



Budget 2018-19

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

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

The Hon Julie Bishop MP
Minister for Foreign Affairs

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

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

Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

Enquiries

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

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

**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.

Enhanced Commonwealth Performance Framework - key components of relevant publications

Portfolio Budget Statements (May) *Portfolio based*

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

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

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

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

Corporate Plan (August) *Entity based*

Primary planning document of a Commonwealth entity.

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

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

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



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

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

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

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

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PORTFOLIO OVERVIEW

FOREIGN AFFAIRS AND TRADE PORTFOLIO OVERVIEW

Ministers and portfolio responsibilities

The four portfolio ministers are:

- the 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.

Portfolio overview

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



**ENTITY RESOURCES AND
PLANNED PERFORMANCE**

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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

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	389,627	339,439
Departmental appropriation (c)	1,359,553	1,406,137
s74 Retained revenue receipts (d)	112,228	112,728
Departmental capital budget (e)	46,501	69,765
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	24,355	11,466
Equity injection	71,408	22,182
Total departmental annual appropriations	2,003,672	1,961,717
Special accounts (g)		
Opening balance	103,205	286,352
Appropriation receipts (h)	82,842	78,728
Appropriation receipts from other entities (i)	29,988	35,497
Non-appropriation receipts	217,550	6,147
Total special accounts	433,585	406,724
<i>less departmental appropriations drawn from annual appropriations and credited to special accounts</i>	<i>82,842</i>	<i>78,728</i>
Total departmental resourcing	2,354,415	2,289,713
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	3,651,242	3,836,822
Outcome 2	750	750
Administered capital budget (j)	443	504
Payments to corporate entities (k)	129,308	132,488
Annual appropriations - other services - non-operating (f)		
Administered assets and liabilities	150	-

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)

	2017-18 <i>Estimated actual</i> \$'000	2018-19 Estimate \$'000
Total administered annual appropriations	3,781,893	3,970,564
Total administered special appropriations	1,010	1,010
<i>less payments to corporate entities from annual appropriations</i>	129,308	132,488
Total administered resourcing	3,653,595	3,839,086
Total resourcing for DFAT	6,008,010	6,128,799
	2017-18	2018-19
Average staffing level (number)	5,700	5,741

Third party payments from and on behalf of other entities

	2017-18 <i>Estimated actual</i> \$'000	2018-19 Estimate \$'000
Receipts received from other entities for the provision of services (disclosed above in s74 Retained revenue receipts section above)	112,228	112,728
Payments made to corporate entities within the Portfolio		
Tourism Australia Appropriation	129,308	132,488

- (a) Appropriation Bill (No. 1) 2018-19.
- (b) 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)
- (c) Excludes departmental capital budget (DCB).
- (d) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (f) Appropriation Bill (No. 2) 2018-19.
- (g) 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.
- (h) Amounts credited to the special account(s) from DFAT's annual appropriation.
- (i) Amounts credited to the special account(s) from other entity's annual appropriations.
- (j) 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'.
- (k) '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)

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Revenue measures						
Timor-Leste Conciliation	1.1					
Departmental revenues		-	nfp	nfp	nfp	nfp
Total revenue measures		-	nfp	nfp	nfp	nfp
Expense measures						
2017 Foreign Policy White Paper – initiatives	1.1					
Departmental expenses		-	8,141	8,245	8,240	8,214
Total		-	8,141	8,245	8,240	8,214
Assistance to Papua New Guinea for hosting APEC 2018	1.1					
Departmental expenses		-	8,390	2,708	1,994	2,008
Total		-	8,390	2,708	1,994	2,008
Australia's Participation in a Dutch National Prosecution of those responsible for downing Malaysia Airlines flight MH17	1.1, 1.4					
Administered expenses		-	9,241	9,392	9,394	9,397
Departmental expenses		-	2,396	3,309	3,461	3,727
Total		-	11,637	12,701	12,855	13,124
Australian Participation in Expo 2020 Dubai	1.1					
Administered expenses		-	nfp	nfp	nfp	nfp
Total		-	nfp	nfp	nfp	nfp
Undersea Cables for Papua New Guinea and Solomon Islands	1.2					
Administered expenses		nfp	nfp	nfp	-	-
Total		nfp	nfp	nfp	-	-
Maintaining the Level of Official Development Assistance	1.2					
Administered expenses		-	(9,844)	(9,839)	(9,832)	(110,088)
Total		-	(9,844)	(9,839)	(9,832)	(110,088)
Total expense measures						
Administered		-	(603)	(447)	(438)	(100,691)
Departmental		-	18,927	14,262	13,695	13,949
Total		-	18,324	13,815	13,257	(86,742)
Capital measures						
2017 Foreign Policy White Paper – initiatives	1.1					
Departmental expenses		-	1,398	5,595	318	-
Total capital measures		-	1,398	5,595	318	-

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

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Measures						
2017 Foreign Policy White Paper (a)	1.1					
Departmental expenses		1,089	2,756	1,835	1,848	-
Departmental capital		51	1,458	-	-	-
Total		1,140	4,214	1,835	1,848	-
Restrict Overseas Travel by Child Sex Offenders (b)	2.2					
Departmental expenses		2,131	740	697	473	133
Total		2,131	740	697	473	133
Pacific Labour Scheme (c)	1.2					
Administered expenses		(3,664)	(2,579)	(2,796)	(3,035)	3,055
Total		(3,664)	(2,579)	(2,796)	(3,035)	3,055
Seasonal Worker Programme – improving take-up and streamlining administration (d)	1.2					
Administered expenses		(2,361)	278	(25)	15	18
Total		(2,361)	278	(25)	15	18
Total measures						
Administered		(6,025)	(2,301)	(2,821)	(3,020)	-
Departmental		3,271	4,954	2,532	2,321	-
Total		(2,754)	2,653	(289)	(699)	-

(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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Program 1.1 – International Agricultural Research For Development For More Productive and Sustainable Agriculture
Australian Federal Police
Programs <ul style="list-style-type: none"> • Program 1.2 – International Police Assistance
Austrade
Programs <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Program 2.8 – Australian Defence Force Headquarters

Table continued on the following page.

Linked programs (continued)

Department of Home Affairs
Programs <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Program 1.1 – Services to the Community-Social Security and Welfare
Department of Industry, Innovation and Science
Programs <ul style="list-style-type: none"> • Program 1 – Science and Commercialisation • Program 2 – Growing Business Investment and Improving Business Capability
Department of Education and Training
Programs <ul style="list-style-type: none"> • Program 2.7 – International Education Support
Tourism Australia
Programs <ul style="list-style-type: none"> • 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

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	2017-18 Revised Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Foreign Affairs and Trade Operations					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	6,573	6,800	6,901	7,008	7,028
Special appropriations: <i>PGPA Act s77</i>	100	100	100	100	100
Expenses not requiring appropriation in the Budget year (a)	1,300	1,300	1,300	1,100	1,100
Administered total	7,973	8,200	8,301	8,208	8,228
Departmental expenses					
Departmental appropriation	557,593	579,289	540,860	548,126	548,881
s74 Retained revenue receipts (b)	112,228	112,728	97,228	97,228	97,228
Expenses not requiring appropriation in the Budget year (c)	142,689	139,037	143,064	145,241	134,885
Departmental total	812,510	831,054	781,152	790,595	780,994
Total expenses for program 1.1	820,483	839,254	789,453	798,803	789,222
Program 1.2: Official Development Assistance					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	3,067,342	3,217,811	3,231,275	3,229,433	3,216,961
Expenses not requiring appropriation in the Budget year (c)	500	500	500	500	500
Administered total	3,067,842	3,218,311	3,231,775	3,229,933	3,217,461
Departmental expenses					
Departmental appropriation	248,927	255,151	258,978	262,863	266,806
Departmental total	248,927	255,151	258,978	262,863	266,806
Total expenses for program 1.2	3,316,769	3,473,462	3,490,753	3,492,796	3,484,267

Table continued on the following page.

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2017-18 Revised Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.3: Official Development Assistance - Multilateral Replenishments					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	23,502	93,000	733,450	23,502	-
Other services (Appropriation Bill No. 2)	-	-	462,000	-	-
Expenses not requiring appropriation in the Budget year (d)	-	-	401,760	-	-
Administered total	23,502	93,000	1,597,210	23,502	-
Total expenses for program 1.3	23,502	93,000	1,597,210	23,502	-
Program 1.4: Payments to International Organisations					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	466,368	445,026	468,383	492,874	504,973
Administered total	466,368	445,026	468,383	492,874	504,973
Total expenses for program 1.4	466,368	445,026	468,383	492,874	504,973
Program 1.5: New Colombo Plan - Transforming Regional Relationships					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	50,933	50,933	50,933	50,933	50,933
Other services (Appropriation Bill No. 2)	150	-	-	-	-
Administered total	51,083	50,933	50,933	50,933	50,933
Total expenses for program 1.5	51,083	50,933	50,933	50,933	50,933
Program 1.6: Public Information Services and Public Diplomacy					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	6,752	6,752	6,752	6,752	6,752
Administered total	6,752	6,752	6,752	6,752	6,752
Total expenses for program 1.6	6,752	6,752	6,752	6,752	6,752

Table continued the on following page.

