2018-19 | * Positive engagement by staff reflected in breach data, contact reporting, security incident reporting, and staff engagement with security awareness materials. * Application of the DFAT Security Framework risk management tools by staff in Australia and overseas. * Development of a fit-for-purpose ICT global network that supports the Hub-and-Spoke operating model. * Maturing the department’s cyber security posture. | Through case studies, reviews, surveys or other measures, DFAT will demonstrate whether these performance criteria are:   * Achieved * On track * Not on track |

*Table continued on the following page.*

Table 2.3.3: Performance criteria for Outcome 3 (continued)

|  |  |  |
| --- | --- | --- |
|  | * Establishing new service provisioning models and emerging technologies to deliver improved ICT capabilities that are sustainable, affordable and fit-for-purpose. |  |
| 2019-20 and beyond | As per 2018-19 | As per 2018-19 |
| **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:**   * Nil | | |

|  |  |  |
| --- | --- | --- |
| **Program 3.2 – Overseas Property** 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. | | |
| **Delivery** | The department will deliver a secure Australian Government presence overseas through:   * Efficient and effective management and delivery of a substantial construction and refurbishment program in the overseas property estate; * Efficient and effective management of the overseas property estate to meet the government’s requirements and maintain conditions and service capabilities; and * Effective management of outsourced property contract arrangements. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2017-18 | * The construction and refurbishment of departmental overseas property completed within agreed timeframes and budgets. * Asset management plans are in place for all owned properties in the estate. * The majority of tenants rate the performance of the service provider and the Overseas Property Office as good or better. | Targets are:   * Met * Partially met * Not met   DFAT expects that these performance criteria will be met during the course of 2017-18. |
| 2018-19 | * The construction and refurbishment of departmental overseas property completed within agreed timeframes and budgets. * Maintain asset management plans for all owned properties in the estate. * Satisfaction ratings with the performance of the service provider and the Overseas Property Office. | Through case studies, reviews, surveys or other measures, DFAT will demonstrate whether these performance criteria are:   * Achieved * On track * Not on track   Specific targets are:   * Greater than 80 per cent satisfaction ratings of the service provider and Overseas Property Office * Completion of the Major Construction Project in Nairobi, leading to occupancy of the new chancery. |
| 2019-20 and beyond | As per 2018-19 | Through case studies, reviews, surveys or other measures, DFAT will demonstrate whether these performance criteria are:   * Achieved * On track * Not on track   Specific targets are:   * Greater than 80 per cent satisfaction ratings of the service provider and Overseas Property Office |

*Table continued on the following page.*

Table 2.3.3: Performance criteria for Outcome 3 (continued)

|  |  |  |
| --- | --- | --- |
|  |  | * Construction and practical completion of the new building as part of the Major Construction Project in Washington. |
| **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. | |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 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 2018-19 is $1,406.1 million, which represents an increase of $50.0 million in appropriations from 2017-18 as shown in Table 3.1. The increase is primarily attributable to:

* parameter adjustments for overseas and domestic inflation;
* foreign exchange movements; and
* funding for new measures.

The Income Statement shows a budgeted deficit in 2018-19 of $121.7 million due to the removal of appropriation funding for depreciation and amortisation funding under the Net Cash funding arrangements. Adjusting for the changed funding arrangements, the operating result attributable to the department is a surplus of $60.1 million, all of which relates to the Overseas Property Special Account (OPSA).

##### Budgeted Departmental Balance Sheet

The department will receive an equity injection of $22.2 million in 2018-19 for the purchase or construction of new assets. The department will also receive $69.8 million through its Departmental Capital Budget to fund the replacement of existing assets.

For 2018-19, the department’s non-financial asset position is budgeted to be $3,684.2 million at year-end. The major asset component is $3,139.3 million for Land and Buildings.

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

In 2018-19 the department will receive administered appropriation of $3,837.6 million (excluding capital funding) for programs administered on behalf of the government. The increase in appropriations of $185.6 million from 2017-18 is due primarily to an increase in the DFAT component of the Australian Aid Program.

Administered expenses for ‘International Development Assistance’ are budgeted at $3,217.8 million, an increase of $150.5 million from the 2017-18 estimated actual.

Administered expenses for ‘New Multilateral Replenishments are budgeted at $93.0 million, an increase of $69.5 million from the 2017–18 estimated actual due to a new multilateral replenishment being negotiated.

