

# **Australian Agency for International Development (AusAID)**

## **Agency resources and planned performance**



# AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (AUSAID)

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# AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (AUSAID)

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

AusAID advances the Government's objective of assisting developing countries to reduce poverty in line with Australia's national interest and where we have the capacity to make a difference.

The 2012-13 Budget implements the Government's new aid policy "*An effective Aid Program for Australia – Making a real difference – Delivering on real results*" and will achieve widespread results for the world's poor. This aid spending will emphasise our focus on our neighbours in Asia and the Pacific, where 900 million people still live in poverty. Over 70 per cent of Australian aid will be delivered in this region.

This year's budget includes new aid initiatives for Asia and the Pacific, investments in our global and humanitarian programs, strengthening our engagement with the Asian Development Bank and continuation of our aid program in Afghanistan.

Australian interests are inextricably linked to a stable and prosperous East Asia. Through AusAID, the Government will increase assistance to the poorest countries of East Asia, with additional funds being invested to improve agricultural productivity and boost health and education services in Burma, Cambodia, and Laos.

Through AusAID, the Government will extend Australia's efforts to overcome poverty and build stability in the Pacific by investing in health, higher education and the particular needs of the micro-states of Kiribati, Nauru and Tuvalu.

The Government will invest additional funding to strengthen developing countries' preparedness for natural disasters, enhance Australia's ability to respond to disasters, and build our partnerships with the World Food Programme, the International Committee of the Red Cross, the UN Office for the Coordination of Humanitarian Affairs and the UN High Commissioner for Refugees. This is a critical investment in the stability and prosperity of our region, which has suffered 85 per cent of global deaths from natural disasters over the last three decades.

The Government will also expand Australia's engagement with six important UN partners: UNICEF, UN Women, the UN Development Program, World Health Organisation, UN Population Fund and UNAIDS. All multilateral organisations being supported under new funding initiatives were rated in the highest two categories of effectiveness in the recently completed Australian Multilateral Assessment.

### *AusAID Budget Statements*

This funding will multiply the reach and influence of Australia's aid program, enhance our standing as a good international citizen, and help these organisations focus on the needs of poor people in our region.

During 2012-13 Australia will strengthen its engagement with the Asian Development Bank - one of our most important partners in the Asia Pacific Region. The Government will also pursue membership of the African Development Bank, signalling Australia's commitment as a long term development partner to Africa, and of the International Fund for Agricultural Development to reduce rural poverty and hunger.

The Government through AusAID will continue its investment in Afghanistan and will support state stability by building the capacity of the Afghan Government to deliver basic services and promote livelihood opportunities. AusAID's program will promote opportunities for all, through greater access to and quality of basic education and invest in food security and sustainable economic growth through new agriculture and mining activities.

Following the release of the Government's new aid policy statement "*An effective Aid Program for Australia - Making a real difference - Delivering on real results*" on 6 July 2011, the Government has prepared "*Helping the world's poor through Effective Aid: Comprehensive Aid Policy Framework*" which includes a four year budget strategy to 2015-16.

The budget strategy forecasts aid allocations for the recipients of Australian aid in 2015-16, based on an assessment of four criteria - poverty, national interest, our capacity to make a difference and the scale and effectiveness of our current program.

The budget strategy is linked to a set of headline results to be achieved by 2015-16 and new benchmarks for the efficient and effective delivery of Australian aid. The Framework has been released concurrently with the 2012-13 Budget.

The Government is committed to further enhance the effectiveness of the aid program. In "*An effective Aid Program for Australia - Making a real difference - Delivering on real results*", the Government outlined a range of strategies to this end. Following almost a year of reform, key foundations to maximise the effectiveness and accountability of the aid program have been put in place and efficiencies have been delivered which includes the Adviser Remuneration Framework, the release of a Transparency Charter and the establishment of an Independent Evaluation Committee.

For detail in regards to official development assistance flows, the Comprehensive Aid Policy Framework and further detail on the implementation of the new measures designed to take forward the Government's development assistance priorities, please refer to the associated budget papers "*Australia's International Development Assistance Program 2012-13 - Statement by Minister for Foreign Affairs*" and "*Helping the world's poor through Effective Aid: Australia's Comprehensive Aid Policy Framework to 2015-16*".

## **1.2 AGENCY RESOURCE STATEMENT**

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: AusAID Resource Statement — Budget Estimates for 2012-13 as at Budget May 2012**

	Estimate of prior + year amounts available in 2012-13 \$'000	Proposed at Budget = 2012-13 \$'000	Total estimate 2012-13 \$'000	Actual available appropriation 2011-12 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	63,519	-	63,519	-
Departmental appropriation <sup>3</sup>	-	319,675	319,675	278,475
s31 Relevant agency receipts <sup>4</sup>	-	231	231	231
<b>Total</b>	<b>63,519</b>	<b>319,906</b>	<b>383,425</b>	<b>278,706</b>
<b>Administered expenses</b>				
Outcome <sup>f</sup>	1,811,608	4,207,198	6,018,806	3,818,175
<b>Total</b>	<b>1,811,608</b>	<b>4,207,198</b>	<b>6,018,806</b>	<b>3,818,175</b>
<b>Total ordinary annual services</b>	<b>A 1,875,127</b>	<b>4,527,104</b>	<b>6,402,231</b>	<b>4,096,881</b>
<b>Departmental non-operating</b>				
Equity injections <sup>6</sup>	-	15,123	15,123	15,780
<b>Total</b>	<b>-</b>	<b>15,123</b>	<b>15,123</b>	<b>15,780</b>
<b>Administered non-operating</b>				
Administered assets and liabilities <sup>6</sup>	-	507,384	507,384	47,903
<b>Total</b>	<b>-</b>	<b>507,384</b>	<b>507,384</b>	<b>47,903</b>
<b>Total other services</b>	<b>B -</b>	<b>522,507</b>	<b>522,507</b>	<b>63,683</b>
<b>Total available annual appropriations</b>		<b>5,049,611</b>	<b>6,924,738</b>	<b>4,160,564</b>
<b>Special appropriations</b>	-	-	-	-
<b>Total special appropriations</b>	<b>C -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total appropriations excluding Special Accounts</b>	<b>1,875,127</b>	<b>5,049,611</b>	<b>6,924,738</b>	<b>4,160,564</b>



**Table 1.1: AusAID Resource Statement — Budget Estimates for 2012-13 as at Budget May 2012 (continued)**

	Estimate of prior + year amounts available in 2012-13 \$'000	Proposed at Budget = 2012-13 \$'000	Total estimate 2012-13 \$'000	Actual available appropriation 2011-12 \$'000
<b>Special Accounts</b>				
Opening balance <sup>7</sup>	174,974	-	174,974	-
Non-appropriation receipts to Special Accounts	-	5,000	5,000	-
<b>Total Special Account</b>	<b>D 174,974</b>	<b>5,000</b>	<b>179,974</b>	<b>-</b>
<b>Total resourcing</b> A+B+C+D				
<b>Total net resourcing for AusAID</b>	<b>2,050,101</b>	<b>5,054,611</b>	<b>7,104,712</b>	<b>4,160,564</b>

**Total net resourcing for AusAID**

**2,050,101      5,054,611      7,104,712      4,160,564**

- 1 Appropriation Bill (No.1) 2012-13.
- 2 Estimated adjusted balance carried forward from previous year.
- 3 Includes an amount of \$7.390m in 2012-13 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
- 4 s31 Relevant Agency receipts — estimate.
- 5 Includes an amount of \$2.461m in 2012-13 for the Administered Capital Budget (refer to table 3.2.10 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
- 6 Appropriation Bill (No.2) 2012-13.
- 7 Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for other Government and Non-agency Bodies accounts (SOG), or Services for Other Entities and Trust Monies Special accounts (SOETM)). For further information on special accounts see Table 3.1.2.