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2017-18 Revised Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.7: Programs to Promote Australia's International Tourism Interests					
Administered expenses					
Tourism Australia - Corporate Commonwealth Entity	129,308	132,488	132,754	138,055	142,219
Ordinary annual services (Appropriation Bill No. 1)	19,000	16,500	14,000	19,923	19,981
Administered total	148,308	148,988	146,754	157,978	162,200
Total expenses for program 1.7	148,308	148,988	146,754	157,978	162,200
Outcome 1 Totals by appropriation type					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1)	3,640,470	3,836,822	4,511,694	3,830,425	3,806,628
Special appropriations: <i>PGPA Act s77</i>	100	100	100	100	100
Corporate Commonwealth Entity	129,308	132,488	132,754	138,055	142,219
Other services (Appropriation Bill No. 2)	150	-	462,000	-	-
Expenses not requiring appropriation in the Budget year	1,800	1,800	403,560	1,600	1,600
Administered total	3,771,828	3,971,210	5,510,108	3,970,180	3,950,547
Departmental expenses					
Departmental appropriation	806,520	834,440	799,838	810,989	815,687
s74 Retained revenue receipts (b)	112,228	112,728	97,228	97,228	97,228
Expenses not requiring appropriation in the Budget year (a, c and d)	142,689	139,037	143,064	145,241	134,885
Departmental total	1,061,437	1,086,205	1,040,130	1,053,458	1,047,800
Total expenses for Outcome 1	4,833,265	5,057,415	6,550,238	5,023,638	4,998,347

	2017-18	2018-19
Average staffing level (number)	3,756	3,781

- (a) Expenses not requiring appropriation in the Budget year relates to the Export Finance Insurance Corporation administrative fee.
- (b) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
- (c) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees.
- (d) Expenses not requiring appropriation in the Budget year relates to the concessional investment discount for the discounting of the investment component for the International Development Association.

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

	2017-18 Revised Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
1.1.1 - Component 1: Foreign Affairs and Trade Operations					
Annual administered expenses:					
International Climate Change Engagement	3,000	3,000	3,000	3,000	3,000
Personal Benefits - Locally Engaged Staff pension schemes	2,879	2,789	2,872	2,961	2,961
Other Administered Items	694	1,011	1,029	1,047	1,067
Special appropriations: PGPA Act s77	100	100	100	100	100
Expenses not requiring appropriation in the Budget year					
Efic - National Interest Account Expenses	1,300	1,300	1,300	1,100	1,100
Departmental expenses					
Departmental appropriation	557,593	579,289	540,860	548,126	548,881
s74 Retained revenue receipts	112,228	112,728	97,228	97,228	97,228
Expenses not requiring appropriation in the Budget year	142,689	139,037	143,064	145,241	134,885
Total Component 1.1.1 expenses	820,483	839,254	789,453	798,803	789,222

Program 1.2: Official Development Assistance

	2017-18 Revised Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
1.2.1 - Component 2: Official Development Assistance					
Annual administered expenses:					
Country programs	1,587,688	1,651,410	1,564,148	1,507,548	1,515,648
Regional programs	655,000	758,318	762,089	854,693	836,363
Global programs	424,998	398,368	405,038	367,192	364,951
Humanitarian and emergency response programs	399,656	409,715	500,000	500,000	500,000
Expenses not requiring appropriation in the Budget year	500	500	500	500	500
Departmental expenses					
Departmental appropriation	248,927	255,151	258,978	262,863	266,806
Total Component 1.2.1 expenses	3,316,769	3,473,462	3,490,753	3,492,796	3,484,267

Table continued on the next page.

Table 2.1.2: Program components of Outcome 1 (continued)**Program 1.7: Programs to Promote Australia's International Tourism Interests**

	2017-18	2018-19	2019-20	2020-21	2021-22
1.7.1 - Component 7: Programs to Promote Australia's International					
Annual administered expenses:					
Tourism Australia - Corporate Commonwealth Entity	129,308	132,488	132,754	138,055	142,219
Asia Marketing Fund	14,000	14,000	14,000	19,923	19,981
Working Holiday Makers - employer registration and compliance	5,000	2,500	-	-	-
Total Component 1.7.1 expenses	148,308	148,988	146,754	157,978	162,200

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: <ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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.	<p>Targets are:</p> <ul style="list-style-type: none">• Met• Partially met• Not met <p>DFAT expects that these performance criteria will be met during the course of 2017-18.</p>

Table continued on the following page.

Table 2.1.3: Performance criteria for Outcome 1 (continued)

	<ul style="list-style-type: none">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	<ul style="list-style-type: none">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: <ul style="list-style-type: none">AchievedOn trackNot 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:		
<ul style="list-style-type: none">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, <i>Australian aid: promoting prosperity, reducing poverty, enhancing stability</i> shapes the way Australia delivers its Official Development Assistance (ODA). It focuses on two development outcomes: supporting private sector development and strengthening human development. Australia's ODA investments focus on six priority areas: <ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program's performance framework, <i>Making Performance Count</i>.• Detailed reporting against the performance framework, including individual program and investment performance, will be published annually in the <i>Performance of Australian Aid</i> report.	Targets are: <ul style="list-style-type: none">• Met• Partially met• Not met DFAT expects that these performance criteria will be met during the course of 2017-18.
2018-19	<ul style="list-style-type: none">• Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program's performance framework, <i>Making Performance Count</i>.• Detailed reporting against the performance framework, including individual program and investment performance, will be published annually in the <i>Performance of Australian Aid</i> report.	Through case studies, reviews, surveys or other measures, DFAT will demonstrate whether these performance criteria are: <ul style="list-style-type: none">• 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:		
<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program’s performance framework, <i>Making Performance Count</i>.• Detailed reporting against the performance framework, including for multilateral replenishments, will be published annually in the <i>Performance of Australian Aid</i> report.	Targets are: <ul style="list-style-type: none">• Met• Partially met• Not met DFAT expects that these performance criteria will be met during the course of 2017-18.
2018-19	<ul style="list-style-type: none">• Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program’s performance framework, <i>Making Performance Count</i>.• Detailed reporting against the performance framework, including for multilateral replenishments, will be published annually in the <i>Performance of Australian Aid</i> report.	Through case studies, reviews, surveys or other measures, DFAT will demonstrate whether these performance criteria are: <ul style="list-style-type: none">• 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:		
<ul style="list-style-type: none">• Nil		

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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: <ul style="list-style-type: none">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; andAssist 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	<ul style="list-style-type: none">The department’s contributions shape multilateral outcomes in accordance with Australia’s interests.High-quality leadership of government strategies on multilateral issues.	Targets are: <ul style="list-style-type: none">MetPartially metNot met DFAT expects that these performance criteria will be met during the course of 2017-18.
2018-19	<ul style="list-style-type: none">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: <ul style="list-style-type: none">AchievedOn trackNot 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:		
<ul style="list-style-type: none">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	<ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• Met• Partially met• Not met DFAT expects that these performance criteria will be met during the course of 2017-18.
2018-19	<ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• 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:		
<ul style="list-style-type: none">• Nil		

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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: <ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• Met• Partially met• Not met DFAT expects that these performance criteria will be met during the course of 2017-18.
2018-19	<ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• 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 <i>Outcomes and planned performance</i> section for 2017-18 objectives, deliverables and performance criteria. Refer to Tourism Australia’s <i>Outcomes and planned performance</i> section for 2017-18 objectives, deliverables and performance criteria.	
2018-19	Refer to Austrade’s <i>Outcomes and planned performance</i> section for 2018-19 for objectives, deliverables, performance criteria and targets. Refer to the Tourism Australia’s <i>Outcomes and planned performance</i> 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:		
<ul style="list-style-type: none">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 <ul style="list-style-type: none">• Program 2.1 – Consular and Passport Services
Department of Human Services
Programs <ul style="list-style-type: none">• Program 1.1 – Services to the Community-Social Security and Welfare
Contribution to Outcome 2 made by linked programs <p>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.</p>

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

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	2017-18 Revised Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 2.1: Consular Services					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1) (a)	200	200	200	200	200
Special appropriations: <i>PGPA Act s77</i>	100	100	100	100	100
Administered total	300	300	300	300	300
Departmental expenses					
Departmental appropriation	95,722	99,641	97,489	97,614	97,639
Departmental total	95,722	99,641	97,489	97,614	97,639
Total expenses for program 2.1	96,022	99,941	97,789	97,914	97,939
Program 2.2: Passport Services					
Administered expenses					
Special appropriations: <i>PGPA Act s77</i>	810	810	810	810	810
Administered total	810	810	810	810	810
Departmental expenses					
Departmental appropriation	238,214	251,409	257,339	260,296	263,233
Departmental total	238,214	251,409	257,339	260,296	263,233
Total expenses for program 2.2	239,024	252,219	258,149	261,106	264,043

Table continued on the following page.

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2017-18 Revised Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Outcome 2 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	200	200	200	200	200
Special appropriations	910	910	910	910	910
Administered total	1,110	1,110	1,110	1,110	1,110
Departmental expenses					
Departmental appropriation	333,936	351,050	354,828	357,910	360,872
Departmental total	333,936	351,050	354,828	357,910	360,872
Total expenses for Outcome 2	335,046	352,160	355,938	359,020	361,982

	2017-18	2018-19
Average staffing level (number)	1,076	1,086

(a) 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: <ul style="list-style-type: none">• 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 Smarttraveller 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	<ul style="list-style-type: none">• 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.	<p>Targets are:</p> <ul style="list-style-type: none">• Met• Partially met• Not met <p>DFAT expects that these performance criteria will be met during the course of 2017-18.</p>

Table continued on the following page.