Expenses under ‘Concessional investment discount’ relate to the discounting of the investment components of the replenishments for the International Development Association – the concessional lending arm of the World Bank.

**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 $2,575.3 million and $2,163.3 million respectively for the year ending 30 June 2018.

Administered assets are expected to increase in 2018-19 by $3.5 million.

Administered liabilities are expected to decrease in 2018-19 by $223.0 million. This is due to the liabilities for multilateral replenishments being reduced.

**Schedule of Budgeted Administered Cash Flows**

Administered cash receipts are primarily comprised of receipts from passport and consular services and are budgeted at $779.2 million, an increase of $64.6 million.

Administered cash used in 2018-19 is estimated to increase by $77.7 million compared to 2017-18. 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



*Table continued on the following page.*

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



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



*Table continued on the following page.*

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



\* ‘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 2018-19)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

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



1. Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years’ Departmental Capital Budgets (DCBs).
3. Includes the following sources of funding:

* internally developed assets; and
* proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2018-19)



1. 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2018-19.
2. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2018-19 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)



(a) ‘AIPRD’ Australia-Indonesia Partnership for Reconstruction and Development

Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)



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

(b) 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 2018-19)



1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2018-19 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 promotion agency for international trade and for attracting productive foreign investment to Australia. Austrade leverages the deep commercial knowledge and relationships of our international and domestic networks, and the badge of government, to deliver value for our clients and investors. In some of our overseas locations, Austrade also delivers consular and passport services on behalf of the Australian Government to Australian citizens overseas.

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 current purposes, and how we intend to achieve them, are set out on our website and corporate plan. During 2017–18, Austrade undertook an Organisational Capability Assessment, which resulted in changes to our strategic priorities for the period 2018–22. These changes will be set out in Austrade’s 2018–19 Corporate Plan.

The international economic environment is characterised by a high level of political and policy uncertainty. While economic conditions in Australia’s major export markets and investment sources are broadly favourable, recent shifts away from free trade in some of Australia’s largest trading partners are concerning. Although Australia has not been directly targeted by any measures, there may yet be downstream consequences for Australia from sanctions imposed on our export markets. That uncertainty, coupled with geopolitical risk, also has an impact on the environment for international investment.

To overcome these challenges, Austrade uses our international network and expertise to gather market information. We transform this data into tailored and authoritative intelligence and advice for our clients: Australian exporters, potential overseas investors into Australia and overseas businesses that would like to buy Australian products. The rapidly-changing environment, and our clients’ evolving needs, mean that Austrade is revising what and how we operate.

Over the four-year period commencing in 2018–19, Austrade’s goals are to:

* connect export-ready Australian businesses to overseas opportunities, and work with them to achieve commercial outcomes;
* attract productive foreign investment to Australia;
* work with priority industry sectors to promote Australian capability internationally, and drive sustained long-term growth in Australian exports;
* reduce the impost of time, cost and risk on our clients;
* provide authoritative commercial insights and information to help our clients make informed business decisions;
* inform and influence policy that supports positive trade and investment outcomes;
* provide financial assistance for exporters through programs like the Export Market Development Grants scheme;
* support Australia’s regional exporters through the TradeStart network; and
* contribute to economic diplomacy and protect the welfare of Australians abroad through timely and responsive consular and passport services in specific locations.

To achieve these goals, Austrade’s strategic priorities for 2018­–22 have evolved. We will seek to strengthen our client service delivery by developing an enhanced suite of tailored and strategic services, and a universal service offering to broaden our reach. The delivery of our services will be improved by a policy of digital first: integrated digital platforms that will focus on our clients’ needs, make the best use of the information we hold, and improve efficiency.

To promote Australia and its capability internationally in the most effective way, we will work closely with our partners across government, institutions, and the private sector to deliver seamless services to our clients. By leveraging our knowledge and experience of international markets, we will proactively inform and influence policy. This will also build on our enhanced commercial intelligence capabilities, which we will also use to deliver more valuable insights to our clients. Internally, we will develop our own talent, and promote agile working models.

### 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 2018-19 as at Budget May 2018



1. Appropriation Bill (No.1) 2018-19.
2. Excludes $2.211m subject to quarantine by Finance or withheld under section 51 of the PGPA Act.
3. Excludes Departmental Capital Budget (DCB).
4. Estimated retained revenue receipts under section 74 of the PGPA Act.
5. 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’.
6. Appropriation Bill (No.2) 2018-19.

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.

