

AUSAID

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AusAID

Section 1: Overview

In the 2007-08 Budget, the Government has committed an additional \$2.5 billion over four years through AusAID to implement a broad ranging set of initiatives to address critical issues in our region and to complement existing bilateral and regional programmes.

In terms of total Official Development Assistance (ODA), Australia will provide an estimated \$3.155 billion in 2007-08.

The 2007-08 Budget is significant for the aid programme and is designed to take forward the implementation of the White Paper – *Australian Aid: Promoting Growth and Stability*.

The Aid White Paper provides the strategic framework for scaling up Australia's Official Development Assistance to about \$4 billion by 2010 as announced by the Prime Minister in September 2005.

The White Paper is structured around four key themes targeted to reduce poverty and achieve sustainable development in our region. These themes are: fostering functioning and effective states, accelerating economic growth, investing in people and promoting regional stability and cooperation.

Since the tabling of the 2006-07 Portfolio Budget Statement, AusAID has amended its outcome 1 statement to reflect the overarching objective of Australia's Aid Programme as set out in the White Paper.

Full detail on sectoral and country aid allocations is contained in the statement by the Minister for Foreign Affairs "Australia's Overseas Aid Programme 2007-08" available at www.ausaid.gov.au.

1.1 SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES

The products and services delivered by the agency (outputs and administered policies, products and services) which contribute to achievement of the outcomes for AusAID are summarised in Table 1.1.

Table 1.1: Contribution to outcomes

Outcome	Description	Output
Outcome 1		
To assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest	Promotion of sustainable development and poverty reduction in developing countries, particularly in the Asia-Pacific region.	Output 1.1 Policy Output 1.2 Programme Management
Outcome 2		
Australia's national interest advanced by implementing a partnership between Australia and Indonesia for reconstruction and development	To support Indonesia's reconstruction and development efforts, both in and beyond tsunami affected areas, through long-term cooperation, focused on assistance for economic and social development projects and Indonesia's programmes of reform and democratisation.	Output 2.1 Australia-Indonesia Partnership for Reconstruction and Development Management

Section 2: Resources for 2007-08

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2007-08, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

The total appropriation for AusAID in the 2007-08 Budget is \$2,613.6 million¹, made up of \$2,502.6 million in administered appropriations and \$110.9 million in departmental appropriations.

¹ This amount relates to Appropriation Bill No. 1 and Appropriation Bill No 2 (Departmental and Administered). In addition to this amount are resources from other origins totalling \$3.4 million (see table 2.1).

Table 2.1: Appropriations and other resources 2007-08 ('000)

Entity/Outcome/ Non-operating	Departmental				Administered				Total	
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Receipts (a) \$'000	Appropriation Bill No. 1 \$'000	Appropriation SPP \$'000	Other (b) \$'000	Special Appropriation \$'000		Receipts (a) \$'000
Outcome 1	102,386	-	-	320	2,483,918	-	-	-	3,049	2,589,673
Outcome 2	6,518	-	-	-	4,482	-	-	-	-	11,000
Equity injections	-	2,093	-	-	-	-	-	-	-	2,093
Loans	-	-	-	-	-	-	-	-	-	-
Previous years' outputs	-	-	-	-	-	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-	-	14,240	-	-	14,240
Special capital	-	-	-	-	-	-	-	-	-	-
Appropriation	-	-	-	-	-	-	-	-	-	-
TOTAL	108,904	2,093	-	320	2,488,400	-	14,240	-	3,049	2,617,006

(a) Departmental and administered receipts from other sources (i.e. other than appropriation amounts) that are available to be used.

(b) Includes new administered expenses and administered assets and liabilities.

Notes:

- Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new administered expenses within new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans. "New administered expenses within new outcomes" does not include revisions to existing outcomes, for example following restructuring of outcomes; or revisions to outcomes following an AAO change where new administered items are not involved.
- Departmental 'Receipts' also includes 'other gains - resources received free of charge' - see Table 2.3 for breakdown.

