

Department of Foreign Affairs and Trade
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5. Funding

5.1 Appropriations

Note 5.1A: Annual Appropriations ('Recoverable GST exclusive')

Annual Appropriations for 2017

	Annual Appropriation¹	Section 74 PGPA Act	Total appropriation	Appropriation applied in 2017 (current and prior years)	Variance²
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental					
Ordinary annual services	1,442,003	224,531	1,666,534	(1,567,399)	99,135
Capital budget	51,755	-	51,755	(56,675)	(4,920)
Other services					
Equity	66,017	-	66,017	(143,609)	(77,592)
Total departmental	1,559,775	224,531	1,784,306	(1,767,683)	16,623
Administered					
Ordinary annual services					
Capital budget	383	-	383	(371)	12
Administered items ³	4,196,772	-	4,196,772	(3,313,375)	883,397
Payments to corporate					
Commonwealth entities	143,610	-	143,610	(143,610)	-
Other services					
Administered assets and liabilities	1,012,362	-	1,012,362	(410,718)	601,644
Total administered	5,353,127	-	5,353,127	(3,868,074)	1,485,053

1. In 2016-17, there were adjustments that met the recognition criteria of a formal addition or reduction in revenue or in equity but at law the appropriations had not been amended before the end of the reporting period as Departmental appropriations do not lapse at financial year end. The adjustments were:

- a reduction to revenue of \$1,101,435 relating to the Passport Funding Agreement,
- a reduction to revenue of \$3,101,101 relating to no-win / no-loss funding for FBT payable on living away from home allowance, and
- a reduction to revenue of \$23,967,905 relating to no-win / no-loss funding for foreign exchange.

The net decrease in appropriations of \$28,170,441 will be applied to Appropriation Act (No 1) 2016-17.

2. Variances in appropriation may result from using prior year non-lapsed appropriations to fund operating and capital expenditure incurred in the current financial year, making payments for benefits to be received in future years and where obligations in the current financial year are not settled by financial year end.

3. Commonwealth Superannuation Corporation (CSC) spends money from the Consolidated Revenue Fund on behalf of DFAT in accordance with the *Papua New Guinea (Staffing Assistance) Act 1973*. In 2016-17 CSC drew down \$6,410,654 from DFAT's administered appropriation. This is included in the appropriation applied amount above.

Department of Foreign Affairs and Trade
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 5.1A: Annual Appropriations ('Recoverable GST exclusive') (continued)

Annual Appropriations for 2016

	Annual Appropriation¹	Section 74 PGPA Act	Total appropriation	Appropriation applied in 2016 (current and prior years)	Variance²
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental					
Ordinary annual services	1,368,915	192,077	1,560,992	(1,511,071)	49,921
Capital budget	52,171	-	52,171	(50,246)	1,925
Other services					
Equity	205,241	-	205,241	(134,897)	70,344
Total departmental	1,626,327	192,077	1,818,404	(1,696,214)	122,190
Administered					
Ordinary annual services					
Capital budget	2,325	-	2,325	(730)	1,595
Administered items ³	3,601,101	-	3,601,101	(3,512,328)	88,773
Payments to corporate					
Commonwealth entities	144,018	-	144,018	(144,018)	-
Other services					
Administered assets and liabilities	13,527	-	13,527	(362,075)	(348,548)
Total administered	3,760,971	-	3,760,971	(4,019,151)	(258,180)

1. In 2015-16, there were adjustments that met the recognition criteria of a formal addition or reduction in revenue or in equity but at law the appropriations had not been amended before the end of the reporting period as Departmental appropriations do not lapse at financial year end. The adjustments were:

- a section 51 reduction to capital of \$3,730,000 relating to the change in scope of the diplomatic accommodation project in Kabul,
- a reduction to revenue of \$321,000 relating to portfolio efficiencies as published in the 2016-17 Portfolio Budget Statement,
- an addition to revenue of \$6,258,261 relating to the Passport Funding Agreement,
- an addition to revenue of \$804,789 relating to no-win / no-loss funding for FBT payable on living away from home allowance, and
- an addition to revenue of \$24,119,702 relating to no-win / no-loss funding for foreign exchange.

The net increase in appropriations of \$30,861,752 was applied to Appropriation Act (No 3) 2016-17.

2. Variances in appropriation may result from using prior year non-lapsed appropriations to fund operating and capital expenditure incurred in the current financial year, making payments for benefits to be received in future years and where obligations in the current financial year are not settled by financial year end.

3. Commonwealth Superannuation Corporation (CSC) spends money from the Consolidated Revenue Fund on behalf of DFAT in accordance with the *Papua New Guinea (Staffing Assistance) Act 1973*. In 2015-16 CSC drew down \$6,883,284 from DFAT's administered appropriation. This is included in the appropriation applied amount above.