Table 2.2.3: Performance criteria for Outcome 2 (continued)

2018-19	<ul style="list-style-type: none">• 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.	<p>Through case studies, reviews, surveys or other measures, DFAT will demonstrate whether these performance criteria are:</p> <ul style="list-style-type: none">• 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:		
<ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• Met• Partially met• Not met DFAT expects that these performance criteria will be met during the course of 2017-18.
2018-19	<ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• Achieved• On track• Not on track Specific targets are: <ul style="list-style-type: none">• 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:		
<ul style="list-style-type: none">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

Outcome 3: A secure Australian Government presence overseas through the provision of security services and information and communication technology infrastructure, and the management of the Commonwealth's overseas property estate	2017-18 Revised Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 3.1: Foreign Affairs and Trade Security and IT					
Departmental expenses					
Departmental appropriation	215,637	220,647	143,886	129,372	129,421
Departmental total	215,637	220,647	143,886	129,372	129,421
Total expenses for program 3.1	215,637	220,647	143,886	129,372	129,421
Program 3.2: Overseas Property					
Expenses not requiring appropriation in the Budget year (a)	18,333	24,402	27,203	24,915	25,413
Departmental total	18,333	24,402	27,203	24,915	25,413
Total expenses for program 3.2	18,333	24,402	27,203	24,915	25,413

Table continued on the following page.

Table 2.3.1: Budgeted expenses for Outcome 3 (continued)

	2017-18 Revised Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Outcome 3 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	215,637	220,647	143,886	129,372	129,421
Expenses not requiring appropriation in the Budget year (a)	18,333	24,402	27,203	24,915	25,413
Departmental total	233,970	245,049	171,089	154,287	154,834
Total expenses for Outcome 3	233,970	245,049	171,089	154,287	154,834
<hr/>					
	2017-18	2018-19			
Average staffing level (number)	868	874			

(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:		
<ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• Met• Partially met• Not met DFAT expects that these performance criteria will be met during the course of 2017-18.
2018-19	<ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• Achieved• On track• Not on track

Table continued on the following page.

Table 2.3.3: Performance criteria for Outcome 3 (continued)

	<ul style="list-style-type: none">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:		
<ul style="list-style-type: none">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: <ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• Met• Partially met• Not met DFAT expects that these performance criteria will be met during the course of 2017-18.
2018-19	<ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• Achieved• On track• Not on track Specific targets are: <ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• Achieved• On track• Not on track Specific targets are: <ul style="list-style-type: none">• 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)

		<ul style="list-style-type: none"> • 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.

DFAT Budget Statements

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	776,233	782,360	762,518	766,222	770,990
Suppliers	672,410	718,166	617,646	610,938	613,499
Depreciation and amortisation (a)	180,700	181,778	185,883	188,495	179,017
Total expenses	1,629,343	1,682,304	1,566,047	1,565,655	1,563,506
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	140,436	142,514	129,060	126,308	126,712
Other	11,258	11,258	11,258	11,258	11,258
Total own-source revenue	151,694	153,772	140,318	137,566	137,970
Gains					
Sale of assets	120,597	-	-	-	-
Other	674	674	674	674	674
Total gains	121,271	674	674	674	674
Total own-source income	272,965	154,446	140,992	138,240	138,644
Net (cost of)/contribution by services	(1,356,378)	(1,527,858)	(1,425,055)	(1,427,415)	(1,424,862)
Revenue from Government	1,356,093	1,406,137	1,298,552	1,298,271	1,305,980
Deficit attributable to the Australian Government	(285)	(121,721)	(126,503)	(129,144)	(118,882)
OTHER COMPREHENSIVE INCOME					
Total comprehensive loss attributable to the Australian Government	(285)	(121,721)	(126,503)	(129,144)	(118,882)

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

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations	180,415	60,057	59,380	59,351	60,135
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	180,700	181,778	185,883	188,495	179,017
Total comprehensive loss - as per the statement of comprehensive income	(285)	(121,721)	(126,503)	(129,144)	(118,882)

(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)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	391,280	366,424	274,913	196,639	173,244
Trade and other receivables	556,203	553,339	550,007	550,007	550,007
Other financial assets	5,772	5,772	5,772	5,772	5,772
Total financial assets	953,255	925,535	830,692	752,418	729,023
Non-financial assets					
Land and buildings	3,140,682	3,139,284	3,192,745	3,214,726	3,219,456
Property, plant and equipment	321,100	311,868	305,270	305,491	286,373
Intangibles	120,182	124,240	130,280	133,727	129,424
Inventories	47,118	47,118	47,118	47,118	47,118
Other non-financial assets	60,784	61,662	62,549	62,549	62,549
Total non-financial assets	3,689,866	3,684,172	3,737,962	3,763,611	3,744,920
Total assets	4,643,121	4,609,707	4,568,654	4,516,029	4,473,943
LIABILITIES					
Payables					
Suppliers	151,599	152,738	153,888	153,888	153,888
Other payables	33,533	34,887	34,887	34,887	34,887
Total payables	185,132	187,625	188,775	188,775	188,775
Provisions					
Employee provisions	216,901	217,854	220,065	220,065	220,065
Other provisions	19,680	19,794	19,908	19,908	19,908
Total provisions	236,581	237,648	239,973	239,973	239,973
Total liabilities	421,713	425,273	428,748	428,748	428,748
Net assets	4,221,408	4,184,434	4,139,906	4,087,281	4,045,195

Table continued on the following page.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EQUITY*					
Parent entity interest					
Contributed equity	2,638,126	2,730,073	2,812,048	2,888,567	2,965,363
Reserves	1,515,402	1,515,402	1,515,402	1,515,402	1,515,402
Retained surplus (accumulated deficit)	67,880	(61,041)	(187,544)	(316,688)	(435,570)
Total parent entity interest	4,221,408	4,184,434	4,139,906	4,087,281	4,045,195
Total equity	4,221,408	4,184,434	4,139,906	4,087,281	4,045,195

* '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)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2018					
Balance carried forward from previous period	67,880	1,515,402	-	2,638,126	4,221,408
Adjusted opening balance	67,880	1,515,402	-	2,638,126	4,221,408
Comprehensive income					
Surplus/(deficit) for the period	(121,721)	-	-	-	(121,721)
Total comprehensive income	(121,721)	-	-	-	(121,721)
of which:					
Attributable to the Australian Government	-	-	-	-	-
Transactions with owners					
Distributions to owners					
Returns on capital:					
Dividends	(7,200)	-	-	-	(7,200)
Contributions by owners					
Equity injection - Appropriation	-	-	-	22,182	22,182
Departmental Capital Budget (DCB)	-	-	-	69,765	69,765
Sub-total transactions with owners	(7,200)	-	-	91,947	84,747
Estimated closing balance as at 30 June 2019	(61,041)	1,515,402	-	2,730,073	4,184,434
Closing balance attributable to the Australian Government	(61,041)	1,515,402	-	2,730,073	4,184,434

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	1,417,993	1,398,707	1,291,801	1,297,428	1,305,980
Sale of goods and rendering of services	173,345	152,808	139,143	127,151	126,712
Net GST received	41,077	41,088	41,098	41,108	41,118
Other	11,258	11,258	11,258	11,258	11,258
Total cash received	1,643,673	1,603,861	1,483,300	1,476,945	1,485,068
Cash used					
Employees	764,066	780,170	760,307	766,222	770,990
Suppliers	741,185	763,634	663,613	651,372	653,943
Total cash used	1,505,251	1,543,804	1,423,920	1,417,594	1,424,933
Net cash from/(used by) operating activities	138,422	60,057	59,380	59,351	60,135
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	215,158	-	-	-	-
Total cash received	215,158	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	271,501	175,206	238,786	214,144	160,326
Total cash used	271,501	175,206	238,786	214,144	160,326
Net cash from/(used by) investing activities	(56,343)	(175,206)	(238,786)	(214,144)	(160,326)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	130,798	97,493	87,895	76,519	76,796
Total cash received	130,798	97,493	87,895	76,519	76,796
Cash used					
Dividends paid	-	7,200	-	-	-
Total cash used	-	7,200	-	-	-
Net cash from/(used by) financing activities	130,798	90,293	87,895	76,519	76,796
Net increase/(decrease) in cash held	212,877	(24,856)	(91,511)	(78,274)	(23,395)
Cash and cash equivalents at the beginning of the reporting period	178,403	391,280	366,424	274,913	196,639
Cash and cash equivalents at the end of the reporting period	391,280	366,424	274,913	196,639	173,244

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	46,501	69,765	75,537	76,201	76,796
Equity injections - Bill 2	71,408	22,182	6,438	318	-
Total new capital appropriations	117,909	91,947	81,975	76,519	76,796
Provided for:					
Purchase of non-financial assets	117,909	91,947	81,975	76,519	76,796
Total items	117,909	91,947	81,975	76,519	76,796
PURCHASE OF NON-FINANCIAL ASSETS					
ASSETS					
Funded by capital appropriations (a)	84,297	27,728	12,358	318	-
Funded by capital appropriation - DCB (b)	46,501	69,765	75,537	76,201	76,796
Funded internally from departmental resources (c)	140,703	77,713	150,891	137,625	83,530
TOTAL	271,501	175,206	238,786	214,144	160,326