2.2 2007-08 BUDGET MEASURES

Budget measures relating to AusAID as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

Table 2.2 AusAID measures

Measure	Outcome	Outputs affected	Appropriations budget			Appropriations forward estimate 2008-09 \$'000			Appropriations forward estimate 2009-10 \$'000			Appropriations forward estimate 2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Increasing overseas aid - delivering better education	1	1.1 & 1.2	40,323	2,831	43,154	59,289	3,347	62,636	183,132	3,131	186,263	245,023	3,182	248,205
Increasing overseas aid - delivering better health	1	1.1 & 1.2	52,528	2,711	55,239	75,219	3,242	78,461	168,989	2,969	171,958	222,128	3,017	225,145
Increasing overseas aid - infrastructure for growth initiative	1	1.1 & 1.2	81,978	3,127	85,105	115,554	3,401	118,955	139,075	3,215	142,290	156,168	3,272	159,440
Increasing overseas aid - Australian response to emerging country and regional priorities - enhancement	1	1.1 & 1.2	100,900	-	100,900	96,200	-	96,200	95,600	-	95,600	90,000	-	90,000

AusAID Budget Statement: Resources

Table 2.2 AusAID measures (continued)

Measure	Outcome	Outputs affected	Appropriations budget			Appropriations forward estimate 2008-09 \$'000			Appropriations forward estimate 2009-10 \$'000			Appropriations forward estimate 2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Climate change - Global Initiative on Forests and Climate ¹	1	1.1 & 1.2	26,590	677	27,267	29,457	3,760	33,217	40,751	2,870	43,621	39,701	2,929	42,630
Australia Pacific Technical College ²	1	1.1 & 1.2	28,400	2,504	30,904	30,100	1,953	32,053	31,800	1,976	33,776	30,400	1,999	32,399
Increasing overseas aid - Australian emergency and humanitarian response capacity - enhancement	1	1.1 & 1.2	20,545	728	21,273	22,295	666	22,961	23,300	674	23,974	24,290	682	24,972
Increasing overseas aid - Australia-Indonesia partnership for Reconstruction and Development - supplementary administration costs	2	2.1	4,482	6,518	11,000	4,386	6,614	11,000	3,868	6,132	10,000	3,668	5,332	9,000

Table 2.2 AusAID measures (continued)

Measure	Outcome	Outputs affected	Appropriations budget			Appropriations forward estimate 2008-09 \$'000			Appropriations forward estimate 2009-10 \$'000			Appropriations forward estimate 2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Increasing overseas aid - Aid White Paper - continuation of programme development and realignment	1	1.1 & 1.2	-	5,346	5,346	-	5,750	5,750	-	5,710	5,710	-	5,777	5,777
Increasing overseas aid - performance incentives	1	1.1 & 1.2	40,141	1,154	41,295	72,876	1,408	74,284	-	-	-	-	-	-
Increasing overseas aid - governance and leadership programme	1	1.1 & 1.2	14,747	1,878	16,625	22,803	1,569	24,372	-	-	-	-	-	-
Increasing overseas aid - climate change, global health and multilateral initiatives - building and supporting effective partnerships	1	1.1 & 1.2	86,530	356	86,886	-	-	-	-	-	-	-	-	-

Table 2.2 AusAID measures (continued)

Measure	Outcome	Outputs affected	Appropriations budget			Appropriations forward estimate 2008-09 \$'000			Appropriations forward estimate 2009-10 \$'000			Appropriations forward estimate 2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Increasing overseas aid - anti-corruption for development activities	1	1.1 & 1.2	15,700	957	16,657	-	-	-	-	-	-	-	-	-
Increasing overseas aid - emergency and humanitarian relief - contributions ³	1	1.1 & 1.2	-	-	-	-	-	-	-	-	-	-	-	-
Total of all measures			512,864	28,787	541,651	528,179	31,710	559,889	686,515	26,677	713,192	811,378	26,190	837,568

1. This measure includes funding in 2011-12 of \$17.6 million.

2. This measure was included in 2006-07 MYEFO. AusAID absorbed \$10.3 million in 2006-07 with a further estimated \$10 million to be absorbed. As a result, this measure will be not be included in Budget Paper 2 for 2007-08.

3. This measure has been absorbed from within the Global Aid Budget.

2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by AusAID for provision of goods or services. These resources are approved for use by AusAID and are included in Table 2.1.