Note: Estimated adjusted balance carried forward from previous years for Administered Annual Appropriation and Administered Assets and liabilities relates to amounts appropriated in a previous year for multilateral replenishments. The full amount of these replenishments are appropriated in the year the commitment is entered into, with cash payments usually made over a nine to ten year period.  
Reader note: All figures are GST exclusive.

### 1.3 BUDGET MEASURES

Budget measures relating to AusAID are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Agency 2012-13 Budget measures**

Program	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures</b>					
Official development assistance - overcoming poverty and building stability in the Pacific <sup>1</sup>					
Administered expenses	1.1	-	-	93,200	238,100
Departmental expenses	DS	-	-	5,126	5,152
<b>Total</b>		-	-	<b>98,326</b>	<b>243,252</b>
Official development assistance - closing development gaps in East Asia <sup>2</sup>					
Administered expenses	1.2	-	-	-	104,200
Departmental expenses	DS	-	-	-	4,714
<b>Total</b>		-	-	-	<b>108,914</b>
Official development assistance - strengthening preparedness and response to humanitarian crises <sup>3</sup>					
Administered expenses	1.4	-	-	101,000	255,000
Departmental expenses	DS	-	-	13,596	14,956
<b>Total</b>		-	-	<b>114,596</b>	<b>269,956</b>
Official development assistance - Australia's development partnerships with the United Nations <sup>4</sup>					
Administered expenses	1.6	-	-	-	99,600
Departmental expenses	DS	-	-	-	2,742
<b>Total</b>		-	-	-	<b>102,342</b>
Official development assistance - Government Partnerships for Development <sup>5</sup>					
Administered expenses	1.3	-	-	20,000	20,000
Departmental expenses	DS	-	708	714	721
<b>Total</b>		-	<b>708</b>	<b>20,714</b>	<b>20,721</b>
Australia's civilian engagement in Afghanistan - an integrated whole-of-government approach - continuation <sup>6</sup>					
Administered expenses	1.3	-	-	-	-
Departmental expenses	DS	-	-	-	-
<b>Total</b>		-	-	-	-
Official development assistance - Asian Development Fund replenishment <sup>7</sup>					
Administered expenses	1.5	-	46,471	-	-
Departmental expenses	DS	-	416	1,489	1,486
<b>Total</b>		-	<b>46,887</b>	<b>1,489</b>	<b>1,486</b>

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Agency 2012-13 Budget measures (cont)

	Program	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures (cont.)</b>						
Official development assistance - African Development Bank Group membership <sup>8</sup>						
Departmental expenses	DS	-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Official development assistance - rejoining the United Nations International Fund for Agricultural Development						
Administered expenses	1.5	-	-	120,000	-	-
Departmental expenses	DS	-	936	1,553	1,424	1,436
<b>Total</b>		-	<b>936</b>	<b>121,553</b>	<b>1,424</b>	<b>1,436</b>
Official development assistance - An effective aid program for Australia <sup>9</sup>						
Departmental expenses	DS	-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Official development assistance - Fiji increased assistance <sup>10</sup>						
Administered expenses	1.3	-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Official development assistance - Queen Elizabeth Diamond Jubilee Trust <sup>11</sup>						
Administered expenses	1.3	-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Official development assistance - extension of AFP commitment to the UN Mission in Timor-Leste <sup>12</sup>						
Administered expenses	1.2	-	(3,476)	-	-	-
<b>Total</b>		-	<b>(3,476)</b>	-	-	-
Official development assistance - Pacific Police Development Program - continuation <sup>12</sup>						
Administered expenses	1.1	-	(13,543)	(7,306)	-	-
<b>Total</b>		-	<b>(13,543)</b>	<b>(7,306)</b>	-	-
Australia's civilian engagement in Afghanistan - an integrated w hole-of-government approach - continuation <sup>12</sup>						
Administered expenses	1.3	-	(27,730)	(25,676)	-	-
<b>Total</b>		-	<b>(27,730)</b>	<b>(25,676)</b>	-	-
Australia's civilian engagement in Afghanistan - an integrated w hole-of-government approach - continuation <sup>13</sup>						
Administered expenses	1.3	-	(3,000)	(3,054)	-	-
<b>Total</b>		-	<b>(3,000)</b>	<b>(3,054)</b>	-	-

Prepared on a Government Finance Statistics (fiscal) basis.

**Table 1.2: Agency 2012-13 Budget measures (cont)**

	Program	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures (cont.)</b>						
Official development assistance - deferring Australia's growth target						
Administered expenses	1.3, 1.6	-	(184,558)	(28,167)	-	-
<b>Total</b>		-	<b>(184,558)</b>	<b>(28,167)</b>	-	-
<b>Total expense measures</b>						
<b>Administered</b>		-	<b>(185,836)</b>	<b>55,797</b>	<b>214,200</b>	<b>716,900</b>
<b>Departmental</b>		-	<b>1,352</b>	<b>3,750</b>	<b>22,322</b>	<b>31,207</b>
<b>Capital measures</b>						
Official development assistance - overcoming poverty and building stability in the Pacific						
Departmental	DS	-	-	-	350	-
<b>Total</b>		-	-	-	<b>350</b>	-
Official development assistance - closing development gaps in East Asia <sup>14</sup>						
Departmental	DS	-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Official development assistance - strengthening preparedness and response to humanitarian crises <sup>15</sup>						
Departmental	DS	-	-	-	700	-
<b>Total</b>		-	-	-	<b>700</b>	-
Official development assistance - Australia's development partnerships with the United Nations <sup>16</sup>						
Departmental	DS	-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Australia's civilian engagement in Afghanistan - an integrated whole-of-government approach - continuation <sup>17</sup>						
Departmental	DS	-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Official development assistance - Asian Development Fund replenishment <sup>7</sup>						
Administered	1.5	-	-	-	-	-
Departmental	DS	-	350	350	-	-
<b>Total</b>		-	<b>350</b>	<b>350</b>	-	-
Official development assistance - African Development Bank Group membership <sup>18</sup>						
Departmental	DS	-	-	-	-	-
<b>Total</b>		-	-	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis.