### 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 2018-19 Budget measures

Part 1: Measures announced since the 2017‑18 Mid-Year Economic and Fiscal Outlook (MYEFO)



(a) This measure is funded through a transfer in appropriation from the Department of Defence to Austrade.

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



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.

## 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-2017-18.pdf.aspx.

The most recent annual performance statement can be found at: <https://www.austrade.gov.au/AR-201617/part-2-report-performance/australian-trade-and-investment-commission-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

|  |
| --- |
| **Department of Foreign Affairs and Trade** |
| **Programs**   * Program 1.1 – Foreign Affairs and Trade Operations * Program 1.6 – Public Information Services and Public Diplomacy * Program 1.7 – Programs to Promote Australia’s International Tourism Interests |
| **Contribution to Outcome 1 made by linked programs**  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. |
| **Department of Industry, Innovation and Science (DIIS)** |
| **Programs**   * Program 1 – Supporting Science and Commercialisation * Program 2 – Growing Business Investment and Improving Business Capability * Program 3 – Program Support |
| **Contribution to Outcome 1 made by linked programs**  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 and the Inbound Innovation Forum. |
| **Department of Education and Training** |
| **Programs**   * Program 2.7 – International Education Support |
| **Contribution to Outcome 1 made by linked program**  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 *Australian International Education 2025* on enabling the sector’s ongoing international growth. |

**Linked programs (continued)**

|  |
| --- |
| **Department of Agriculture and Water Resources** |
| **Programs**   * Program 1.13 –  International Market Access * Program 2.1 – Biosecurity and Export Services |
| **Contribution to Outcome 1 made by linked programs**  The Department of Agriculture and Water Resources works to achieve the best outcomes for Australian agricultural, fisheries and forestry exports. The Department also undertakes activities to preserve Australia’s favourable animal and plant health status, helping maintain overseas markets. |
| **Tourism Australia** |
| **Programs**   * 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) |
| **Contribution to Outcome 1 made by linked program**  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. |
| **Department of Defence** |
| **Programs**   * Program 2.1 – Strategic Policy and Intelligence |
| **Contribution to Outcome 1 made by linked program**  The Government’s Defence Export Strategy will be implemented by the Department of Defence through the Australian Defence Export Office.  This will provide a whole of government coordinated approach to supporting Australian defence industry to grow exports. |
| **Department of Infrastructure, Regional Development and Cities** |
| **Programs**   * Program 3.1 – Regional Development |
| **Contribution to Outcome 1 made by linked program**  The Department of Infrastructure, Regional Development and Cities supports tourism demand-driving infrastructure in Australia’s regions through the Government’s Building Better Regions Fund. |

##### 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



*Table continued on the following page.* **Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**



1. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses and audit fees.

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

Table 2.1.2: Program components of Outcome 1



##### 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 2018-19 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:   * connects export-ready Australian businesses to overseas opportunities and works with them to achieve commercial outcomes * wins productive foreign investment * promotes Australian capability internationally * works with priority industry sectors to drive sustained long-term growth of Australian exports * reduces the time, cost and risk for its clients * provides authoritative commercial insights and information to help clients make informed business decisions * informs and influences policy to support positive trade and investment outcomes * supports Australia’s regional exporters through the TradeStart network | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2017-18 | High level of satisfaction for Ministers, Australian business community, institutions and key partners with Austrade’s services. | **Forecast**: Austrade expects this level of satisfaction to be at least 70%, as measured in surveys and feedback |
| 2018-19 | High level of satisfaction for Ministers, Australian business community, institutions and key partners with Austrade’s services. | **Forecast**: Austrade expects this level of satisfaction to be at least 70%, as measured in surveys and feedback |
| 2019-20 and beyond | As per 2018-19 | As per 2018-19 |
| **Purposes** | 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:   * develop international markets * promote international education * win productive foreign investment * strengthen Australia’s tourism industry | |