Table 2.3: Other resources available to be used¹

	Estimated receipts 2006-07 \$'000	Budget estimate 2007-08 \$'000
Departmental resources		
Sales of goods and services (FMA Act s.31) ²	260	229
Other gains - resources received free of charge	91	91
Total departmental other resources available to be used	351	320
Administered other resources		
Other non-taxation revenue (FMA Act s.31) ³	2,904	3,049
Total administered other resources available to be used	2,904	3,049

Notes:

1. This table represents own source receipts available for spending on departmental purposes.
2. All Departmental Sales of Goods and Services are used for AusAID's outcomes (*Financial Management and Accountability Act s. 31*).
3. Administered Other non-taxation revenue refers to unused funds returned from contractors and non-government organisations and taxation paid to partner government and returned to AusAID, which were appropriated in former years.

2.4 MOVEMENT OF ADMINISTERED FUNDS

AusAID did not move administered funds from 2006-07 to 2007-08.

2.5 SPECIAL APPROPRIATIONS

AusAID has no expenses or cash drawdowns associated with special appropriations.

2.6 MOVEMENTS IN 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 *Financial Management and Accountability Act 1997*. These Determinations may be disallowed by the Parliament. Special Accounts can also be established by the passage of separate legislation. Abolition of Special Accounts requires a Determination to be made by the Finance Minister or, for those Accounts established by legislation, by repeal of the legislation in whole or part. Table 2.6 shows the expected additions (credits) and reductions (debits) for each account used by AusAID.

Table 2.6: Estimates of Special Account cash flows and balances

		Opening balance 2007-08	Receipts 2007-08	Payments 2007-08	Adjustments 2007-08	Closing balance 2007-08
		2006-07	2006-07	2006-07	2006-07	2006-07
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Government and Non-Agency Bodies (A)	1	2,154	14,000	14,000	0	2,154
<i>Financial Management and Accountability Act 1997 s.20</i>		2,154	14,000	14,000	0	2,154
Australia-Indonesia Partnership for Reconstruction and Development (Grants) Special Account (A)	2	275,738	0	130,000	0	145,738
<i>Financial Management and Accountability Act 1997 s.20</i>		395,738	0	120,000	0	275,738
Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account (A)	2	453,000	0	98,000	0	355,000
<i>Financial Management and Accountability Act 1997 s.20</i>		500,000	0	47,000	0	453,000
Total special accounts						
2007-08 Budget estimate		730,892	14,000	242,000	0	502,892
Total special accounts 2006-07 estimated actual		897,892	14,000	181,000	0	730,892

(A) = Administered

(D) = Departmental

Note: The two special accounts for the Australia-Indonesia Partnership for Reconstruction and Development were created to hold the \$1 billion grants and loans appropriation through the 2004-05 Portfolio Supplementary Additional Estimates Statements tabled in March 2005.

2.7 ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS

In 2007-08, AusAID will receive an administered capital cash injection of \$14.2 million to meet obligations relating to multiyear liabilities that were in existence prior to the change to accrual budgeting, as reflected in Table 2.1.

Under the current accounting treatment for multiyear agreements, these commitments are recorded as a liability in the year the agreement is entered into, not when the cash payments fall due, which can be spread over a period of up to ten years. This means that in any given year the relationship between AusAID's cash needs, and AusAID's appropriation can vary considerably.

In 2007-08, new multiyear agreements (current estimates of \$407m) are expected to be entered into for the fifteenth replenishment of the International Development Association (IDA15) including contributions to the Heavily Indebted Poor Countries Initiative (HIPC).

AusAID will also make cash payments against existing multiyear agreements of approximately \$318.1 million.

In 2007-08, AusAID will receive a departmental capital injection of \$2.1 million for AusAID's central office fitout (\$0.2 million) and Providing for Australia's security - Australian overseas diplomatic missions - improved security (\$1.9 million).

Section 3: Outcomes

General government sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental items) and also administer items on behalf of the Government (administered items).

This section summarises how the resources identified in Section 2 will be used to contribute to the two outcomes for AusAID. Emphasis is placed on estimating the contribution to outcomes through administered items and outputs delivered by the agency. Key performance measures and performance evaluation activities are specified for each outcome.