**Table 1.2: Agency 2012-13 Budget measures (cont)**

	Program	2011-12	2012-13	2013-14	2014-15	2015-16
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital measures (cont.)</b>						
Official development assistance - rejoining the United Nations International Fund for Agricultural Development						
Departmental	DS	-	-	1,035	-	-
<b>Total</b>		-	-	<b>1,035</b>	-	-
Official development assistance - An effective aid program for Australia <sup>19</sup>						
Departmental	DS	-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Total capital measures</b>						
Administered		-	-	-	-	-
Departmental		-	350	1,385	1,050	-
<b>Total</b>		-	<b>350</b>	<b>1,385</b>	<b>1,050</b>	-

Prepared on a Government Finance Statistics (fiscal) basis.

- 1 This measure includes \$42.619 million absorbed from within existing AusAID resources.
  - 2 This measure includes \$98.975 million absorbed from within existing AusAID resources.
  - 3 This measure includes \$47.588 million absorbed from within existing AusAID resources.
  - 4 This measure includes \$51.227 million absorbed from within existing AusAID resources.
  - 5 This measure includes \$10.702 million absorbed from within existing AusAID resources.
  - 6 This measure includes \$121.872 million absorbed from within existing AusAID resources. The lead department for this measure is the Department of Foreign Affairs and Trade.
  - 7 The Government will provide an additional \$311.739 million for this measure (comprised of \$46.471 million in expenses and \$265.268 million in capital). An additional \$317.530 million has been met from within existing AusAID resources. The total contribution is expected to include both a loan and a grant component. The estimated effect on the fiscal balance (\$46.471 million) reflects an assumption on the relative proportion of the grant component of the additional funding. The balance reflecting the loan component (\$265.268 million) does not impact on the fiscal or underlying cash balances as the provision of a loan only affects the composition of the Australian Government investment in financial assets. Further detail of this accounting treatment is available in section 3.2.1.
  - 8 This measure includes \$7.410 million absorbed from within existing AusAID resources.
  - 9 This measure includes \$47.339 million absorbed from within existing AusAID resources.
  - 10 This measure includes \$61.000 million absorbed from within existing AusAID resources.
  - 11 This measure includes \$5.000 million absorbed from within existing AusAID resources.
  - 12 The funding for this measure has been transferred to the AFP to implement.
  - 13 The funding for the measure has been transferred to DIAC to implement.
  - 14 This measure includes \$0.700 million absorbed from within existing AusAID resources.
  - 15 This measure includes \$2.800 million absorbed from within existing AusAID resources.
  - 16 This measure includes \$0.700 million absorbed from within existing AusAID resources.
  - 17 This measure includes \$8.976 million absorbed from within existing AusAID resources. The lead department for this measure is the Department of Foreign Affairs and Trade.
  - 18 This measure includes \$0.700 million absorbed from within existing AusAID resources.
  - 19 This measure includes \$2.350 million absorbed from within existing AusAID resources.
- Refer to 2012-13 Budget Paper 2 for further detail on the above measures.

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

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 agencies achieve the intended results of their outcome statements. Agencies 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, specifying the performance indicators and targets used to assess and monitor the performance of AusAID in achieving Government outcomes.

**Outcome 1: To assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest**

#### Outcome 1 Strategy

As highlighted in the Strategic Direction Statement for the Agency, AusAID will, in 2012-13, advance the Government's objective of assisting developing countries to reduce poverty in line with Australia's national interest where we have the capacity to make a difference.

#### Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for outcome 1, by program.

**Table 2.1: Budgeted Expenses for Outcome 1**

<b>Outcome 1: To assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest</b>	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
<b>Program 1.1: Official Development Assistance - PNG &amp; Pacific</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	931,053	962,929
Other services (Appropriation Bill No. 2)	3,893	3,970
<b>Total for Program 1.1</b>	<b>934,946</b>	<b>966,899</b>
<b>Program 1.2: Official Development Assistance - East Asia</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	884,992	1,018,715
<b>Total for Program 1.2</b>	<b>884,992</b>	<b>1,018,715</b>
<b>Program 1.3: Official Development Assistance - Africa, South and Central Asia, Middle East and Other</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,143,136	1,130,354
Expenses not requiring appropriation in the Budget year	1,703	2,413
Special Accounts	5,000	5,000
<b>Total for Program 1.3</b>	<b>1,149,839</b>	<b>1,137,767</b>
<b>Program 1.4: Official Development Assistance - Emergency, Humanitarian and Refugee Program</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	331,654	401,514
<b>Total for Program 1.4</b>	<b>331,654</b>	<b>401,514</b>
<b>Program 1.5: Official Development Assistance - Multilateral Replenishments</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	9,538	125,854
Expenses not requiring appropriation in the Budget year	-	443,415
Other services (Appropriation Bill No. 2)	44,010	503,414
<b>Total for Program 1.5</b>	<b>53,548</b>	<b>1,072,683</b>
<b>Program 1.6: Official Development Assistance - UN Commonwealth and Other International Organisations</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	341,712	368,020
<b>Total for Program 1.6</b>	<b>341,712</b>	<b>368,020</b>
<b>Program 1.7: Official Development Assistance - NGO, Volunteer and Community Programs</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	167,715	193,450
<b>Total for Program 1.7</b>	<b>167,715</b>	<b>193,450</b>

**Table 2.1: Budgeted Expenses for Outcome 1**

	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
<b>Program Support</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	274,727	312,285
Revenues from independent sources (s31)	231	231
Expenses not requiring appropriation in the Budget year	11,870	13,669
<b>Total for Program Support</b>	<b>286,828</b>	<b>326,185</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,809,800	4,200,836
Other services (Appropriation Bill No. 2)	47,903	507,384
Special Accounts	5,000	5,000
Expenses not requiring appropriation in the Budget year	1,703	445,828
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	274,727	312,285
Revenues from independent sources (s31)	231	231
Expenses not requiring appropriation in the Budget year	11,870	13,669
<b>Total expenses for Outcome 1</b>	<b>4,151,234</b>	<b>5,485,233</b>
	2011-12	2012-13
<b>Average Staffing Level (number)</b>	1,849	1,887

1. Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.  
 2. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense 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.



## Contributions to Outcome 1

The performance of the aid program, and of AusAID, is measured by the effective delivery of tangible results. The purpose of the aid program is to help people overcome poverty. Consistent with the Millennium Development Goals, investments are guided by five strategic goals which are:

- saving lives;
- promoting opportunities for all;
- sustainable economic development;
- effective governance; and
- humanitarian and disaster preparedness and response.

*Helping the World's Poor through Effective Aid: Australia's Comprehensive Aid Policy Framework to 2015-16*, contains a four-year budget strategy aligned to a set of key results to be achieved by 2015-16. These results provide a snapshot against which the performance of the aid program will be judged over the next four years. The Comprehensive Aid Policy Framework contains three tiers outlined below (further detail is available on the AusAID website).