|  |  |  |
| --- | --- | --- |
| **Program 1.2** – **Programs to promote Australia’s export and other international economic interests** | | |
| **Delivery** | Austrade administers programs that support Australian businesses’ engagement in international business. It provides financial assistance for exporters through programs like the Export Market Development Grants (EMDG) scheme. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2017-18 | EMDG recipients report that the receipt of a grant encouraged them to increase their export promotion activities | **Forecast**: Austrade expects at least 70% of EMDG recipients to report that receiving a grant in 2017-18 encouraged them to increase their export promotion activities. |
|  | Proportion of seminar and roadshow attendees reporting an increased understanding of how to use and benefit from Free Trade Agreements (FTAs) | **Forecast:** 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 | EMDG recipients report that the receipt of a grant encouraged them to increase their export promotion activities | **Forecast**: Austrade expects at least 70% of EMDG recipients to report that receiving a grant in 2018-19 encouraged them to increase their export promotion activities. |
|  | Proportion of seminar and roadshow attendees reporting an increased understanding of how to use and benefit from FTAs | **Forecast:** Austrade expects at least 85% of seminar and roadshow attendees to report increased understanding of how to use and benefit from FTAs in 2018-19, as measured by feedback forms. |
| 2019-20 and beyond | As per 2018-19 | As per 2018-19 |
| **Purposes** | 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:   * develop international markets * promote international education * win productive foreign investment * strengthen Australia’s tourism industry | |

### 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

| **Department of Foreign Affairs and Trade** |
| --- |
| **Programs**   * Program 2.1 – Consular Services * Program 2.2 – Passport Services * Program 3.1 – Foreign Affairs and Trade Security and IT * Program 3.2 – Overseas Property |
| **Contribution to Outcome 2 made by linked programs**  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. |

##### 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



1. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

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#### 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 2018-19 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** | **Targets** |
| 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 | Timely and effective delivery of consular and passport services to Australians overseas | Meets DFAT’s standards for provision of consular and passport services |
| 2019-20 and beyond | As per 2018-19 | As per 2018-19 |
| **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 2018-19 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 2017-18 and the estimated revenue and expenses for 2018-19 and forward years.

Total income in 2018-19 is estimated to be $229.1 million, which represents an increase of $13.5 million in appropriations from the 2017-18 estimated actual shown at Table 3.2.1. The increase is a result of:

* increased funding to develop the Nation Brand announced in the 2017 Foreign Policy White Paper – a net increase of $3.2 million;
* reduced savings target for the Foreign Affairs and Trade Portfolio Savings – a net increase of $1.9 million;
* a one-off movement of departmental appropriation from 2017-18 to 2018-19 to fund the Approved Destination Status Scheme – a net increase of $5.2 million;
* a one-off reduction to departmental appropriation revenue in 2017-18 due to the movement of funds from operating to capital – a net increase of $1.1 million; and
* foreign exchange adjustments – a net increase of $2.2 million.

Austrade is receiving funding of $14.1 million to fund the Departmental Capital Budget which is treated as an equity injection. An additional $1.4 million of capital expenditure is available from the existing equity injection.

Total estimated expenses for 2018-19 have increased by $12.9 million to reflect the increase in income.

##### Budgeted departmental balance sheet

This statement discloses the estimated end of year financial position for Austrade. Austrade’s budgeted net asset position of $63.8 million at the end of 2018-19 represents a decrease of $1.1 million from the 2017-18 estimated actual in Table 3.2.2. This is mainly due to the variation between capital program funding ($15.5 million) and estimated depreciation expense ($16.5 million).

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

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

Total equity at the end of 2018-19 is estimated to be $63.8 million, a decrease of $1.1 million mainly due to the variation between capital program funding ($15.5 million) and estimated depreciation expense ($16.5 million).

##### Budgeted departmental statement of cash flows

This statement shows the extent and nature of cash flows as a result of Austrade’s operating, investing and financing activities. Austrade’s cash balance at the end of 2018-19 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 $140.9 million for 2018-19 relate to the EMDG Scheme ($137.9 million), Free Trade Agreement Promotion ($0.8 million) and Developing Northern Australia - positioning the north as a leader in tropical health ($2.2 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.

##### 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 2018-19 are estimated at $0.1 million and $20.1 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



*Table continued on 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**



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



\*’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 2018-19)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

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



1. Includes both current Bill 2 and prior Act 2/4/6 appropriations.
2. 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 2018-19)



(a) ‘Appropriation equity’ refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2018-19, including CDABs.

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)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

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



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, 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 development assistance program, supporting research collaboration while emphasising human capacity building and private sector-led development, targeted at improved livelihoods in agriculture, forestry and fisheries.

ACIAR’s research portfolio covers crops, horticulture, livestock, fisheries, forestry, natural resources, water and climate, economics, policy and social sciences. Our work aims to contribute to poverty reduction and improved regional security in:

* Papua New Guinea and Pacific island countries;
* East Asia;
* South and West Asia; and
* Eastern and Southern Africa.