3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The relationship between activities of AusAID and the outcomes is summarised in Figure 2.

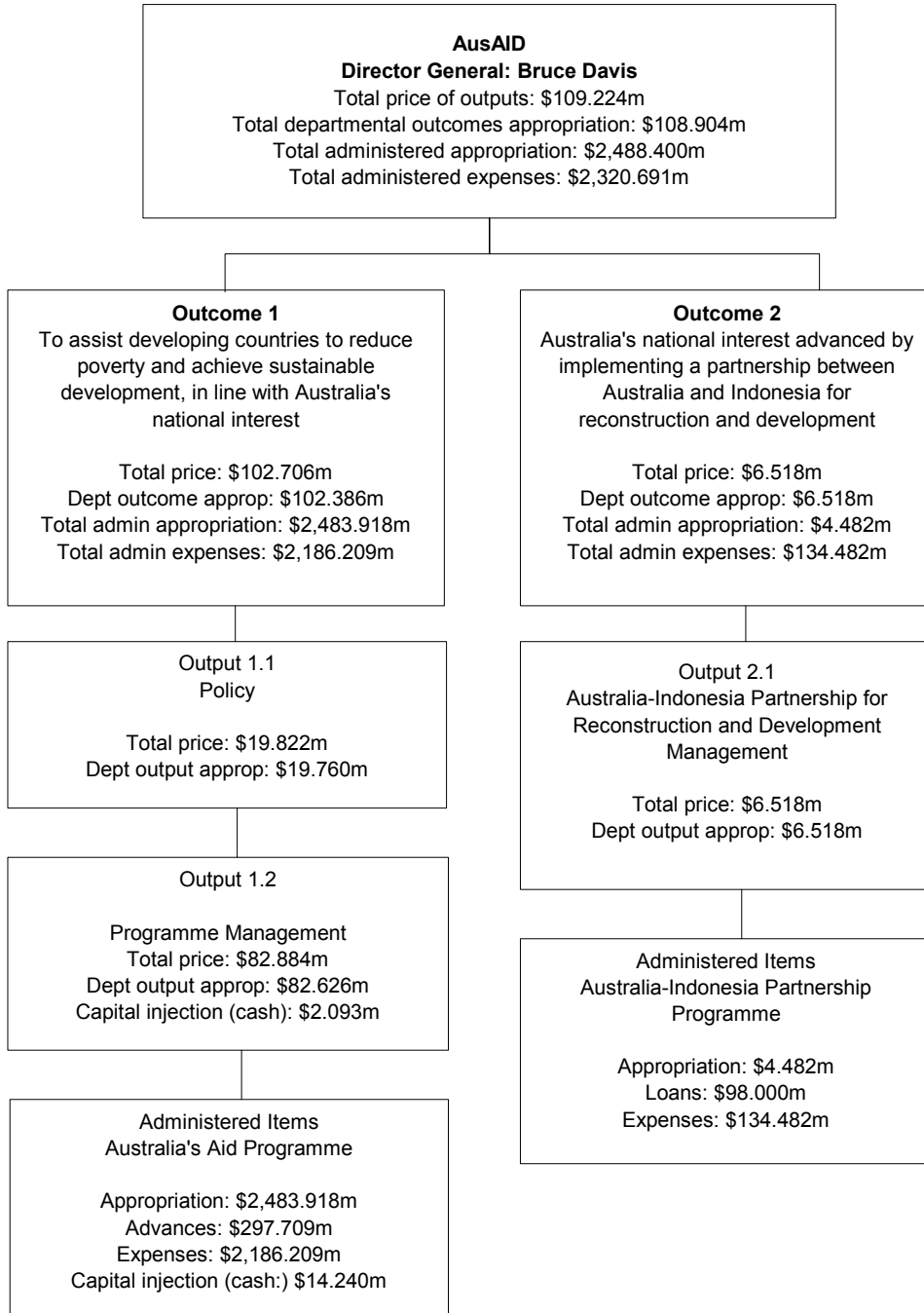
Output Cost attribution

AusAID allocates departmental resources to outputs based on an output usage survey.