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

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

(c) Includes the following sources of funding:

- 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)

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018					
Gross book value	1,602,696	1,731,362	460,889	213,201	4,008,148
Accumulated depreciation/ amortisation and impairment	-	(193,376)	(139,789)	(93,019)	(426,184)
Opening net book balance	1,602,696	1,537,986	321,100	120,182	3,581,964
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity (a)	-	-	27,728	-	27,728
By purchase - appropriation ordinary annual services (b)		125,044	7,806	14,628	147,478
Total additions	-	125,044	35,534	14,628	175,206
Other movements					
Depreciation/amortisation expense	-	(126,442)	(44,766)	(10,570)	(181,778)
Total other movements	-	(126,442)	(44,766)	(10,570)	(181,778)
As at 30 June 2019					
Gross book value	1,602,696	1,856,406	496,423	227,829	4,183,354
Accumulated depreciation/ amortisation and impairment	-	(319,818)	(184,555)	(103,589)	(607,962)
Closing net book balance	1,602,696	1,536,588	311,868	124,240	3,575,392

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2018-19.

(b) '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)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
International Development Assistance	3,067,342	3,217,811	3,231,275	3,229,433	3,216,961
Multilateral Replenishments	23,502	93,000	733,450	23,502	-
Concessional Investment discount	-	-	401,760	-	-
Other contributions	546,947	523,422	544,297	574,729	586,906
Efic	1,300	1,300	1,300	1,100	1,100
Other expenses	3,889	3,799	3,882	3,971	3,971
Payments to corporate entities	129,308	132,488	132,754	138,055	142,219
Depreciation and amortisation	500	500	500	500	500
Total expenses administered on behalf of Government	3,772,788	3,972,320	5,049,218	3,971,290	3,951,657
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fees and charges	546,158	607,410	642,683	666,933	694,430
AIPRD loans (a)	12,456	12,697	12,999	13,254	13,572
Efic National Interest Account	31,442	30,751	29,330	28,859	27,996
Efic dividend and competitive neutrality	13,491	14,800	16,800	19,200	20,700
Returns of prior year administered expenses	30,731	33,478	34,559	35,249	36,149
Other revenue and gains	255	255	255	255	255
Total non-taxation revenue	634,533	699,391	736,626	763,750	793,102
Total own-sourced income administered on behalf of Government	634,533	699,391	736,626	763,750	793,102
Net (cost of)/contribution by services	3,138,255	3,272,929	4,312,592	3,207,540	3,158,555
Total comprehensive loss	(3,138,255)	(3,272,929)	(4,312,592)	(3,207,540)	(3,158,555)

(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)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	12,162	12,162	12,162	12,162	12,162
AIPRD loans	156,143	159,089	162,337	165,840	169,661
Multilateral investments	1,896,013	1,896,013	1,956,013	1,956,013	1,956,013
Investments in portfolio entities	471,355	471,355	471,355	471,355	471,355
Trade and other receivables	32,417	32,967	33,517	34,067	34,617
Total financial assets	2,568,090	2,571,586	2,635,384	2,639,437	2,643,808
Non-financial assets					
Land and buildings	81	81	81	81	81
Property, plant and equipment	27	27	27	27	27
Intangibles	3,508	3,512	3,540	3,568	3,596
Other non-financial assets	128	128	128	128	128
Total non-financial assets	3,744	3,748	3,776	3,804	3,832
Total assets administered on behalf of Government	2,571,834	2,575,334	2,639,160	2,643,241	2,647,640
LIABILITIES					
Payables					
Multilateral replenishments payable	2,062,517	1,796,954	2,587,941	2,210,194	1,800,355
Other payables	241,532	284,049	284,049	284,049	284,049
Total payables	2,304,049	2,081,003	2,871,990	2,494,243	2,084,404
Provisions					
Employee provisions	82,253	82,253	82,253	82,253	82,253
Total provisions	82,253	82,253	82,253	82,253	82,253
Total liabilities administered on behalf of Government	2,386,302	2,163,256	2,954,243	2,576,496	2,166,657
Net assets/(liabilities)	185,532	412,078	(315,083)	66,745	480,983

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Fees and Charges	546,158	607,410	642,683	666,933	694,430
Efic	44,933	45,551	46,130	48,059	48,696
Return of prior year administered expenses	30,731	33,478	34,559	35,249	36,149
Net GST received	92,477	92,500	92,523	92,546	92,570
Other	255	255	255	255	255
Total cash received	714,554	779,194	816,150	843,042	872,100
Cash used					
International Development Assistance	3,289,517	3,419,346	3,518,355	3,549,394	3,561,009
Other contributions	546,947	523,422	544,297	574,729	586,906
Payments to corporate Commonwealth entities - Tourism Australia	129,308	132,488	132,754	138,055	142,219
Other	5,189	5,099	5,182	5,071	5,071
Total cash used	3,970,961	4,080,355	4,200,588	4,267,249	4,295,205
Net cash from/(used by) operating activities	(3,256,407)	(3,301,161)	(3,384,438)	(3,424,207)	(3,423,105)
INVESTING ACTIVITIES					
Cash received					
Repayment of AIPRD loans	9,751	9,751	9,751	9,751	9,751
Total cash received	9,751	9,751	9,751	9,751	9,751
Cash used					
Purchase of property, plant and equipment and intangibles	443	504	528	528	528
Loans made	550	550	550	550	550
Other investing cash payments for policy purposes	238,795	207,011	209,666	173,874	158,321
Total cash used	239,788	208,065	210,744	174,952	159,399
Net cash from/(used by) investing activities	(230,037)	(198,314)	(200,993)	(165,201)	(149,648)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	593	504	528	528	528
Total cash received	593	504	528	528	528
Net cash from/(used by) financing activities	593	504	528	528	528
Net increase/(decrease) in cash held	(3,485,851)	(3,498,971)	(3,584,903)	(3,588,880)	(3,572,225)
Cash and cash equivalents at beginning of reporting period	12,162	12,162	12,162	12,162	12,162
Cash from Official Public Account for Appropriations and special accounts	4,210,156	4,287,916	4,410,804	4,441,673	4,454,076
Cash to Official Public Account for: - Appropriations and special accounts	(724,305)	(788,945)	(825,901)	(852,793)	(881,851)
Cash and cash equivalents at end of reporting period	12,162	12,162	12,162	12,162	12,162

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (ACB)	443	504	528	528	528
Administered Assets and Liabilities - Bill 2	150	-	462,000	-	-
Total new capital appropriations	593	504	462,528	528	528
Provided for:					
Purchase of non-financial assets	443	504	528	528	528
Other Items	150	-	462,000	-	-
Total items	593	504	462,528	528	528
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	150	-	-	-	-
Funded by capital appropriation - ACB (b)	443	504	528	528	528
TOTAL	593	504	528	528	528

(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)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018				
Gross book value	570	29	12,279	12,878
Accumulated depreciation/amortisation and impairment	(489)	(2)	(8,771)	(9,262)
Opening net book balance	81	27	3,508	3,616
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	-	504	504
Total additions	-	-	504	504
Other movements				
Depreciation/amortisation expense	-	-	(500)	(500)
Total other movements	-	-	(500)	(500)
As at 30 June 2019				
Gross book value	570	29	12,783	13,382
Accumulated depreciation/amortisation and impairment	(489)	(2)	(9,271)	(9,762)
Closing net book balance	81	27	3,512	3,620

(a) '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

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	56,869	53,969
Departmental appropriation (c)	188,166	201,686
s74 Retained revenue receipts (d)	27,400	27,400
Departmental capital budget (e)	15,176	14,135
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	861	782
Equity injection	-	1,401
Total departmental annual appropriations	288,472	299,373
Total departmental resourcing	288,472	299,373
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	3,879	3,879
Outcome 1	139,584	140,871
Total administered annual appropriations	143,463	144,750
Total administered resourcing	143,463	144,750
Total resourcing for Austrade	431,935	444,123
Average staffing level (number)	1,022	1,028

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

(b) Excludes \$2.211m subject to quarantine by Finance or withheld under section 51 of the PGPA Act.

(c) Excludes Departmental Capital Budget (DCB).

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

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

(f) Appropriation Bill (No.2) 2018-19.

Austrade Budget Statements

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)

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Expense measures						
Australian Trade and Investment Commission - efficiencies	1.1					
Administered expenses		(600)	(400)	-	-	-
Departmental expenses		(2,565)	(630)	(1,129)	(136)	(1,135)
Total		(3,165)	(1,030)	(1,129)	(136)	(1,135)
Enhancing Cruise Ship Access to Sydney (a)	1.1					
Departmental expenses		-	250	-	-	-
Total		-	250	-	-	-
Promoting Australian Expertise in International Markets	1.1					
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Tourism 2020 - continuation of Approved Destination Status scheme	1.1					
Departmental expenses		(2,587)	2,587	-	-	-
Total		(2,587)	2,587	-	-	-
Total expense measures						
Administered		(600)	(400)	-	-	-
Departmental		(5,152)	2,207	(1,129)	(136)	(1,135)
Total		(5,752)	1,807	(1,129)	(136)	(1,135)

(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

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Measures						
2017 Foreign Policy White Paper	1.1					
Departmental expenses		762	3,949	2,706	2,719	-
Total		762	3,949	2,706	2,719	-
Total measures						
Departmental		762	3,949	2,706	2,719	-
Total		762	3,949	2,706	2,719	-

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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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 <i>Australian International Education 2025</i> on enabling the sector's ongoing international growth.