ACIAR works to ensure that our research programs pay particular attention to ACIAR’s six strategic objectives:

1. **Food security and poverty reduction** – Improving food security and reducing poverty among smallholder farmers and rural communities
2. **Natural resources and climate change** – Managing natural resources and producing food more sustainably, adapting to climate variability and mitigating climate change
3. **Human health and nutrition** – Enhancing human nutrition and reducing risks to human health
4. **Gender equity and women’s empowerment** – Improving gender equity and empowerment of women and girls
5. **Inclusive value chains** – Fostering more inclusive agrifood and forestry market chains, engaging the private sector where possible
6. **Capacity Building** – Building scientific and policy capability within our partner countries

These objectives are consistent with the Australian Government’s development assistance policy and the 2030 agenda for Sustainable Development.

Around 65 per cent of our research expenditure is implemented though bilateral arrangements between ACIAR and partner countries in the Indo-Pacific region.  In 2018-19 ACIAR will focus on developing new long-term agreements for research collaboration with Papua New Guinea, the Pacific, Timor-Leste, the Philippines, Pakistan and Eastern and Southern Africa.  In most countries and regions, these agreements will put into effect a program of research collaboration that is more consolidated geographically and thematically.  They will also detail the intent for co-investment by some countries.  We will continue to maintain permanent representation in 10 countries.

As a part of our statutory mandate, ACIAR manages Australia’s investment in the global agricultural research system, chief among which is the CGIAR. ACIAR is a member of the CGIAR System Council and an observer on the System Management Board. ACIAR will strengthen our regional research support to other multilateral institutions, including the Asia-Pacific Association of Agricultural Research Institutions, the Centre for Agriculture and Bioscience International, the World Vegetable Centre and the Pacific Community to promote and support collaborative research initiatives that progress our six strategic objectives in the region.

ACIAR will grow its research co-investments with larger donors such as DFAT, the Canadian International Development Research Centre and Syngenta Foundation for Sustainable Agriculture and seek to engage with other private sector donors where appropriate.

### 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 2018-19 as at Budget May 2018



(a) Appropriation Bill (No. 1) 2018-19.

(b) Estimated retained revenue receipts under section 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 trust money and “other CRF money” held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Moneys accounts (SOETM)). For further information on special 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.

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

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

### 1.3 Budget measures

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

Table 1.2: Entity 2018-19 Budget measures

Part 1: Measures announced since the 2017‑18 Mid-Year Economic and Fiscal Outlook (MYEFO)



(a) The lead entity for the measure titled Maintaining the level of Official Development Assistance is the Department of Foreign Affairs and Trade. Refer to Budget Paper No. 2 for further details on this measure.

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.

## 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://aciar.gov.au/publication/cp2017-2020

The most recent annual performance statement can be found at: http://aciar.gov.au/publication/ar2016-17

### 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



1. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act*.*
2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

##### 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 2018-19 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 an investor, broker, facilitator and manager of strategic partnerships in agricultural research for development, and an evaluator and communicator of research findings.  ACIAR’s partnership model ensures that partner countries have input into and ownership of research priorities and the delivery of research programs. This approach maximises the relevance of the research undertaken and the likelihood that research outputs and findings will be used and will make a difference to those countries and to Australia. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2017-18 | Food security and poverty reduction  Human health and nutrition   Natural resources and climate change   Value chains and private sector engagement   Empowering women and girls    Capacity building | * 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 | Food security and poverty reduction  Natural resources and climate change | * Improved food security and reducing poverty among smallholder farmers and rural communities * Managing natural resources and producing food more sustainably, adapting to climate variability and mitigating climate change |

*Table continued on the following page.*

**Table 2.2: Performance criteria for Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| 2018-19 (cont.) | Human health and nutrition  Gender equity and women’s empowerment  Inclusive value chains  Capacity Building | * Enhancing human nutrition and reducing risks to human health * Improving gender equity and empowerment of women and girls * Fostering more inclusive agrifood and forestry market chains, engaging the private sector where possible * Building scientific and policy capability within our partner countries |
| 2019-20 and beyond | As per 2018-19 | As per 2018-19 |
| **Purposes** | 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 2018-19 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



*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**



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



\* 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 2018-19)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

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



1. Does not include annual finance lease costs. Includes purchases from current and previous years’ Departmental capital budgets (DCBs).
2. s 74 Retained revenue receipts.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2018-19)



1. '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)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

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



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 2018-19 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 2018-19 as at Budget May 2018



1. Appropriation Bill (No.1) 2018-19.
2. Estimated retained revenue receipts under section 74 of the PGPA Act.
3. 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’.
4. Appropriation Bill (No.2) 2018-19.