Change to Outcomes and Outputs

Since the tabling of the 2006-07 Portfolio Budget Statement, AusAID has amended its outcome 1 statement to reflect the overarching objective of Australia's Aid Programme as set out in the 2006 White Paper – *Australian Aid: Promoting Growth and Stability*.

Figure 2: Contributions to outcomes



3.2 OUTCOME 1 RESOURCES AND PERFORMANCE INFORMATION

3.2.1 Outcome 1 resourcing

Table 3.1 shows how the 2007-08 Budget appropriations translate to total resourcing for outcome one, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

Table 3.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
Administered appropriations		
Total administered appropriations	1,761,820	2,483,918
Departmental appropriations		
Output 1.1 - Policy		
Subtotal Output 1.1	16,876	19,760
Departmental appropriations		
Output 1.2 - Programme Management		
Subtotal Output 1.2	70,564	82,626
Total revenue from government (appropriations) Contributing to price of departmental outputs	87,440	102,386
Revenue from other sources		
Sales of Goods and Services	260	229
Other gains (Resources received free of charge)	91	91
Total revenue from other sources	351	320
Total price from departmental outputs (Total revenue from government and from other sources)	87,791	102,706
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	1,849,611	2,586,624
	2006-07	2007-08
Average staffing level (number)	491	537

3.2.2 Measures affecting Outcome 1²

Increasing overseas aid - delivering better education

The Government will provide \$540.3 million over four years to improve education outcomes for young people across the Asia-Pacific region and equip them with the skills necessary to lead productive lives.

Supporting education is one of the most effective uses of aid. Education provides the foundation for economic growth and self-reliance and produces flow on benefits in health, governance, gender equity and stability and security.

Increasing overseas aid - delivering better health

The Government will provide \$530.8 million over four years to improve health in the Asia-Pacific Region. This investment will support the implementation of activities outlined in the Government's aid health policy, *Helping Health Systems Deliver*, launched by the Minister for Foreign Affairs in August 2006.

Effectively functioning health services play a key role in promoting human security and stability and help to break the vicious cycle of poverty.

Increasing overseas aid - infrastructure for growth initiative

The Government will provide \$505.8 million over four years to address critical infrastructure constraints to growth and improve the management of infrastructure in the Asia-Pacific region. This initiative will support partner countries to build and maintain key economic infrastructure, and remove impediments to private investment in infrastructure. Improved infrastructure networks with increased coverage will facilitate market access, promote regional trade and integration, and encourage private sector growth and increased productivity.

Increasing overseas aid - Australian response to emerging country and regional priorities - enhancement

The Government will provide \$382.7 million over four years to increase in-year flexibility within the aid budget to meet unforeseen and emerging country and regional aid priorities.

² This relates to measures disclosed in the 2007-08 Budget context (that is measures agreed since the *Mid-Year Economic and Fiscal Outlook* (2006-07 MYEFO)).

3.2.2 Measures affecting Outcome 1 (continued)

Climate change - Global Initiative on Forests and Climate

The Government will provide \$164.4 million through AusAID over five years in support of the “Global Initiative on Forests and Climate” announced in March 2007. This measure is part of the Government’s \$200 million commitment to this global initiative aimed at reducing global greenhouse gas emissions through improved management of tropical forests.

Australia Pacific Technical College

The Government will provide \$149.4 million for the establishment and operation of a new Australia-Pacific Technical college. The college will provide Australian-standard technical training to Pacific Island students from throughout the region. Further details of this measure may be found in the Prime Minister’s press release of 25 October 2006.

Increasing overseas aid - Australian emergency and humanitarian response capacity - enhancement

The Government will provide \$93.2 million over four years to improve Australia’s response capacity to humanitarian and emergency crises in the Asia-Pacific region. Australia’s response capacity will be enhanced through better coordination, improved access to relief stores and skilled response personnel, strengthened systems and capacity in regional partners to plan and manage crises.

Increasing overseas aid - Aid White Paper - continuation of programme development and realignment

The Government will provide \$22.6 million over four years to resource the policy, planning and design work necessary for the continued effective implementation of the Australian Government’s White Paper – *Australian Aid: Promoting Growth and Stability*.