Linked programs (continued)

Department of Agriculture and Water Resources
Programs <ul style="list-style-type: none"> • Program 1.13 – International Market Access • Program 2.1 – Biosecurity and Export Services
Contribution to Outcome 1 made by linked programs <p>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.</p>
Tourism Australia
Programs <ul style="list-style-type: none"> • 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 <p>Austrade provides research and policy support to Tourism Australia’s activities of promoting the export of Australian tourism services. These exports contribute to Australia’s prosperity.</p>
Department of Defence
Programs <ul style="list-style-type: none"> • Program 2.1 – Strategic Policy and Intelligence
Contribution to Outcome 1 made by linked program <p>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.</p>
Department of Infrastructure, Regional Development and Cities
Programs <ul style="list-style-type: none"> • Program 3.1 – Regional Development
Contribution to Outcome 1 made by linked program <p>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.</p>

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Promotion of Australia's export and other international economic interests					
Departmental expenses					
Departmental appropriation	178,910	192,363	185,458	185,505	186,324
s74 Retained revenue receipts (a)	23,896	23,896	23,896	23,896	23,896
Special accounts					
Services for Other Entities and Trust					
Moneys Special Account	384	128	-	-	-
Expenses not requiring appropriation in the Budget year (b)	16,896	16,500	18,047	17,954	16,686
Departmental total	220,086	232,887	227,401	227,355	226,906
Total expenses for program 1.1	220,086	232,887	227,401	227,355	226,906
Program 1.2: Programmes to promote Australia's exports and other international economic					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	139,584	140,871	138,650	137,900	137,900
Administered total	139,584	140,871	138,650	137,900	137,900
Total expenses for program 1.2	139,584	140,871	138,650	137,900	137,900

Table continued on the following page.

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	139,584	140,871	138,650	137,900	137,900
Administered total	139,584	140,871	138,650	137,900	137,900
Departmental expenses					
Departmental appropriation	178,910	192,363	185,458	185,505	186,324
s74 Retained revenue receipts (a)	23,896	23,896	23,896	23,896	23,896
Special accounts	384	128	-	-	-
Expenses not requiring appropriation in the Budget year (b)	16,896	16,500	18,047	17,954	16,686
Departmental total	220,086	232,887	227,401	227,355	226,906
Total expenses for Outcome 1	359,670	373,758	366,051	365,255	364,806
	2017-18	2018-19			
Average staffing level (number)	987	993			

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

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

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

Table 2.1.2: Program components of Outcome 1

Program 1.2: Programmes to promote Australia's exports and other international economic interests					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
1.2.1 - Component 1: Export Market Development Grants scheme					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)	137,900	137,900	137,900	137,900	137,900
Total component 1 expenses	137,900	137,900	137,900	137,900	137,900
1.2.2 - Component 2: Free Trade Agreement Promotion					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)	-	750	750	-	-
Total component 2 expenses	-	750	750	-	-
1.2.3 - Component 3: Developing Northern Australia - positioning the north as a leader in tropical health					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)	1,684	2,221	-	-	-
Total component 3 expenses	1,684	2,221	-	-	-
Total program expenses	139,584	140,871	138,650	137,900	137,900

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: <ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• 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 <ul style="list-style-type: none">• 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 <p>Where Austrade has overseas locations that complement those of DFAT, Austrade provides consular and passport services to Australians in those locations. DFAT ensures a secure Austrade presence overseas for personnel, assets and information.</p>

Budgeted expenses for Outcome 2

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

Table 2.2.1: Budgeted expenses for Outcome 2

Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 2.1: Consular Services					
Departmental expenses					
Departmental appropriation	9,256	9,323	9,323	9,368	9,413
s74 Retained revenue receipts (a)	3,504	3,504	3,504	3,504	3,504
Departmental total	12,760	12,827	12,827	12,872	12,917
Total expenses for program 2.1	12,760	12,827	12,827	12,872	12,917
Outcome 2 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	9,256	9,323	9,323	9,368	9,413
s74 Retained revenue receipts (a)	3,504	3,504	3,504	3,504	3,504
Departmental total	12,760	12,827	12,827	12,872	12,917
Total expenses for Outcome 2	12,760	12,827	12,827	12,872	12,917
Average staffing level (number)					
	2017-18 35	2018-19 35			

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

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 Budget Statements

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	143,829	147,000	147,000	147,000	147,000
Suppliers	72,121	82,214	75,181	75,273	76,137
Depreciation and amortisation (a)	16,896	16,500	18,047	17,954	16,686
Total expenses	232,846	245,714	240,228	240,227	239,823
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	24,200	24,200	24,200	24,200	24,200
Rental income	200	200	200	200	200
Other	3,000	3,000	3,000	3,000	3,000
Total own-source revenue	27,400	27,400	27,400	27,400	27,400
Total own-source income	27,400	27,400	27,400	27,400	27,400
Net (cost of)/contribution by services	(205,446)	(218,314)	(212,828)	(212,827)	(212,423)
Revenue from Government	188,166	201,686	194,781	194,873	195,737
Surplus/(deficit) attributable to the Australian Government	(17,280)	(16,628)	(18,047)	(17,954)	(16,686)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(17,280)	(16,628)	(18,047)	(17,954)	(16,686)
Total comprehensive income/(loss) attributable to the Australian Government	(17,280)	(16,628)	(18,047)	(17,954)	(16,686)

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

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	(384)	(128)	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	16,896	16,500	18,047	17,954	16,686
Total comprehensive income/(loss) - as per the statement of comprehensive income	(17,280)	(16,628)	(18,047)	(17,954)	(16,686)

(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)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,500	5,500	5,500	5,500	5,500
Trade and other receivables	53,770	53,642	53,642	53,642	53,642
Total financial assets	59,270	59,142	59,142	59,142	59,142
Non-financial assets					
Land and buildings	15,250	13,250	10,609	8,063	4,595
Property, plant and equipment	7,896	6,968	6,084	3,975	3,791
Intangibles	26,584	28,548	28,704	30,110	31,381
Other non-financial assets	8,496	8,496	8,496	8,496	8,496
Total non-financial assets	58,226	57,262	53,893	50,644	48,263
Total assets	117,496	116,404	113,035	109,786	107,405
LIABILITIES					
Payables					
Suppliers	12,843	12,843	12,843	12,843	12,843
Other payables	4,999	4,999	4,999	4,999	4,999
Total payables	17,842	17,842	17,842	17,842	17,842
Provisions					
Employee provisions	34,682	34,682	34,682	34,682	34,682
Other provisions	65	65	65	65	65
Total provisions	34,747	34,747	34,747	34,747	34,747
Total liabilities	52,589	52,589	52,589	52,589	52,589
Net assets	64,907	63,815	60,446	57,197	54,816
EQUITY*					
Parent entity interest					
Contributed equity	117,997	133,533	148,211	162,916	177,221
Reserves	32,410	32,410	32,410	32,410	32,410
Retained surplus (accumulated deficit)	(85,500)	(102,128)	(120,175)	(138,129)	(154,815)
Total parent entity interest	64,907	63,815	60,446	57,197	54,816
Total equity	64,907	63,815	60,446	57,197	54,816

*'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)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	(85,500)	32,410	117,997	64,907
Adjusted opening balance	(85,500)	32,410	117,997	64,907
Comprehensive income				
Other comprehensive income				
Surplus/(deficit) for the period	(16,628)	-	-	(16,628)
Total comprehensive income	(16,628)	-	-	(16,628)
of which:				
Attributable to the Australian Government	(16,628)	-	-	(16,628)
Contributions by owners				
Equity injection - Appropriation	-	-	1,401	1,401
Departmental Capital Budget (DCB)	-	-	14,135	14,135
Estimated closing balance as at 30 June 2019	(102,128)	32,410	133,533	63,815
Less: non-controlling interests	-	-	-	-
Closing balance attributable to the Australian Government	(102,128)	32,410	133,533	63,815

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	189,239	201,814	194,781	194,873	195,737
Sale of goods and rendering of services	24,400	24,400	24,400	24,400	24,400
Other	3,000	3,000	3,000	3,000	3,000
Total cash received	216,639	229,214	222,181	222,273	223,137
Cash used					
Employees	143,829	147,000	147,000	147,000	147,000
Suppliers	72,121	82,214	75,181	75,273	76,137
Total cash used	215,950	229,214	222,181	222,273	223,137
Net cash from/(used by) operating activities	689	-	-	-	-
INVESTING ACTIVITIES					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	16,276	15,536	14,678	14,705	14,305
Total cash used	16,276	15,536	14,678	14,705	14,305
Net cash from/(used by) investing activities	(16,276)	(15,536)	(14,678)	(14,705)	(14,305)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	15,176	15,536	14,678	14,705	14,305
Total cash received	15,176	15,536	14,678	14,705	14,305
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	15,176	15,536	14,678	14,705	14,305
Net increase/(decrease) in cash held	(411)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	5,911	5,500	5,500	5,500	5,500
Cash and cash equivalents at the end of the reporting period	5,500	5,500	5,500	5,500	5,500