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.

### 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 2018-19 Budget measures

Part 1: Measures announced since the 2017‑18 Mid-Year Economic and Fiscal Outlook (MYEFO)



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



(a) Estimated expenses incurred in relation to receipts under section 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 2018-19 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



1. From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) being 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)



\* ‘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 2018-19)



Prepared on Australian Accounting Standards basis.

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



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

Tourism Australia is Australia’s national tourism marketing organisation that promotes Australia internationally as a compelling tourism destination for leisure and business events travel.

##### 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 2018-19.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  |  | | --- | --- | --- | | EXTERNAL CHANGES IMPACTING AUSTRALIAN TOURISM | | IMPLICATIONS FOR TOURISM AUSTRALIA | | Economic | * The outlook for the global economy is improving. Global gross domestic product (GDP) is forecast to grow 3.6 per cent in 2018. Advanced economies such as the USA, Japan and the UK are forecast to grow around 2 per cent in 2018. Asian economies, including China, India and Indonesia, are expected to perform well, with forecast growth above 5 per cent. [[1]](#footnote-1) * An increasing number of destinations are investing in tourism, recognising its economic and social benefits. In 2016, it contributed 10 per cent of global GDP and accounted for one in 10 jobs. * Australia’s tourism industry is a significant contributor to our national economy, growing 17 per cent in the past four years, much faster than our national economy. | * Overall positive macro-economic environment, with improving consumer confidence across Tourism Australia’s key markets. * Continued global competition for market share from other destinations such as Japan, Thailand and New Zealand. | | Marketing channels | * Digital disruption will continue to impact how we operate and communicate with target consumers. Programmatic advertising and media buying are fundamental to success. * Continued importance of digital, video and content to reach target consumers. * Continued relevance of Australia’s competitiveness in food and wine; natural beauty; and nature and wildlife. | * Continue to develop Tourism Australia as a connected, digitally focused marketing organisation. * Continued focus on Australia’s competitive advantages as a destination, such as food and wine; natural beauty; and nature and wildlife. Supported by an increased focus on Business Events and signature experiences. * Continued focus on Youth and the Working Holiday Maker market. * Continue with Australia’s positioning of There’s nothing like Australia and supporting campaigns such as Dundee; Aquatic and Coastal; Restaurant Australia; and Aussie News Today. | | Consumer | * Increasing share of Independent Travellers to Australia from key source markets such as China, Japan and India. * Almost 50 per cent of all international visitors to Australia will be from Asian markets who will outperform more traditional Western markets (excluding the USA). * Increasing demand for experiential travel, particularly for food and wine, natural beauty and wildlife experiences. * Increasing use of mobile and direct transactions between consumers and tourism experiences and products. | * Continue to make the most of consumer and technology trends; work with industry to connect travellers to experiences. * Increased strategic focus on Asian markets. * Continued focus on the High Value Traveller (HVT). | | Travel industry | * Projected growth of global aviation capacity of 7 per cent in the next four years versus 4 per cent growth in Australia. * Investment pipeline of more than 30,000 rooms with a projected 7,000 rooms to come on-line in Australia during 2018-19. * Continued disruption of the tourism industry with the rise of the ‘Sharing Economy’ and increased presence of online travel agencies and other digital experiences. * Increased prominence of electronic payment mechanisms for some markets (for example, Alipay, We-Chat Pay, Apple Pay). | * Continue to analyse and understand industry developments impacting demand for Australia as a tourism destination. * In partnership with Austrade, focus on investment attraction initiatives for metropolitan and regional Australia. * Continued partnership activities with the aviation sector. | |

##### 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.

The industry has set a goal to increase overnight tourism expenditure from $70 billion in 2009 to between $115 billion and $140 billion in 2020. In 2018-19, Tourism Australia’s goal is to increase overnight tourism expenditure by 6 per cent to $115.5 billion.

##### Strategies

**Customer strategy**: Target high value leisure and business events travellers.

Leisure target customers travel long haul (out of region) on a regular basis. Australia is in their consideration set and their travel interests align with Australia’s destination strengths in aquatic and coastal attractions, food and wine, nature and wildlife experiences. Tourism Australia’s Business Events target customers are in two sectors – associations and incentives. Activities targeting Youth and Working Holiday Makers will continue to be supported by the Australian Government’s Working Holiday Maker Fund.