Increasing overseas aid - performance incentives

The Government will budget for \$115.6 million over two years to recognise developing partner countries achievements in advancing essential economic and governance reforms against mutually agreed milestones.

3.2.2 Measures affecting Outcome 1 (continued)

Increasing overseas aid - governance and leadership programme

The Government will provide \$41.0 million over two years on leadership development and to build demand from within partner developing countries for improved governance performance.

Increasing overseas aid - climate change, global health and multilateral initiatives - building and supporting effective partnerships

The Government will provide \$86.9 million in 2007-08 for multilateral initiatives targeting climate change and improved health standards in the Asia-Pacific region³.

Increasing overseas aid - anti-corruption for development activities

The Government will provide \$16.7 million in 2007-08 to support initial high priority work to implement the Government's policy "Tackling corruption for Growth and Development" launched in March 2007.

Increasing overseas aid - emergency and humanitarian relief - contributions

The Government has provided \$18.6 million since MYEFO 2006-07 for emergency and humanitarian relief efforts.

Further details of the above measures may be found in Budget Paper No. 2.

³ This measure also enables early discharge of Australia's remaining commitments to the 13th IDA replenishment of approximately \$120 million, of which some \$80 million will be bought forward from future year commitments.

3.2.3 Contributions to achievement of Outcome 1

AusAID provides policy advice and analysis to the Government on international development issues. AusAID also manages and monitors aid programmes implemented in accordance with policies of the Government and priorities of partner countries.

3.2.4 Performance information for Outcome 1

Performance information for administered items and individual outputs relating AusAID's outcome 1 are summarised in Table 3.2 below.

Table 3.2: Performance information for Outcome 1

Effectiveness - Overall achievement of the Outcome	
At least 75 per cent of initiatives receive a satisfactory quality rating	
Significant development results	
Significant initiative outputs	
Performance indicators for administered items including third party outputs	
Country and Regional Programmes	At least 75 per cent of activities receive a satisfactory quality rating. Significant development results. Significant initiative outputs.
Multilateral Organisations	At least 75 per cent of organisations receive a satisfactory quality rating. Significant development results. Organisations' significant outputs.
Emergency, Humanitarian, and Refugee Programmes	At least 75 per cent of initiatives receive a satisfactory quality rating. Significant initiative outputs.
NGO and Volunteer Programmes	At least 75 per cent of activities receive a satisfactory quality rating. Significant initiative outputs.
Information, Education and Communication Programmes	Awareness of Australia's overseas aid programme and key international development issues amongst target audiences.

Table 3.2: Performance information for Outcome 1 (continued)

Performance indicators for individual outputs

Output 1.1 Policy

Output 1.1

Quality: Ministerial/Parliamentary Secretary satisfaction.

Quantity: number of submissions or briefs; questions on notice; PPQ's; submissions to Parliamentary Committees; correspondence; press releases; speeches; number of programme strategies prepared or reviewed.

Price: \$19.822 million

Output 1.2 Programme Management

Output 1.2

Quality: major programmes harmonised with key donors and aligned with partner government systems, aid modalities reflect good international practice; continuous improvement of tools and processes; core quality principles applied.

Quantity: number of initiatives; number of new initiatives launched and ongoing initiatives managed.

Price: \$82.884 million

3.2 OUTCOME 2 RESOURCES AND PERFORMANCE INFORMATION

3.2.1 Outcome 2 resourcing

Table 3.1 shows how the 2007-08 Budget appropriations translate to total resourcing for outcome 2, including administered expenses, revenue from Government (appropriation), revenue from other sources, and the total price of outputs.

Table 3.1: Total resources for Outcome 2 (\$'000)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
Administered appropriations		
Total administered appropriations	3,370	4,482
Departmental appropriations		
Output 2.1 - Australia-Indonesia Partnership for Reconstruction and Development Management		
Subtotal Output 2.1	5,722	6,518
Total revenue from government (appropriations)	5,722	6,518
Contributing to price of departmental outputs		
Total revenue from other sources	-	-
Total price from departmental outputs (Total revenue from government and from other sources)	5,722	6,518
Total estimated resourcing for Outcome 2 (Total price of outputs and administered appropriations)	9,092	11,000
	2006-07	2007-08
Average staffing level (number)	27	27

3.2.2 Measures affecting Outcome 2⁴

Increasing overseas aid - Australia-Indonesia Partnership for Reconstruction and Development - supplementary administration costs.