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	15,176	14,135	14,178	14,205	14,305
Equity injections - Bill 2	-	1,401	500	500	-
Total new capital appropriations	15,176	15,536	14,678	14,705	14,305
<i>Provided for:</i>					
Purchase of non-financial assets	16,276	15,536	14,678	14,705	14,305
Total items	16,276	15,536	14,678	14,705	14,305
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	1,100	1,401	500	500	-
Funded by capital appropriation - DCB (b)	15,176	14,135	14,178	14,205	14,305
TOTAL	16,276	15,536	14,678	14,705	14,305
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	16,276	15,536	14,678	14,705	14,305
Total cash used to acquire assets	16,276	15,536	14,678	14,705	14,305

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

(a) 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)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018				
Gross book value	20,164	19,129	86,637	125,930
Accumulated depreciation/ amortisation and impairment	(4,914)	(11,233)	(60,053)	(76,200)
Opening net book balance	15,250	7,896	26,584	49,730
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	3,000	3,572	8,964	15,536
Total additions	3,000	3,572	8,964	15,536
Other movements				
Depreciation/amortisation expense	(5,000)	(4,500)	(7,000)	(16,500)
Total other movements	(5,000)	(4,500)	(7,000)	(16,500)
As at 30 June 2019				
Gross book value	23,164	22,701	95,601	141,466
Accumulated depreciation/ amortisation and impairment	(9,914)	(15,733)	(67,053)	(92,700)
Closing net book balance	13,250	6,968	28,548	48,766

(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)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	5,253	5,253	5,253	5,253	5,253
Suppliers	1,642	1,642	1,642	1,642	1,642
Grants	132,689	133,976	131,755	131,005	131,005
Total expenses administered on behalf of Government	139,584	140,871	138,650	137,900	137,900
LESS:					
OWN-SOURCE INCOME					
Total own-sourced income administered on behalf of Government	-	-	-	-	-
Net (cost of)/contribution by services	139,584	140,871	138,650	137,900	137,900
Surplus/(deficit) before income tax	139,584	140,871	138,650	137,900	137,900
Surplus/(deficit) after income tax	139,584	140,871	138,650	137,900	137,900
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	139,584	140,871	138,650	137,900	137,900

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	127	127	127	127	127
Total financial assets	127	127	127	127	127
Total assets administered on behalf of Government	127	127	127	127	127
LIABILITIES					
Payables					
Suppliers	120	120	120	120	120
Grants	1,368	1,368	1,368	1,368	1,368
Other payables	38	38	38	38	38
Total payables	1,526	1,526	1,526	1,526	1,526
Provisions					
Employee provisions	2,256	2,256	2,256	2,256	2,256
Other provisions	16,327	16,327	16,327	16,327	16,327
Total provisions	18,583	18,583	18,583	18,583	18,583
Liabilities included in disposal groups held for sale					
Total liabilities administered on behalf of Government	20,109	20,109	20,109	20,109	20,109
Net assets/(liabilities)	(19,982)	(19,982)	(19,982)	(19,982)	(19,982)

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Grant	132,689	133,976	131,755	131,005	131,005
Suppliers	1,846	1,642	1,642	1,642	1,642
Employees	5,253	5,253	5,253	5,253	5,253
Total cash used	139,788	140,871	138,650	137,900	137,900
Net cash from/(used by)					
operating activities	(139,788)	(140,871)	(138,650)	(137,900)	(137,900)
Net increase/(decrease) in cash held	(139,788)	(140,871)	(138,650)	(137,900)	(137,900)
Cash and cash equivalents at beginning of reporting period	204				
Total cash from Official Public Account	139,584	140,871	138,650	137,900	137,900
Cash and cash equivalents at end of reporting period	-	-	-	-	-

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 through 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

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	3,758	3,791
Departmental appropriation	9,364	9,302
s74 Retained revenue receipts (b)	1,497	2,259
Departmental capital budget (c)	245	245
Total departmental resourcing	14,864	15,307
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	625	500
Outcome 1	96,882	97,965
Total administered annual appropriations	97,507	98,465
Special accounts (d)		
Opening balance	15,402	13,179
Appropriation receipts	14,603	15,391
Total special account receipts	30,005	28,570
Total administered resourcing	127,512	127,035
Total resourcing for ACIAR	142,376	142,342
	2017-18	2018-19
Average staffing level (number)	77	78

(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)

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Expense measures						
Maintaining the Level of Official Development Assistance (a)	1					
Administered expenses		-	(368)	(373)	(380)	(379)
Total			(368)	(373)	(380)	(379)
Total expense measures						
Administered		-	(368)	(373)	(380)	(379)
Total		-	(368)	(373)	(380)	(379)

(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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1: International Agricultural Research and Development					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	98,363	97,965	99,437	100,825	102,345
Special accounts	16,826	19,666	19,261	21,655	19,409
Administered total	115,189	117,631	118,698	122,480	121,754
Departmental expenses					
Departmental appropriation	9,364	9,302	9,321	9,385	9,441
s74 Retained revenue receipts (a)	997	2,259	1,982	2,104	2,192
Expenses not requiring appropriation in the Budget year (b)	382	376	399	400	400
Departmental total	10,743	11,937	11,702	11,889	12,033
Total expenses for program 1.1	125,932	129,568	130,400	134,369	133,787
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	98,363	97,965	99,437	100,825	102,345
Special accounts	16,826	19,666	19,261	21,655	19,409
Administered total	115,189	117,631	118,698	122,480	121,754
Departmental expenses					
Departmental appropriation	9,364	9,302	9,321	9,385	9,441
s74 Retained revenue receipts (a)	997	2,259	1,982	2,104	2,192
Expenses not requiring appropriation in the Budget year (b)	382	376	399	400	400
Departmental total	10,743	11,937	11,702	11,889	12,033
Total expenses for Outcome 1	125,932	129,568	130,400	134,369	133,787
Average staffing level (number)					
	2017-18 77	2018-19 78			

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

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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.)	<p>Human health and nutrition</p> <p>Gender equity and women's empowerment</p> <p>Inclusive value chains</p> <p>Capacity Building</p>	<ul style="list-style-type: none"> • 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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
EXPENSES					
Employee benefits	6,084	6,744	6,879	7,014	7,149
Suppliers	4,308	4,849	4,456	4,507	4,516
Depreciation and amortisation (a)	351	344	367	368	368
Total expenses	10,743	11,937	11,702	11,889	12,033
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,497	2,259	1,982	2,104	2,192
Total own-source revenue	1,497	2,259	1,982	2,104	2,192
Gains					
Sale of assets					
Other	31	32	32	32	32
Total gains	31	32	32	32	32
Total own-source income	1,528	2,291	2,014	2,136	2,224
Net (cost of)/contribution by services	(9,215)	(9,646)	(9,688)	(9,753)	(9,809)
Revenue from Government	9,364	9,302	9,321	9,385	9,441
Surplus/(deficit) attributable to the Australian Government	149	(344)	(367)	(368)	(368)
Total comprehensive income/(loss) attributable to the Australian Government	149	(344)	(367)	(368)	(368)

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**

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	149	(344)	(367)	(368)	(368)
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	-	-	-	-	-
Total comprehensive income/(loss) - as per the statement of comprehensive income	149	(344)	(367)	(368)	(368)

(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)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	125	125	125	125	125
Trade and other receivables	3,836	3,879	3,913	3,913	3,913
Total financial assets	3,961	4,004	4,038	4,038	4,038
Non-financial assets					
Land and buildings	925	803	687	571	455
Property, plant and equipment	199	184	158	153	103
Intangibles	1,962	2,000	2,018	2,016	1,814
Other non-financial assets	247	247	247	207	207
Total non-financial assets	3,333	3,234	3,110	2,947	2,579
Assets held for sale					
Total assets	7,294	7,238	7,148	6,985	6,617
LIABILITIES					
Payables					
Suppliers	628	638	644	644	684
Other payables	390	350	310	270	230
Total payables	1,018	988	954	914	914
Provisions					
Employee provisions	2,414	2,487	2,555	2,555	2,555
Total provisions	2,414	2,487	2,555	2,555	2,555
Total liabilities	3,432	3,475	3,509	3,469	3,469
Net assets	3,862	3,763	3,639	3,516	3,148
EQUITY*					
Parent entity interest					
Contributed equity	2,479	2,724	2,967	3,212	3,212
Reserves	204	204	204	204	204
Retained surplus (accumulated deficit)	1,179	835	468	100	(268)
Total parent entity interest	3,862	3,763	3,639	3,516	3,148
Total equity	3,862	3,763	3,639	3,516	3,148

* 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)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	1,179	204	2,479	3,862
Adjusted opening balance	1,179	204	2,479	3,862
Comprehensive income				
Surplus/(deficit) for the period	(344)	-	-	(344)
Total comprehensive income	(344)	-	-	(344)
of which:				
Attributable to the Australian Government	(344)	-	-	(344)
Departmental Capital Budget (DCB)	-	-	245	245
Sub-total transactions with owners	(344)	-	245	(99)
Closing balance attributable to the Australian Government	835	204	2,724	3,763