**Markets strategy:** Invest in markets that present the best potential to deliver high spending consumers to 2020 and beyond.

From 2018-19, Tourism Australia’s leisure marketing framework will be further refined to better deliver on the marketing challenges in each market and to take advantage of their forecast value to 2025. Market categories for Business Events remain unchanged.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| market categories | | | | |
| Leisure marketing | | | | |
| category | Stars | Solid deliverers | Deliverers, distribution focused | Rising stars |
| value by 2025 | >$6 billion | >$2 billion | >$2 billion | >$1.6 billion |
| markets | China, UK, USA | Germany, Hong Kong, Japan, Malaysia, Singapore | Canada, France, Italy, South Korea | India, Indonesia |
| Business evens marketing | | | | |
| category | Incentive | | Association | |
| markets | Greater China, USA, NZ | | UK/Europe, USA | |

**Leisure 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, leveraging partnerships to boost customer reach, reinforce messaging and converting 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 Australia’s aquatic and coastal attractions, food and wine, and nature and wildlife. Competitive positioning will be strengthened by a range of support activities that promote Indigenous tourism, youth, and special interest tourism experiences. Marketing campaigns will be delivered through social media, content, our websites (Australia.com and Australia.cn), targeted global media buying and personalization, and by taking advantage of consumer travel buying behaviours.

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

Through its dedicated unit, Business Events Australia (BEA), Tourism Australia delivers 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 actively collaborates with government and industry. We secure commercial partnerships to extend our 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; 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, 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 2018-19 as at Budget May 2018



(a) Appropriation Bill (No. 1) 2018-19.

(b) Asia Marketing Fund and Working Holiday Makers.

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

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.

## 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/content/dam/assets/document/1/6/x/6/a/2002546.pdf>

The most recent annual performance statement can be found at: http://www.tourism.australia.com/content/dam/assets/document/1/6/z/6/s/2005156.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

|  |
| --- |
| **Department of Foreign Affairs and Trade** |
| **Programs**   * Program 1.7 - Programs to Promote Australia’s International Tourism Interests |
| **Contribution to Outcome 1 made by linked program**  The program provides funding to Tourism Australia to deliver Outcome 1. |
| **Austrade** |
| **Programs**   * Program 1.2 - Programs to promote Australia’s export and other international economic interests |
| **Contribution to Outcome 1 made by linked program**  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. |
| **Department of Infrastructure and Regional Development** |
| **Programs**   * Program 2.4 - Air Transport * Program 3.1 - Regional Development |
| **Contribution to Outcome 1 made by linked programs**  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.  Tourism Australia also 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. |

##### 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



(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



(a) Includes estimated expenses incurred in relation to the measure *Working Holiday Makers – employer register and compliance*; and the 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 2018-19 Budget measures have created new programs or materially changed existing programs.

| Outcome 1 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 1.1.1** – **Grow demand**  Objective:Identify and target best prospect consumers, inspire them to travel to Australia and to spend more and travel widely throughout Australia. | | |
| **Delivery** | **Target groups:** high-value leisure travellers and Business Events decision-makers in key international markets.  Activities to target leisure travellers in key international markets include:   * Consumer research to build knowledge about what motivates the target customer when choosing a travel destination * Campaigns in partnership with commercial partners, state and territory tourism organisations * Marketing activities to stimulate target customers, including brand advertising and promotions, broadcasts, public relations, international media hosting, content development and social media * Collaboration 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.   Activities to target Business Events decision-makers in key international markets include:   * Consumer research to build knowledge of the needs of incentive and association decision-makers when choosing destinations for meetings, associations and incentives and to understand the needs and decision-making patterns of individual delegates * Delivering activities to promote Australia as a business events destination, including trade events, buyer and agent familiarisation visits, direct marketing and public relations. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2017-18 | Tourism 2020: Overnight tourism expenditure  International tourism expenditure  International tourism visitors  Total expenditure from Tourism Australia (TA) target markets  Leisure expenditure from TA target markets  Business Events spend from TA target markets  Earned advertising value from TA marketing activities  Total unique visitors to TA websites  Destination brand – consumer considering Australia | $109.0 billion  $42.6 billion  9.2 million  $34.2 billion  $18.9 billion  $2.0 billion  $300 million  34 million  38 per cent |