### Tier 1 Results: Progress against the Millennium Development Goals (MDGs)

- Tier 1 results encompass high level development outcomes, such as reduced global poverty and universal primary education. Reporting at this level is focused on global progress towards the achievement of the MDGs.

### Tier 2 Results: The contribution of Australian aid

- Tier 2 results articulate the contribution of Australian aid to development outcomes over the next four years to 2015-16. These results are aligned with the strategic goals of the aid program, and include the following targets:
  - 10 million children vaccinated;
  - 8.5 million people with access to safe water;
  - 4 million children enrolled in school and 20 million children obtaining a better quality education; and
  - 30 million people assisted during times of crises and emergencies

### Tier 3 Results: Operational and organisational effectiveness

- Tier 3 results measure performance against key operational and organisational effectiveness criteria that were outlined in *"An Effective Aid Program for Australia: Making a real difference - Delivering real results."* These results are designed to enhance value for money and to promote a higher standard of aid delivery.

This results framework is operationalised through performance monitoring and reporting at the whole-of-government, strategy and activity level.

### **Whole-of-Government level**

One of the key reforms flowing from the Government's new aid policy is an Annual Review of Aid Effectiveness ('the Annual Review'). Each year, there will be a report to the Cabinet on the performance of the aid program and will encompass the aid spending of all government agencies, not just AusAID. The Annual Review will judge the performance of our aid program against the results framework described above, and will recommend any changes to the rolling four-year budget strategy as a result of performance and/or changing circumstances. The first Annual Review is due by the end of October 2012, and will be made publicly available soon after.

### **Strategy level**

Performance is also assessed against the objectives set at the individual country, regional and global program level. This considers the extent to which Australia's broader aid engagement, i.e. the sum of its activities, partnerships with stakeholders, analysis and policy dialogue, is contributing to achieving higher level development outcomes at the sector or country level.

Progress against strategy level objectives is assessed by program managers annually and reported in Annual Program Performance Reports which are subject to external peer review. Strategy objectives are rated in terms of their likelihood to be achieved within the timeframe.

### **Activity level**

Performance is also assessed at the activity level. The Australian development assistance program is made up of over 1,000 individual aid activities. These include aid projects, training and scholarships, funding to multilateral organisations and NGOs, technical advice and funding for partner country programs through their own budget. Activity quality is assessed through a quality reporting system (QRS). QRS ratings are based on self-assessments by activity managers and subjected to peer review.

The QRS provides activity-level reporting at all stages of the activity cycle: at entry, during implementation and at completion. The QRS rates several quality principles, notably the extent to which objectives are met; sustainability; and the adequacy of monitoring and evaluation systems.

The QRS rates activities on a six-point scale from very poor (one) to very high (six) quality. Activities rated four or higher are considered satisfactory. This includes activities that are of adequate quality but need improvement. Activities rated below three or less are considered unsatisfactory.

The QRS also generates information that can be used to assess activity quality by sector and country.

The Government has also established an Independent Evaluation Committee to strengthen the independence and credibility of the work of the Office of Development Effectiveness (ODE). Under the oversight of the Independent Evaluation Committee, ODE will expand its role in assessing the effectiveness and evaluating the impact of the aid program.

Further detail on AusAID's approach to performance reporting is contained in the aid program's Performance Management and Evaluation Policy, available on [www.aisaid.gov.au](http://www.aisaid.gov.au).

**Program 1.1 Official Development Assistance – PNG & Pacific**

**Program 1.1 objective and deliverables**

To assist developing countries in PNG and the Pacific region to reduce poverty and achieve sustainable development.

**Program expenses**

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	931,053	962,929	1,092,692	1,225,599	1,388,801
Administered item (Bill 2)	3,893	3,970	4,054	-	-
<b>Total program expenses</b>	<b>934,946</b>	<b>966,899</b>	<b>1,096,746</b>	<b>1,225,599</b>	<b>1,388,801</b>

**Key Performance Indicators**

Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results.

Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

**Program 1.2 Official Development Assistance – East Asia**

**Program 1.2 objective and deliverables**

To assist developing countries in the East Asia region to reduce poverty and achieve sustainable development.

**Program expenses**

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	884,992	1,018,715	1,203,258	1,424,807	1,565,701
<b>Total program expenses</b>	<b>884,992</b>	<b>1,018,715</b>	<b>1,203,258</b>	<b>1,424,807</b>	<b>1,565,701</b>

**Program 1.2 Key Performance Indicators**

Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results.

Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

**Program 1.3 Official Development Assistance – Africa, South and Central Asia, Middle East and Other**

**Program 1.3 objective and deliverables**

To assist developing countries in Africa, South and Central Asia and the Middle East to reduce poverty and achieve sustainable development.

**Program expenses**

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	1,143,136	1,130,354	1,272,114	1,522,158	1,589,652
Expenses not requiring appropriation in the budget year	1,703	2,413	1,907	1,907	1,907
Special Account Expenses:					
Services for other Governments and non agency bodies	5,000	5,000	5,000	5,000	5,000
<b>Total program expenses</b>	<b>1,149,839</b>	<b>1,137,767</b>	<b>1,279,021</b>	<b>1,529,065</b>	<b>1,596,559</b>

**Program 1.3 Key Performance Indicators**

Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results.

Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

**Program 1.4 Official Development Assistance – Emergency, Humanitarian and Refugee Program**

**Program 1.4 objective and deliverables**

To assist developing countries respond to emergencies and assist refugees.

**Program expenses**

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	331,654	401,514	415,900	519,795	684,484
<b>Total program expenses</b>	<b>331,654</b>	<b>401,514</b>	<b>415,900</b>	<b>519,795</b>	<b>684,484</b>

**Program 1.4 Key Performance Indicators**

Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results.

Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

**Program 1.5 Official Development Assistance – Multilateral Replenishments**

**Program 1.5 objective and deliverables**

To assist developing countries through contributions to multilateral organisations.

**Program expenses**

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	9,538	125,854	293,364	12,622	-
Expenses not requiring appropriation in the budget year	-	443,415	275,003	-	-
Administered item (Bill 2)	44,010	503,414	315,003	-	-
<b>Total program expenses</b>	<b>53,548</b>	<b>1,072,683</b>	<b>883,370</b>	<b>12,622</b>	<b>-</b>

**Program 1.5 Key Performance Indicators**

Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results.

Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

**Program 1.6 Official Development Assistance – UN, Commonwealth and Other International Organisations**

**Program 1.6 objective and deliverables**

To assist developing countries through contributions to UN, Commonwealth and other international organisations.

**Program expenses**

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	341,712	368,020	410,794	382,602	456,835
<b>Total program expenses</b>	<b>341,712</b>	<b>368,020</b>	<b>410,794</b>	<b>382,602</b>	<b>456,835</b>

**Program 1.6 Key Performance Indicators**

Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results.

Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

**Program 1.7 Official Development Assistance – NGO, Volunteer and Community Programs**

**Program 1.7 objective and deliverables**

To assist developing countries through contributions to NGO, Volunteer and Community programs.

**Program expenses**

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item (Bill 1)	167,715	193,450	233,950	266,950	281,982
<b>Total program expenses</b>	<b>167,715</b>	<b>193,450</b>	<b>233,950</b>	<b>266,950</b>	<b>281,982</b>

**Program 1.7 Key Performance Indicators**

Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results.

Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

**Departmental Support: Outcome 1**

**Program objective**

To support the implementation and management of Australia's International Aid program.

**Program expenses**

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual departmental expenses:					
Departmental item (Bill 1)	274,727	312,285	336,441	311,588	317,917
Revenues from independent sources (s31)	231	231	300	300	300
Expenses not requiring appropriation in the Budget year	11,870	13,669	14,791	14,799	14,803
<b>Total program expenses</b>	<b>286,828</b>	<b>326,185</b>	<b>351,532</b>	<b>326,687</b>	<b>333,020</b>

**Departmental Support Key Performance Indicators**

High level of satisfaction of Ministers and other stakeholders with the quality and timeliness of advice, briefing and support in relation to Australia's International Development Assistance Program.

Implementation of the Comprehensive Aid Policy Framework, including achievement of results under Tier 3 of the CAPF Results Framework, and production of the Annual Review of Aid Effectiveness.

Implementation of the Performance Management and Evaluation Policy.



**Outcome 2: Australia's national interest advanced by implementing a partnership between Australia and Indonesia for reconstruction and development**

### Outcome 2 Strategy

AusAID's second outcome reflects the Government's commitment to the Australia-Indonesia Partnership for Reconstruction and Development (AIPRD). The AIPRD is part of the overall Australian official development assistance program managed by AusAID.

The AIPRD is funded through \$500 million in grants and \$500 million in highly concessional loan funds held in two special accounts. All AIPRD funds have been committed to high priority reconstruction and development activities currently being implemented in Indonesia.

### Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for outcome 2, by program.

<b>Outcome 2: Australia's national interest advanced by implementing a partnership between Australia and Indonesia for reconstruction and development</b>	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
<b>Program 2.1: East Asia</b>		
AIPRD grant special account <sup>1</sup>	4,141	-
AIPRD loans special account <sup>1</sup>	40,000	30,000
<b>Total for Program 2.1</b>	<b>44,141</b>	<b>30,000</b>
<b>Outcome 2 Totals by appropriation type</b>		
AIPRD grant special account <sup>1</sup>	4,141	-
AIPRD loans special account <sup>1</sup>	40,000	30,000
<b>Total expenses for Outcome 2</b>	<b>44,141</b>	<b>30,000</b>
	2011-12	2012-13
<b>Average Staffing Level (number)</b>	-	-

1. This reflects the amount of funding to be disbursed on a cash basis, not an expense basis.

## Contributions to Outcome 2

<b>Program 2.1 Official Development Assistance – East Asia</b>
<b>Program 2.1 objective and deliverables</b>
To continue to assist Indonesia in reconstruction and development post the 2004 Tsunami.

### Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Special Account Expenses:					
AIPRD grants special account <sup>1</sup>	4,141	-	-	-	-
AIPRD loans special account <sup>1</sup>	40,000	30,000	30,000	68,697	-
<b>Total program expenses</b>	<b>44,141</b>	<b>30,000</b>	<b>30,000</b>	<b>68,697</b>	<b>-</b>

1. This reflects the amount of funding to be disbursed on a cash basis, not an expense basis.

<b>Program 2.1 Key Performance Indicators</b>
Significant development results, including under Tier 2 of the Comprehensive Aid Policy Framework's headline results.
Demonstrated organisational effectiveness, including performance against Tier 3 of the Comprehensive Aid Policy Framework's headline results.

## **Section 3: Explanatory tables and budgeted financial statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2012-13 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of administered funds between years**

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period with the agreement of the Finance Minister may be moved to a future year. Table 3.1.1 shows the movement of administered funds approved between years.

Table 3.1.1 is not included here as there has been no movement of administered funds between years for AusAID.

### 3.1.2 Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by AusAID.

**Table 3.1.2: Estimates of Special Account Flows and Balances**

		Opening balance <b>2012-13</b> 2011-12	Receipts <b>2012-13</b> 2011-12	Payments <b>2012-13</b> 2011-12	Adjustments <b>2012-13</b> 2011-12	Closing balance <b>2012-13</b> 2011-12
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other entities and Trust Moneys - AusAID Special Account	1					
		<b>2,134</b>	<b>5,000</b>	<b>5,000</b>	-	<b>2,134</b>
<i>Financial Management and Accountability Act 1997 s20 FMA Act Det 2011/05</i>		2,134	5,000	5,000	-	2,134
Australia-Indonesia Partnership for Reconstruction and Development (Grants) Special Account (A)	2	-	-	-	-	-
<i>Financial Management and Accountability Act 1997 s20 FMA Act Det 2005/02</i>		4,141	-	4,141	-	-
Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account (A)	2	<b>128,696</b>	-	<b>30,000</b>	-	<b>98,696</b>
<i>Financial Management and Accountability Act 1997 s20 FMA Act Det 2005/03</i>		168,696	-	40,000	-	128,696
<b>Total Special Accounts 2012-13 Budget estimate</b>		<b>130,830</b>	<b>5,000</b>	<b>35,000</b>	-	<b>100,830</b>
<i>Total Special Accounts 2011-12 estimate actual</i>		174,971	5,000	49,141	-	130,830

(A) = Administered  
(D) = Departmental

### 3.1.3 Australian Government Indigenous Expenditure

**Table 3.1.3: Australian Government Indigenous Expenditure**

Outcome	Appropriations				Other \$'000	Total \$'000	Program
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000			
<b>AusAID</b>							
<b>Outcome 1</b>							
Departmental 2012-13	200	-	-	200	-	200	DS
Departmental 2011-12	90	-	-	90	-	90	DS
Total outcome 2012-13	200	-	-	200	-	200	DS
Total outcome 2011-12	90	-	-	90	-	90	DS
<b>Total AGIE 2012-13</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>200</b>	<b>DS</b>
Total AGIE 2011-12	90	-	-	90	-	90	DS

## **3.2 BUDGETED FINANCIAL STATEMENTS**

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

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

Asian Development Fund replenishments – investment component;

International Development Association replenishments – investment component.

The investment component does not impact on the fiscal or underlying cash balances, as the provision of a loan only affects the composition of the Australian Government investment in financial assets.

### **3.2.2 Analysis of budgeted financial statements**

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

This statement provides a picture of the expected financial results for AusAID by identifying full accrual expenses and revenue.

Total income in 2012–13 is estimated to be \$312.3 million, an increase of \$37.6 million from the 2011–12 estimated actual.

Total expenses in 2012–13 are estimated to be \$325.3 million.