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	9,331	9,259	9,287	9,385	9,441
Receipts from Government					
Sale of goods and rendering of services	1,497	2,259	1,982	2,104	2,192
Total cash received	10,828	11,518	11,269	11,489	11,633
Cash used					
Employees	6,070	6,671	6,811	7,014	7,149
Suppliers	4,258	4,847	4,458	4,475	4,484
Total cash used	10,328	11,518	11,269	11,489	11,633
Net cash from/(used by) operating activities	500	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	745	245	243	245	249
Total cash used	745	245	243	245	249
Net cash from/(used by) investing activities	(745)	(245)	(243)	(245)	(249)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	245	245	243	245	249
Total cash received	245	245	243	245	249
Net cash from/(used by) financing activities	245	245	243	245	249
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	125	125	125	125	125
Cash and cash equivalents at the end of the reporting period	125	125	125	125	125

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	245	245	243	245	247
Total new capital appropriations	245	245	243	245	247
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	245	245	243	245	247
Funded internally from departmental resources (b)	500	-	-	-	-
TOTAL	745	245	243	245	247
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	745	245	243	245	247
Total cash used to acquire assets	745	245	243	245	247

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

(b) s 74 Retained revenue receipts.

Prepared on Australian Accounting Standards basis.

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

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018				
Gross book value	1,346	523	2,622	4,491
Accumulated depreciation/ amortisation and impairment	(421)	(324)	(660)	(1,405)
Opening net book balance	925	199	1,962	3,086
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	45	200	245
Total additions	-	45	200	245
Other movements				
Depreciation/amortisation expense	(122)	(60)	(162)	(344)
Total other movements	(122)	(60)	(162)	(344)
As at 30 June 2019				
Gross book value	1,346	568	2,822	4,736
Accumulated depreciation/ amortisation and impairment	(543)	(384)	(822)	(1,749)
Closing net book balance	803	184	2,000	2,987

(a) '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)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
EXPENSES					
Employee benefits	2,932	3,444	3,513	3,582	3,652
Suppliers	112,257	114,187	115,187	118,896	118,102
Total expenses administered on behalf of Government	115,189	117,631	118,700	122,478	121,754
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	14,603	15,391	17,567	18,846	18,558
Total non-taxation revenue	14,603	15,391	17,567	18,846	18,558
Total comprehensive loss	100,586	102,240	101,133	103,632	103,196

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	13,179	8,904	7,208	4,401	3,550
Taxation receivables	1,407	1,407	1,407	1,407	1,407
Trade and other receivables	561	561	561	561	561
Total financial assets	15,147	10,872	9,176	6,369	5,518
Total assets administered on behalf of Government	15,147	10,872	9,176	6,369	5,518
LIABILITIES					
Payables					
Suppliers	2,305	2,305	2,305	2,305	2,305
Other payables	1,352	1,352	1,352	1,352	1,352
Total payables	3,657	3,657	3,657	3,657	3,657
Provisions					
Employee provisions	152	152	152	152	152
Total provisions	152	152	152	152	152
Total liabilities administered on behalf of Government	3,809	3,809	3,809	3,809	3,809
Net assets/(liabilities)	11,338	7,063	5,367	2,560	1,709

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	5,000	5,000	5,000	5,000	5,000
Other	14,603	15,391	17,567	18,846	18,558
Total cash received	19,603	20,391	22,567	23,846	23,558
Cash used					
Suppliers	112,306	114,187	115,187	118,896	118,102
Net GST paid	5,000	5,000	5,000	5,000	5,000
Employees	2,883	3,444	3,513	3,582	3,652
Total cash used	120,189	122,631	123,700	127,478	126,754
Net cash from/(used by) operating activities	(100,586)	(102,240)	(101,133)	(103,632)	(103,196)
Net increase/(decrease) in cash held	(100,586)	(102,240)	(101,133)	(103,632)	(103,196)
Cash and cash equivalents at beginning of reporting period	16,883	13,179	8,904	7,208	4,401
Cash from Official Public Account for:					
- Appropriations	96,882	97,965	99,437	100,825	102,345
Total cash from Official Public Account	96,882	97,965	99,437	100,825	102,345
Cash and cash equivalents at end of reporting period	13,179	8,904	7,208	4,401	3,550

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

	2017-18 <i>Estimated actual</i> \$'000	2018-19 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	94,351	104,992
Departmental appropriation	283,084	302,979
s74 Retained revenue receipts (b)	83,000	89,600
Departmental capital budget (c)	15,234	16,852
Annual appropriations - other services - non-operating (d)		
Equity injection	52,671	57,795
Total departmental annual appropriations	528,340	572,218
Total departmental resourcing	528,340	572,218
Total resourcing for ASIS	528,340	572,218

(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. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(d) 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)

		2017-18	2018-19	2019-20	2020-21	2021-22
	Program	\$'000	\$'000	\$'000	\$'000	\$'000
Expense measures						
National Security - Australian Secret Intelligence Service - additional funding	1.1, 1.2					
Departmental expenses		-	nfp	nfp	nfp	nfp
Total expense measures		-	nfp	nfp	nfp	nfp
Capital measures						
National Security - Australian Secret Intelligence Service - additional funding	1.1, 1.2					
Departmental capital		-	nfp	nfp	nfp	nfp
Total capital measures		-	nfp	nfp	nfp	nfp

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Secret Intelligence					
Departmental expenses					
Departmental appropriation	212,313	227,234	235,550	216,497	221,580
s74 Retained revenue receipts (a)	62,250	67,200	68,550	65,850	67,125
Expenses not requiring appropriation in the Budget year (b)	17,771	23,819	33,623	41,022	50,016
Departmental total	292,334	318,253	337,723	323,369	338,721
Total expenses for program 1.1	292,334	318,253	337,723	323,369	338,721
Program 1.2: Other Services					
Departmental expenses					
Departmental appropriation	70,771	75,745	78,516	72,166	73,860
s74 Retained revenue receipts (a)	20,750	22,400	22,850	21,950	22,375
Expenses not requiring appropriation in the Budget year (b)	5,924	7,940	11,208	13,674	16,672
Departmental total	97,445	106,085	112,574	107,790	112,907
Total expenses for program 1.2	97,445	106,085	112,574	107,790	112,907
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	283,084	302,979	314,066	288,663	295,440
s74 Retained revenue receipts (a)	83,000	89,600	91,400	87,800	89,500
Expenses not requiring appropriation in the Budget year (b)	23,695	31,759	44,831	54,696	66,688
Departmental total	389,779	424,338	450,297	431,159	451,628
Total expenses for Outcome 1	389,779	424,338	450,297	431,159	451,628

(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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
EXPENSES					
Total expenses	389,779	424,338	450,297	431,159	451,628
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	83,000	89,600	91,400	87,800	89,500
Total own-source revenue	83,000	89,600	91,400	87,800	89,500
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	83,000	89,600	91,400	87,800	89,500
Net (cost of)/contribution by services	(306,779)	(334,738)	(358,897)	(343,359)	(362,128)
Revenue from Government	283,084	302,979	314,066	288,663	295,440
Surplus/(deficit) attributable to the Australian Government	(23,695)	(31,759)	(44,831)	(54,696)	(66,688)
Total comprehensive income/(loss) attributable to the Australian Government	(23,695)	(31,759)	(44,831)	(54,696)	(66,688)

Note: Impact of net cash appropriation arrangements

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	23,695	31,759	44,831	54,696	66,688
Total comprehensive income/(loss) - as per the statement of comprehensive income	(23,695)	(31,759)	(44,831)	(54,696)	(66,688)

(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.

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets	104,992	109,420	111,921	108,133	109,974
Non-financial assets	223,210	266,099	286,514	277,063	251,175
Total assets	328,202	375,519	398,435	385,196	361,149
LIABILITIES					
Payables	34,550	35,100	35,650	36,200	36,750
Interest bearing liabilities	-	-	-	-	-
Provisions	57,442	61,321	63,272	58,933	60,224
Total liabilities	91,992	96,421	98,922	95,133	96,974
Net assets	236,210	279,098	299,513	290,063	264,175
EQUITY*					
Parent entity interest					
Contributed equity	286,905	361,552	426,799	472,045	512,845
Reserves	82,000	82,000	82,000	82,000	82,000
Retained surplus (accumulated deficit)	(132,695)	(164,454)	(209,286)	(263,982)	(330,670)
Total parent entity interest	236,210	279,098	299,513	290,063	264,175
Total equity	236,210	279,098	299,513	290,063	264,175

* '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)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018					
Balance carried forward from previous period	(132,695)	-	82,000	286,905	236,210
Adjusted opening balance	(132,695)	-	82,000	286,905	236,210
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(31,759)	-	-	-	(31,759)
Total comprehensive income	(31,759)	-	-	-	(31,759)
of which:					
Attributable to the Australian Government	(31,759)	-	-	-	(31,759)
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	57,795	57,795
Departmental Capital Budget (DCB)	-	-	-	16,852	16,852
Sub-total transactions with owners	-	-	-	74,647	74,647
Estimated closing balance as at 30 June 2019	(164,454)	-	82,000	361,552	279,098
Closing balance attributable to the Australian Government	(164,454)	-	82,000	361,552	279,098

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	272,092	298,552	311,566	292,449	293,599
Other	83,000	89,600	91,400	87,800	89,500
Total cash received	355,092	388,152	402,966	380,249	383,099
Cash used					
Other	355,092	388,152	402,966	380,249	383,099
Total cash used	355,092	388,152	402,966	380,249	383,099
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	67,905	74,647	65,247	45,245	40,800
Total cash used	67,905	74,647	65,247	45,245	40,800
Net cash from/(used by) investing activities	(67,905)	(74,647)	(65,247)	(45,245)	(40,800)
FINANCING ACTIVITIES					
Cash received					
Other	67,905	74,647	65,247	45,245	40,800
Total cash received	67,905	74,647	65,247	45,245	40,800
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	67,905	74,647	65,247	45,245	40,800
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	42,000	42,000	42,000	42,000	42,000
Cash and cash equivalents at the end of the reporting period	42,000	42,000	42,000	42,000	42,000

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	<ul style="list-style-type: none"> 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 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. 	<ul style="list-style-type: none"> 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.