The Government will provide \$41.0 million over four years to provide administrative support for the Australia-Indonesia Partnership for Reconstruction and Development (AIPRD).

Funding to administer the AIPRD is being provided separately to ensure funds are not diverted from the \$1 billion provided by the Australian Government for Indonesia's reconstruction and development, following the 2004 Indian Ocean tsunami.

3.2.3 Contributions to achievement of Outcome 2

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 aid program managed in line with the strategic framework set out in the White Paper.

Activities under the Partnership will be funded by a \$1 billion package comprising a \$500 million grant aid programme and \$500 million in highly concessional loans.

A Joint Commission is the peak decision-making body of the Partnership. The Commission's work is jointly overseen by the Heads of Government of Australia and Indonesia. Membership of the Commission comprises the Foreign Ministers of both Australia and Indonesia as well as economic ministers from each country. The principal mandate of the Joint Commission is to set broad strategic directions for the Partnership. It also establishes key priorities for funding and agrees on major activities.

⁴ This relates to measures disclosed in the 2007-08 Budget context (that is measures agreed since the *Mid-Year Economic and Fiscal Outlook* (2006-07 MYEFO)).

3.2.4 Performance information for Outcome 2

Performance information for administered items and individual outputs relating to AusAID's outcome two are summarised in Table 3.2 below.

Table 3.2: Performance information for Outcome 2

Effectiveness - Overall achievement of the Outcome	
At least 75 percent of initiatives receives a satisfactory quality rating	
Significant development results	
Significant initiative outputs	
Performance indicators for administered items including third party outputs	
Australia-Indonesia Partnership for Reconstruction and Development	Quality: At least 75 per cent of initiatives receive a satisfactory quality rating. Quantity: significant development results.
Performance indicators for individual outputs	
Output 2.1 Australia-Indonesia Partnership for Reconstruction and Development Management	
Output 2.1	Quality: major programmes harmonised with key donors and aligned with partner government systems, aid modalities reflect good international practice; continuous improvement of tools and processes; core quality principles applied. Quantity: number of initiatives; number of new initiatives launched and ongoing initiatives managed.
Price: \$6.518 million	

3.3 EVALUATIONS ACROSS OUTCOMES

3.3.1 - Evaluations of the aid programme

The Office of Development Effectiveness (ODE) was established in 2006 with the objective of improving the effectiveness of Australian Government policies and programmes on the development of partner countries. In 2007-08, the focus of the ODE will be on:

- Producing the first Annual Review of Development Effectiveness (ARDE);
- Bedding down new approaches to performance assessment, evaluation and reporting;
- Reviews of country and regional strategies; and
- Key strategic and thematic evaluations.

3.3.2 - Administration and delivery of the aid programme

Delivering an expanded and effective aid programme focussed on the White Paper themes will require continued development of innovative modes of delivery, access to a broader pool of expertise, and further refinement of AusAID's administrative processes. In 2007-08, AusAID will build on the improvements and innovations in delivering the aid programme. These include: utilising modes of delivery that are strongly aligned with partner government budgets and systems and making greater use of national expertise in implementation; expanding the pool of expertise and providing greater value for money through the untied the aid programme; and mobilising new Australian engagement.

3.3.3 - The Australian Aid Performance Assessment Framework

Following the launch of the Aid White Paper in April 2006, a new Performance Assessment Framework (PAF) is being developed to strengthen the effectiveness of the aid program. The PAF centres around three main sets of questions: what are the results of our aid; what is the quality of our aid initiatives, and are we complementing key policy directions as set out in the White Paper. The PAF will provide the data for AusAID's Annual Report.

In line with the White Paper, an Annual Review of Development Effectiveness (ARDE) will be prepared by the Office of Development Effectiveness. The ARDE will be an independent assessment of the aid programme's effectiveness and will cover all Australian ODA. The ARDE will inform future aid budget decisions. It will be available for the Expenditure Review Committee of Cabinet, Parliament and the public.