*Table continued on following page.*

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2018-19 | Tourism 2020: Overnight tourism expenditure  International tourism expenditure  International tourism visitors  Total expenditure from TA target markets  Leisure expenditure from TA target markets  Business Events spend from TA target markets  Earned advertising value from TA marketing activities  Total unique visitors to TA websites  Destination brand – consumer considering Australia | | $115.5 billion  $44.9 billion  9.8 million  $36.1 billion  $19.6 billion  $2.1 billion  $320 million  34 million  40% | |
| 2019-20 and beyond | Tourism 2020: Overnight tourism expenditure  International tourism expenditure  International tourism visitors  Total expenditure from TA target markets  Leisure expenditure from TA target markets  Business Events spend from TA target markets  Earned advertising value from TA marketing activities  Total unique visitors to TA websites  Destination brand – consumer considering Australia | | $137.5 billion\*  $52.8 billion\*  11.8 million\*  $42.4 billion\*  $22.0 billion\*  $2.4 billion\*  $350 million\*  37.1 million\*  46%\* | |
| **Program component 1.1.2 – Industry development**  Objective: An Australian tourism industry that is competitive and sustainable and delivers on the needs of the target customer. | | | | |
| **Delivery** | | **Target group:** The Australian tourism industry and trade and distribution partners in key international markets.  Key activities:   * Development of the distribution system * Provision of platforms to do business * Support of supply-side industry goals * Dissemination of insights and engagement of industry stakeholders. | | |
| **Performance information** | | | | |
| **Year** | | **Performance criteria** | | **Targets** |
| 2017-18 | | Stakeholders indicate TA adds value to their business  Stakeholder Net Promoter Score – Stakeholders recommend working with TA | | >90%  40 |
| 2018-19 | | Stakeholders indicate TA adds value to their business  Stakeholder Net Promoter Score – Stakeholders recommend working with TA | | >90%  45 |
| 2019-20 and beyond | | Stakeholders indicate TA adds value to their business  Stakeholder Net Promoter Score – Stakeholders recommend working with TA | | >90%\*  51\* |

\*Targets for 2021-22

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 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 2018-19 is estimated at $167.6 million and consists of government funding of $149.0 million, and revenue from other sources of $18.6 million. The government funding includes (1) appropriations of $132.5 million; (2) $14 million for the Asia Marketing Fund; and (3) $2.5 million for the Working Holiday Makers measure.

Changes from 2017-18 include:

* An increase in appropriation for 2018-19 due to the application of parameter adjustments such as foreign exchange movements, domestic inflation and the efficiency dividend.
* Both the Asia Marketing Fund and the Working Holiday Makers budget measure are protected from indexation and the efficiency dividend (which apply to appropriations).

Corresponding total expenses are also estimated to be $167.6 million. Funding for Working Holiday Makers has decreased to $2.5 million in 2018-19 (from $5 million in 2017-18).

**Budgeted departmental balance sheet**

Tourism Australia is budgeting a net asset position of $20 million in 2018-19. Net assets are projected to remain the same beyond 2018-19.

### 3.2 Budgeted financial statements tables

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



(a) Departmental: Appropriation Bill (No. 1) 2018-19 and appropriation provided by portfolio department: Asia Marketing Fund and Working Holiday Makers.

Prepared on Australian Accounting Standards basis.

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



\* 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 2018-19)**



Prepared on Australian Accounting Standards basis.

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



(a) Departmental: Appropriation Bill (No. 1) 2018-19

(b) Asia 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)



(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 2018-19)



(a) ‘Appropriation ordinary annual services’ refers to funding provided through Appropriation Bill (No. 1) 2018-19 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis

Portfolio glossary

|  |  |
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| 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. |
| 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. |
| Program | Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement. |
| Quality | One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between the user’s expectations and experiences. |
| Quantity | One of the three key efficiency indicators. Examples include: the size of a 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 *Public Governance, Performance and Accountability Act 2013* (PGPA Act)) or through an Act of Parliament (section 80 of the PGPA Act). |
| Special Appropriations (including Standing Appropriations) | An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For Special Appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year. Standing Appropriations are a sub‑category consisting of ongoing Special Appropriations - the amount appropriated will depend on circumstances specified in the legislation. |

1. Tourism Research Australia, *Tourism Forecasts 2017* [↑](#footnote-ref-1)