Department of Foreign Affairs and Trade
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2017	2016
	\$'000	\$'000
Departmental		
Appropriation Act (No. 1) 2013-14 ¹	801	801
Appropriation Act (No. 1) 2014-15 ²	88	88
Appropriation Act (No. 2) 2014-15 ³	7,809	7,809
Appropriation Act (No. 1) 2015-16	-	353,439
Appropriation Act (No. 1) 2015-16 - Departmental Capital Budget	-	6,017
Appropriation Act (No. 2) 2015-16 ⁴	91,465	188,018
Appropriation Act (No. 1) 2015-16 - Cash at bank and on hand	-	55,267
Appropriation Act (No. 1) 2016-17 ⁵	417,797	-
Appropriation Act (No. 1) 2016-17 - Departmental Capital Budget	1,097	-
Appropriation Act (No. 2) 2016-17	10,628	-
Appropriation Act (No. 4) 2016-17	8,333	-
Appropriation Act (No. 1) 2016-17 - Cash at bank and on hand	75,198	-
Total departmental	613,216	611,439

1. 2013-14 includes a section 51 quarantined amount of \$0.801 million under Appropriation Act (No.1) 2013-14.
2. 2014-15 includes a section 51 quarantined amount of \$0.088 million under Appropriation Act (No.1) 2014-15.
3. 2014-15 includes a section 51 quarantined amount of \$7.809 million under Appropriation Act (No.2) 2014-15.
4. 2015-16 includes a section 51 quarantined amount of \$3.730 million under Appropriation Act (No.2) 2015-16.
5. 2016-17 includes quarantined amount of \$28.170 million under Appropriation Act (No.1) 2016-17.
6. DFAT has in place a number of no-win / no-loss funding agreements due to the complex and variable environment the department operates in overseas. The difference between the balance of departmental appropriation receivable disclosed in Note 3.1B: Trade and other receivables and the above balance on unspent annual appropriations is due to these agreements and cash at bank and on hand. Adjustments relating to the no-win / no-loss agreements are recognised as formal additions or reductions in DFAT's accounts.

	2017	2016
	\$'000	\$'000
Administered		
Appropriation Act (No. 1) 2013-14 - Administered Capital Budget	1,029	1,029
Appropriation Act (No. 3) 2013-14	265,089	265,089
Appropriation Act (No. 4) 2013-14	1,822,447	1,822,447
Appropriation Act (No. 1) 2014-15 ⁷	1,878	1,878
Appropriation Act (No. 1) 2014-15 - Administered Capital Budget	2,287	2,287
Appropriation Act (No. 3) 2014-15	617	617
Appropriation Act (No. 1) 2015-16	64,983	228,902
Appropriation Act (No. 1) 2015-16 - Administered Capital Budget	1,817	1,894
Appropriation Act (No. 2) 2015-16	-	3,848
Appropriation Act (No. 1) 2015-16 - Cash at bank and on hand	-	257
Supply Act (No.1) 2016-17	299,983	-
Supply Act (No. 2) 2016-17	15,206	-
Appropriation Act (No. 1) 2016-17	713,893	-
Appropriation Act (No. 1) 2016-17 - Administered Capital Budget	89	-
Appropriation Act (No. 2) 2016-17	590,286	-
Appropriation Act (No. 3) 2016-17	33,440	-
Appropriation Act (No. 1) 2016-17 - Cash at bank and on hand	3	-
Supply Act (No. 2) 2016-17 - Cash at bank and on hand	1,000	-
Total administered	3,814,047	2,328,248

7. 2014-15 includes quarantined amount of \$1.878 million under Appropriation Act (No.1) 2014-15.

Department of Foreign Affairs and Trade
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 5.1C: Special Appropriations ('Recoverable GST exclusive')

Authority	Type	Purpose	Appropriation applied	
			2017	2016
			\$	\$
Export Finance and Insurance Corporation (Efic) Act 1991 section 54(10), Administered	Unlimited Amount	For the payment by the Commonwealth to Efic of amounts equal to the amount of capital determined by the Efic Board as necessary to overcome the inadequacies, in the moneys or other assets of Efic to meet the expected liabilities, losses or claims against Efic	-	-
Public Governance, Performance and Accountability Act 2013 section 77, Administered ¹	Refund	To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and apart from this section there is no specific appropriation for the repayment	656,259	831,002
Total special appropriation applied			656,259	831,002

1. DFAT uses section 77 of the PGPA Act to make refunds of passport and consular fees in certain circumstances, where there is no other specific appropriation available to make the repayment.