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

This statement shows the expected financial position of AusAID. It enables decision makers to track the management of AusAID's assets and liabilities.

AusAID's most significant liability continues to be accrued employee entitlements, as a result of accruing leave entitlements. In 2012–13 this is estimated at \$41.2 million.

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

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

#### **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, asset revaluation and other reserves, and contributed equity.

Total equity in 2012-13 is estimated to be \$84.4 million, an increase of \$9.9 million from the 2011-12 estimated actual.

### **Schedule of Administered Activity**

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

This schedule identifies the main revenues and expenses relating to the Australian Government's official development assistance program administered by AusAID.

In 2012-13 AusAID will receive administered appropriation of \$4,204.7 million (excluding capital funding) for programs administered on behalf of the Government, representing an increase of \$389.0 million from the 2011-12 estimated actual.

Administered expenses for 'International Development Assistance' are budgeted at \$3,706.0 million, an increase of \$248.4 million from the 2011-12 estimated actual.

Administered expenses for 'Other - International Development Assistance program' are budgeted at \$368.0 million, an increase of \$16.8 million from the 2011-12 estimated actual.

The expenses 'Concessional loan discount' relates to the discounting of the Australia Indonesia Partnerships for Reconstruction and Development (AIPRD) loans.

The expenses 'Concessional investment discount' relate to the discounting of the investment components of the replenishments for the International Development Association (IDA) and the Asian Development Fund (ADF).

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

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

Administered assets are budgeted to total \$3,436.4 million by 30 June 2013, up from \$3,025.7 million estimated actual. This is mainly due to new multilateral replenishments being entered into.

Administered liabilities are estimated to total \$2,192.0 million by 30 June 2013, up from \$1,843.2 million estimated actual. This is primarily due to new multilateral replenishments being entered into.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	164,758	187,799	201,319	187,300	191,190
Suppliers	108,890	123,941	135,417	124,587	127,030
Depreciation and amortisation	10,850	13,404	14,520	14,520	14,520
Write-down and impairment of assets	895	136	138	140	140
<b>Total expenses</b>	<b>285,393</b>	<b>325,280</b>	<b>351,394</b>	<b>326,547</b>	<b>332,880</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	231	231	300	300	300
<b>Total own-source revenue</b>	<b>231</b>	<b>231</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Gains</b>					
Other	125	129	133	139	143
<b>Total gains</b>	<b>125</b>	<b>129</b>	<b>133</b>	<b>139</b>	<b>143</b>
<b>Total own-source income</b>	<b>356</b>	<b>360</b>	<b>433</b>	<b>439</b>	<b>443</b>
<b>Net cost of (contribution by) services</b>	<b>285,037</b>	<b>324,920</b>	<b>350,961</b>	<b>326,108</b>	<b>332,437</b>
Revenue from Government	274,727	312,285	336,441	311,588	317,917
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(10,310)</b>	<b>(12,635)</b>	<b>(14,520)</b>	<b>(14,520)</b>	<b>(14,520)</b>
<b>Total comprehensive income (loss)</b>	<b>(10,310)</b>	<b>(12,635)</b>	<b>(14,520)</b>	<b>(14,520)</b>	<b>(14,520)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(10,310)</b>	<b>(12,635)</b>	<b>(14,520)</b>	<b>(14,520)</b>	<b>(14,520)</b>
<b>Note: Impact of Net Cash Appropriation Arrangements</b>					
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations.</b>	(10,310)	(12,635)	(14,520)	(14,520)	(14,520)
plus depreciation/amortisation expenses previously funded through revenue appropriations	10,850	13,404	14,520	14,520	14,520
<b>Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>	<b>540</b>	<b>769</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	583	583	583	583	583
Trade and other receivables	63,385	62,805	63,052	63,307	59,569
<b>Total financial assets</b>	<b>63,968</b>	<b>63,388</b>	<b>63,635</b>	<b>63,890</b>	<b>60,152</b>
<b>Non-financial assets</b>					
Leasehold improvements	18,477	20,294	24,802	23,799	26,836
Infrastructure, plant and equipment	37,825	42,936	42,910	38,986	34,058
Intangibles	3,623	7,623	5,743	6,823	7,903
Other non-financial assets	7,645	7,645	7,645	7,645	7,645
<b>Total non-financial assets</b>	<b>67,570</b>	<b>78,498</b>	<b>81,100</b>	<b>77,253</b>	<b>76,442</b>
<b>Total assets</b>	<b>131,538</b>	<b>141,886</b>	<b>144,735</b>	<b>141,143</b>	<b>136,594</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Other payables	9,623	9,815	10,012	10,212	10,416
<b>Total payables</b>	<b>9,623</b>	<b>9,815</b>	<b>10,012</b>	<b>10,212</b>	<b>10,416</b>
<b>Provisions</b>					
Employee provisions	40,826	41,234	41,275	41,317	41,358
Other provisions	6,557	6,426	6,297	6,171	6,048
<b>Total provisions</b>	<b>47,383</b>	<b>47,660</b>	<b>47,573</b>	<b>47,488</b>	<b>47,406</b>
<b>Total liabilities</b>	<b>57,006</b>	<b>57,476</b>	<b>57,585</b>	<b>57,700</b>	<b>57,822</b>
<b>Net assets</b>	<b>74,532</b>	<b>84,410</b>	<b>87,150</b>	<b>83,443</b>	<b>78,772</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	73,366	95,879	113,139	123,952	133,801
Reserves	626	626	626	626	626
Retained surplus (accumulated deficit)	540	(12,095)	(26,615)	(41,135)	(55,655)
<b>Total parent entity interest</b>	<b>74,532</b>	<b>84,410</b>	<b>87,150</b>	<b>83,443</b>	<b>78,772</b>
<b>Total Equity</b>	<b>74,532</b>	<b>84,410</b>	<b>87,150</b>	<b>83,443</b>	<b>78,772</b>