¹ Tourism Research Australia, *Tourism Forecasts 2017*

Tourism Australia Budget Statements

Marketing channels	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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). 	<ul style="list-style-type: none"> • 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 EVENTS 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

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Opening balance/cash reserves at 1 July	-	-
Funds from Government		
Annual appropriations - ordinary annual services (a)		
Outcome 1 - Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets.	129,308	132,488
Annual appropriations - other items (b)		
Appropriation provided by portfolio department	19,000	16,500
Total annual appropriations	148,308	148,988
Total funds from Government	148,308	148,988
Funds from industry sources		
Other	17,718	17,718
Total funds from industry sources	17,718	17,718
Funds from other sources		
Interest	909	909
Total funds from other sources	909	909
Total net resourcing for Tourism Australia	166,935	167,615
	2017-18	2018-19
Average staffing level (number) (c)	207	207

(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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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

Outcome 1: Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets.					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Supporting Outcome 1					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	129,308	132,488	132,754	138,055	142,219
Appropriation provided by portfolio department (a)	19,000	16,500	14,000	19,923	19,981
Revenues from industry sources	17,718	17,718	17,718	17,718	17,718
Revenues from other independent sources	909	909	909	909	909
Total expenses for Program 1.1	166,935	167,615	165,381	176,605	180,827
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	129,308	132,488	132,754	138,055	142,219
Appropriation provided by portfolio department (a)	19,000	16,500	14,000	19,923	19,981
Revenues from industry sources	17,718	17,718	17,718	17,718	17,718
Revenues from other independent sources	909	909	909	909	909
Total expenses for Outcome 1	166,935	167,615	165,381	176,605	180,827
Average staffing level (number) (b)					
	207	207			

(a) Asia Marketing Fund and Working Holiday Makers.

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

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

Table 2.1.2: Program components of Outcome 1

Program 1.1: Supporting Outcome 1					
	2017-18	2018-19	2019-20	2020-21	2021-22
	Estimated	Budget	Forward	Forward	Forward
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
1.1.1 - Component 1: Grow demand					
Annual departmental expenses:					
Program Support (a)	142,720	143,301	141,391	150,987	154,596
Total component 1 expenses	142,720	143,301	141,391	150,987	154,596
1.1.2 - Component 2: Industry development					
Annual departmental expenses:					
Program Support	24,215	24,314	23,990	25,618	26,231
Total component 2 expenses	24,215	24,314	23,990	25,618	26,231
Total program expenses	166,935	167,615	165,381	176,605	180,827

(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	<p>Target groups: high-value leisure travellers and Business Events decision-makers in key international markets.</p> <p>Activities to target leisure travellers in key international markets include:</p> <ul style="list-style-type: none">• 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. <p>Activities to target Business Events decision-makers in key international markets include:</p> <ul style="list-style-type: none">• 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	\$109.0 billion
	International tourism expenditure	\$42.6 billion
	International tourism visitors	9.2 million
	Total expenditure from Tourism Australia (TA) target markets	\$34.2 billion
	Leisure expenditure from TA target markets	\$18.9 billion
	Business Events spend from TA target markets	\$2.0 billion
	Earned advertising value from TA marketing activities	\$300 million
	Total unique visitors to TA websites	34 million
	Destination brand – consumer considering Australia	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: <ul style="list-style-type: none">• 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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	32,229	32,711	33,200	33,697	34,202
Suppliers	130,206	130,404	127,681	138,408	142,125
Depreciation and amortisation	4,500	4,500	4,500	4,500	4,500
Total expenses	166,935	167,615	165,381	176,605	180,827
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	909	909	909	909	909
Total own-source revenue	909	909	909	909	909
Gains					
Sale of assets	-	-	-	-	-
Other	17,718	17,718	17,718	17,718	17,718
Total gains	17,718	17,718	17,718	17,718	17,718
Total own-source income	18,627	18,627	18,627	18,627	18,627
Net (cost of)/contribution by services	(148,308)	(148,988)	(146,754)	(157,978)	(162,200)
Revenue from Government (a)	148,308	148,988	146,754	157,978	162,200
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-	-	-	-	-

(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)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	22,723	22,723	22,723	22,723	22,723
Trade and other receivables	5,089	5,089	5,089	5,089	5,089
Total financial assets	27,812	27,812	27,812	27,812	27,812
Non-financial assets					
Land and buildings	2,909	2,909	2,909	2,909	2,909
Property, plant and equipment	972	972	972	972	972
Intangibles	11,279	11,279	11,279	11,279	11,279
Other non-financial assets (a)	4,515	4,515	4,515	4,515	4,515
Total non-financial assets	19,675	19,675	19,675	19,675	19,675
Total assets	47,487	47,487	47,487	47,487	47,487
LIABILITIES					
Payables					
Suppliers	10,683	10,683	10,683	10,683	10,683
Other payables	11,917	11,917	11,917	11,917	11,917
Total payables	22,600	22,600	22,600	22,600	22,600
Provisions					
Employee provisions	3,982	3,982	3,982	3,982	3,982
Other provisions	735	735	735	735	735
Total provisions	4,717	4,717	4,717	4,717	4,717
Total liabilities	27,317	27,317	27,317	27,317	27,317
Net assets	20,170	20,170	20,170	20,170	20,170
EQUITY*					
Parent entity interest					
Contributed equity	1,543	1,543	1,543	1,543	1,543
Reserves	2,513	2,513	2,513	2,513	2,513
Retained surplus (accumulated deficit)	16,114	16,114	16,114	16,114	16,114
Total parent entity interest	20,170	20,170	20,170	20,170	20,170

* 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)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2017					
Balance carried forward from previous period	16,114	2,513	-	1,543	20,170
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	16,114	2,513	-	1,543	20,170
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
of which:					
Attributable to the Australian Government	-	-	-	-	-
Transactions with owners					
Transfers between equity					
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2018	16,114	2,513	-	1,543	20,170
Less: non-controlling interests					-
Closing balance attributable to the Australian Government	16,114	2,513	-	1,543	20,170

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations (a)	129,308	132,488	132,754	138,055	142,219
Appropriation provided by portfolio department) (b)	19,000	16,500	14,000	19,923	19,981
Interest	909	909	909	909	909
Other	17,718	17,718	17,718	17,718	17,718
Total cash received	166,935	167,615	165,381	176,605	180,827
Cash used					
Employees	32,229	32,711	33,200	33,697	34,202
Suppliers	130,206	130,404	127,681	138,408	142,125
Total cash used	162,435	163,115	160,881	172,105	176,327
Net cash from/(used by) operating activities	4,500	4,500	4,500	4,500	4,500
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	4,500	4,500	4,500	4,500	4,500
Total cash used	4,500	4,500	4,500	4,500	4,500
Net cash from/(used by) investing activities	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	-	-	-	-	-
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	22,723	22,723	22,723	22,723	22,723
Cash and cash equivalents at the end of the reporting period	22,723	22,723	22,723	22,723	22,723

(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)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources (a)	4,500	4,500	4,500	4,500	4,500
TOTAL	4,500	4,500	4,500	4,500	4,500
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	4,500	4,500	4,500	4,500	4,500
Total cash used to acquire assets	4,500	4,500	4,500	4,500	4,500

(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)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2018				
Gross book value	9,888	1,974	27,680	39,542
Accumulated depreciation/ amortisation and impairment	(6,979)	(1,002)	(16,401)	(24,382)
Opening net book balance	2,909	972	11,279	15,160
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	500	100	3,900	4,500
Total additions	500	100	3,900	4,500
Other movements				
Depreciation/amortisation expense	(500)	(100)	(3,900)	(4,500)
Total other movements	(500)	(100)	(3,900)	(4,500)
As at 30 June 2019				
Gross book value	10,388	2,074	31,580	44,042
Accumulated depreciation/ amortisation and impairment	(7,479)	(1,102)	(20,301)	(28,882)
Closing net book balance	2,909	972	11,279	15,160

(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

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.

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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 <i>Public Governance, Performance and Accountability Act 2013</i> (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.