\* 'Equity' is the residual interest in assets after deduction of liabilities.  
Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2012-13)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2012</b>					
Balance carried forward from previous period	540	626	-	73,366	74,532
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>540</b>	<b>626</b>	<b>-</b>	<b>73,366</b>	<b>74,532</b>
<b>Comprehensive income</b>					
Other comprehensive income	(12,635)	-	-	-	(12,635)
Surplus (deficit) for the period	-	-	-	-	-
<b>Total comprehensive income</b>	<b>(12,635)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,635)</b>
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity Injection - Appropriation	-	-	-	15,123	15,123
Departmental Capital Budget (DCBs)	-	-	-	7,390	7,390
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,513</b>	<b>22,513</b>
<b>Estimated closing balance as at 30 June 2013</b>	<b>(12,095)</b>	<b>626</b>	<b>-</b>	<b>95,879</b>	<b>84,410</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(12,095)</b>	<b>626</b>	<b>-</b>	<b>95,879</b>	<b>84,410</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	273,387	310,721	335,681	310,896	317,917
Sale of goods and rendering of services	231	231	300	300	300
Net GST received	3,514	3,514	3,514	3,514	3,514
<b>Total cash received</b>	<b>277,132</b>	<b>314,466</b>	<b>339,495</b>	<b>314,710</b>	<b>321,731</b>
<b>Cash used</b>					
Employees	164,667	187,410	200,645	186,608	191,190
Suppliers	112,465	127,056	138,850	128,102	130,541
<b>Total cash used</b>	<b>277,132</b>	<b>314,466</b>	<b>339,495</b>	<b>314,710</b>	<b>321,731</b>
<b>Net cash from (used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of infrastructure, plant and equipment	26,524	2,300	8,733	3,837	3,837
Purchase of leasehold improvements	1,141	16,013	7,407	5,896	4,932
Purchase of intangibles	530	4,200	1,120	1,080	1,080
<b>Total cash used</b>	<b>28,195</b>	<b>22,513</b>	<b>17,260</b>	<b>10,813</b>	<b>9,849</b>
<b>Net cash from (used by) investing activities</b>	<b>(28,195)</b>	<b>(22,513)</b>	<b>(17,260)</b>	<b>(10,813)</b>	<b>(9,849)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	15,780	15,123	5,018	1,090	40
Departmental Capital Budget	3,748	7,390	12,242	9,723	9,809
<b>Total cash received</b>	<b>19,528</b>	<b>22,513</b>	<b>17,260</b>	<b>10,813</b>	<b>9,849</b>
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>19,528</b>	<b>22,513</b>	<b>17,260</b>	<b>10,813</b>	<b>9,849</b>
<b>Net increase (decrease) in cash held</b>					
Cash and cash equivalents at the beginning of the reporting period	583	583	583	583	583
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>583</b>	<b>583</b>	<b>583</b>	<b>583</b>	<b>583</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	3,748	15,123	5,018	1,090	40
Equity injections - Bill 2	15,780	7,390	12,242	9,723	9,809
<b>Total new capital appropriations</b>	<b>19,528</b>	<b>22,513</b>	<b>17,260</b>	<b>10,813</b>	<b>9,849</b>
<b>Provided for:</b>					
Purchase of non-financial assets	19,528	22,513	17,260	10,813	9,849
<b>Total Items</b>	<b>19,528</b>	<b>22,513</b>	<b>17,260</b>	<b>10,813</b>	<b>9,849</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>1</sup>	15,780	15,123	5,018	1,090	40
Funded by capital appropriation - DCB <sup>2</sup>	3,748	7,390	12,242	9,723	9,809
Funded internally from departmental resources	8,667	-	-	-	-
<b>TOTAL</b>	<b>28,195</b>	<b>22,513</b>	<b>17,260</b>	<b>10,813</b>	<b>9,849</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	<b>28,195</b>	<b>22,513</b>	<b>17,260</b>	<b>10,813</b>	<b>9,849</b>
<b>Total cash used to acquire assets</b>	<b>28,195</b>	<b>22,513</b>	<b>17,260</b>	<b>10,813</b>	<b>9,849</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup> Includes both current and prior Bill 2/4/6 appropriations and special capital appropriations

<sup>2</sup> Does not include annual finance lease costs. Include purchase from current and previous years' Departmental Capital Budgets (DCBs).

**Table 3.2.6: Statement of Asset Movements (2012-13)**

	Other property, plant and equipment \$'000	L&B, IP&E \$'000	Other \$'000	Total \$'000
<b>As at 1 July 2012</b>				
Gross book value	26,891	50,075	13,225	90,191
Accumulated depreciation/amortisation and impairment	(6,459)	(12,250)	(9,602)	(28,311)
<b>Opening net book balance</b>	<b>20,432</b>	<b>37,825</b>	<b>3,623</b>	<b>61,880</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity <sup>1</sup>	-	11,923	3,200	15,123
By purchase - appropriation ordinary annual services <sup>2</sup>	2,300	4,090	1,000	7,390
<b>Total additions</b>	<b>2,300</b>	<b>16,013</b>	<b>4,200</b>	<b>22,513</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(2,438)	(10,766)	(200)	(13,404)
Other	-	-	-	-
<b>Total other movements</b>	<b>(2,438)</b>	<b>(10,766)</b>	<b>(200)</b>	<b>(13,404)</b>
<b>As at 30 June 2013</b>				
Gross book value	29,191	66,088	17,425	112,704
Accumulated depreciation/amortisation and impairment	(8,897)	(23,016)	(9,802)	(41,715)
<b>Closing net book balance</b>	<b>20,294</b>	<b>42,936</b>	<b>7,623</b>	<b>70,853</b>

Prepared on Australian Accounting Standards basis.

1 "Appropriation equity" refers to equity injections provided through Appropriation Bill (No.2) 2012-13.

2 "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2012-13 for DCBs.

**Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Non-taxation revenue</b>					
Interest	5,369	5,880	6,263	6,646	7,523
Return of prior year administered expenses	9,465	10,412	11,453	12,140	12,869
<b>Total non-taxation revenue</b>	<b>14,834</b>	<b>16,292</b>	<b>17,716</b>	<b>18,786</b>	<b>20,392</b>
<b>Total revenues administered on behalf of Government</b>	<b>14,834</b>	<b>16,292</b>	<b>17,716</b>	<b>18,786</b>	<b>20,392</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
International Development Assistance	3,458,550	3,706,962	4,217,914	4,959,309	5,510,620
Other - International Development Assistance	351,250	368,020	625,407	395,224	456,835
IDA/ADF grants	-	125,854	78,751	-	-
Concessional loan discount	34,000	25,500	25,500	58,392	-
Concessional Investment discount	-	443,415	275,003	-	-
Depreciation and amortisation	1,703	2,413	1,907	1,907	1,907
Other expenses	-	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>3,845,503</b>	<b>4,672,164</b>	<b>5,224,482</b>	<b>5,414,832</b>	<b>5,969,362</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	21,038	21,038	21,038	21,038	21,038
Loans and Receivables	69,097	73,597	78,097	88,402	88,402
Investments	991,054	1,051,054	1,091,054	1,091,054	1,091,054
Appropriation receivable - other	1,789,708	2,167,242	2,466,855	2,198,353	1,872,660
Appropriation receivable - special accounts	130,830	100,830	70,830	2,134	2,134
GST input credit receivable	12,840	12,840	12,840	12,804	12,840
Other receivables	-	-	-	-	-
<b>Total financial assets</b>	<b>3,014,567</b>	<b>3,426,601</b>	<b>3,740,714</b>	<b>3,413,785</b>	<b>3,088,128</b>
<b>Non-financial assets</b>					
Leasehold improvements	2,789	2,368	3,214	4,025	4,846
Infrastructure, plant and equipment	381	99	765	758	773
Intangibles	6,446	6,897	6,384	6,366	6,348
Other non-financial assets	700	700	700	700	700
<b>Total non-financial assets</b>	<b>10,316</b>	<b>10,064</b>	<b>11,063</b>	<b>11,849</b>	<b>12,667</b>
<b>Total assets administered on behalf of Government</b>	<b>3,024,883</b>	<b>3,436,665</b>	<b>3,751,777</b>	<b>3,425,634</b>	<b>3,100,795</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
IDA/ADF grant component	348,077	416,097	432,867	359,266	283,960
IDA/ADF concessional component	985,361	1,275,206	1,351,132	1,121,553	884,927
Aid program payable	190,121	144,451	308,039	257,765	180,909
Other payables	319,618	356,269	394,317	478,303	486,999
<b>Total payables</b>	<b>1,843,177</b>	<b>2,192,023</b>	<b>2,486,355</b>	<b>2,216,887</b>	<b>1,836,795</b>
<b>Total liabilities administered on behalf of Government</b>	<b>1,843,177</b>	<b>2,192,023</b>	<b>2,486,355</b>	<b>2,216,887</b>	<b>1,836,795</b>
<b>Net assets/(liabilities)</b>	<b>1,181,706</b>	<b>1,244,642</b>	<b>1,265,422</b>	<b>1,208,747</b>	<b>1,264,000</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of budgeted administered cash flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Return of prior year administered expenses	9,465	10,412	11,453	12,140	12,869
Net GST received	112,161	119,178	145,346	168,440	189,262
<b>Total cash received</b>	<b>121,626</b>	<b>129,590</b>	<b>156,799</b>	<b>180,580</b>	<b>202,131</b>
<b>Cash used</b>					
International Development Assistance	4,119,270	4,360,743	4,972,258	5,691,284	6,291,136
<b>Total cash used</b>	<b>4,119,270</b>	<b>4,360,743</b>	<b>4,972,258</b>	<b>5,691,284</b>	<b>6,291,136</b>
<b>Net cash from (used by) operating activities</b>	<b>(4,240,896)</b>	<b>(4,490,333)</b>	<b>(5,129,057)</b>	<b>(5,871,864)</b>	<b>(6,493,267)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	2,441	2,461	2,506	2,293	2,325
Other	-	-	-	-	-
<b>Total cash used</b>	<b>2,441</b>	<b>2,461</b>	<b>2,506</b>	<b>2,293</b>	<b>2,325</b>
<b>Net cash from (used by) investing activities</b>	<b>(2,441)</b>	<b>(2,461)</b>	<b>(2,506)</b>	<b>(2,293)</b>	<b>(2,325)</b>
<b>Net increase (decrease) in cash held</b>	<b>(4,148,329)</b>	<b>(4,385,451)</b>	<b>(4,385,270)</b>	<b>(4,423,967)</b>	<b>(4,355,271)</b>
Cash and cash equivalents at beginning of reporting period	21,038	21,038	21,038	21,038	21,038
Cash from Official Public Account for:					
- Appropriations	4,029,974	3,821,849	4,010,176	4,329,233	4,329,233
- Appropriations ACB	2,441	2,641	2,505	2,293	2,325
- Capital Appropriations	47,903	507,384	319,057	-	-
- Special Accounts	49,414	35,000	35,000	73,696	5,000
	<b>4,150,770</b>	<b>4,387,912</b>	<b>4,387,776</b>	<b>4,426,260</b>	<b>4,357,596</b>
Cash to Official Public Account for:					
- GST to the OPA	112,161	119,178	145,346	168,440	189,262
<b>Cash and cash equivalents at end of reporting period</b>	<b>21,038</b>	<b>21,038</b>	<b>21,038</b>	<b>21,038</b>	<b>21,038</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.10: Schedule of Administered Capital Budget**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (ACB)	2,441	2,461	2,505	2,293	2,325
Administered Assets and Liabilities - Bill 2	47,903	507,384	319,057	-	-
<b>Total new capital appropriations</b>	<b>50,344</b>	<b>509,845</b>	<b>321,562</b>	<b>2,293</b>	<b>2,325</b>
<i>Provided for:</i>					
Purchase of non-financial assets	2,441	2,461	2,505	2,293	2,325
Other Items	47,903	507,384	319,057	-	-
<b>Total Items</b>	<b>50,344</b>	<b>509,845</b>	<b>321,562</b>	<b>2,293</b>	<b>2,325</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>1</sup>	-	-	-	-	-
Funded by capital appropriation - ACB <sup>2</sup>	2,441	2,461	2,505	2,293	2,325
<b>TOTAL AMOUNT SPENT</b>	<b>2,441</b>	<b>2,461</b>	<b>2,505</b>	<b>2,293</b>	<b>2,325</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total accrual purchases	2,441	2,461	2,505	2,293	2,325
<b>Total cash used to acquire assets</b>	<b>2,441</b>	<b>2,461</b>	<b>2,505</b>	<b>2,293</b>	<b>2,325</b>

Prepared on Australian Accounting Standards basis.

1 Includes both current and prior Bill 2/4/6 appropriations.

2 Includes purchase from current and previous years' Administered Capital Budgets (ACBs).

**Table 3.2.11: Schedule of Asset Movements — Administered**

	Buildings	Other property, plant and equipment	Other	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2012</b>				
Gross book value	4,417	5,041	8,211	17,669
Accumulated depreciation/amortisation and impairment	(1,628)	(4,660)	(1,765)	(8,053)
<b>Opening net book balance</b>	<b>2,789</b>	<b>381</b>	<b>6,446</b>	<b>9,616</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity <sup>1</sup>	-	-	-	-
By purchase - appropriation ordinary annual services <sup>2</sup>	466	1,500	495	2,461
<b>Total additions</b>	<b>466</b>	<b>1,500</b>	<b>495</b>	<b>2,461</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(887)	(1,782)	(44)	(2,713)
Other				
<b>Total other movements</b>	<b>(887)</b>	<b>(1,782)</b>	<b>(44)</b>	<b>(2,713)</b>
<b>As at 30 June 2013</b>				
Gross book value	4,883	6,541	8,706	20,130
Accumulated depreciation/amortisation and impairment	(2,515)	(6,442)	(1,809)	(10,766)
<b>Closing net book balance</b>	<b>2,368</b>	<b>99</b>	<b>6,897</b>	<b>9,364</b>

Prepared on Australian Accounting Standards basis.

1 "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2012-13.

2 "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2012-13 for ACBs.

### **3.2.4 Notes to the financial statements**

Under the Australian Government's accrual-based budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from those transactions that 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. Administered revenues include taxes, fees, fines and excises.

#### **Appropriations in the accrual budgeting framework**

Under the Australian Government's accrual budgeting framework, separate annual appropriations are provided for:

- departmental revenue: representing the Government's funding for programs from agencies;
- departmental capital appropriations: for investments by the Government for either additional equity or loans to agencies;
- administered expense appropriations: for the estimated administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- administered capital appropriations: for increases in administered equity through funding non-expense administered payments.

#### **Asset valuation**

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