The main elements of the new PAF for Australian aid have been incorporated into AusAID's performance information at Table 3.2. The monitoring of the 75 percent target for initiatives to be rated satisfactory has been strengthened. AusAID's Annual Report will continue to be the formal report on the commitments in the Portfolio Budget Statement.

Section 4: Other reporting requirements

4.1 PURCHASER-PROVIDER ARRANGEMENTS

4.1.1 Cross agency overview

AusAID purchases services from the Department of Foreign Affairs and Trade (DFAT):

- Under the Service Level Agreement (SLA) for overseas missions and the Information Technology Memorandum of Understanding (ITMOU);
- For routine operating expenses at overseas missions;
- For residential and office accommodation at overseas missions;
- For information technology infrastructure support;
- For telecommunications at overseas missions; and
- For secure network services.

AusAID provides payroll services to the Australian Centre for International Agricultural Research (ACIAR).

4.2 COST RECOVERY ARRANGEMENTS

Summary of cost recovery impact statement

AusAID has no cost recovery arrangements in place as defined by the Department of Finance and Administration.

4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)

Please refer to Portfolio Table 1 in the Portfolio Overview.

Section 5: Budgeted financial statements

5.1 ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the budgeted financial statements for AusAID, presented in this section, form the basis of both the financial statements that will appear in AusAID's 2006-07 and 2007-08 Annual Reports and input into the Whole-of-Government Accounts.

Departmental 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 2007-08 is estimated to be \$109.2 million, an increase of \$15.7 million from the 2006-07 estimated actual. The increase is primarily as a result of:

- Increased appropriation for new measures (excluding capital funding) included in the 2007-08 Budget (refer to Section 2, Table 2.2 for detail);

AusAID is budgeting for a zero operating result for 2007-08. The estimated actual operating result for 2006-07 is also expected to be zero.

Total expenses are estimated to be \$109.2 million, an increase of \$15.7 million from the 2006-07 estimated actual. The increase is primarily due to additional costs to manage new initiatives.

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 budgeted net asset position of \$19.7 million represents an increase of \$2.1 million from the 2006-07 estimated actual net asset position. The increase is attributable to the capital injections for AusAID's central office fitout and Providing for Australia's Security - Australian overseas diplomatic missions - improved security (refer to 2005-06 Portfolio Budget Statement Table 2.2).

AusAID's most significant liability continues to be accrued employee entitlements, as a result of accruing leave entitlements. In 2007-08 this is estimated at \$13.8 million.

Budgeted departmental statement of cash flows

This statement shows the budgeted cash flows, as reflected in the statement of cash flows, providing 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 2007-08 is estimated to be \$19.7 million, an increase of \$2.1 million from the 2006-07 estimated actual. This increase is a result of capital injections receivable in 2007-08 of \$2.1 million.

Departmental capital budget statement

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

Departmental property, plant, equipment and intangibles - summary of movement

This statement shows budgeted acquisitions and disposals of non-financial assets during the Budget year. The major movement to non-financial assets is from estimated additions of \$1.8 million in infrastructure, plant and equipment and intangibles.

Schedule of Administered Activity

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

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 Overseas Aid Programme administered by AusAID.

In 2007-08 AusAID will receive administered appropriation of \$2,488.4 million (excluding capital funding) for programmes administered on behalf of the Government, representing an increase of \$723.2 million from the 2006-07 estimated actual. This increase is largely due to:

- New Budget measures as disclosed in Section 2, Table 2.2.

Administered expenses for grants to multilateral organisations are budgeted at \$321.8 million, an increase of \$38.9 million from the 2006-07 estimated actual.

Also budgeted against grants are the estimated expenses for the grants component of the Australia-Indonesia Partnership for Reconstruction and Development (AIPRD). For 2007-08 it is estimated that \$130 million of AIPRD grants will be expensed. These expenses do not increase AusAID's appropriation as the full appropriation was received through the 2004-05 Portfolio Supplementary Additional Estimates Statements.

There are no expenses associated with the loans component of the AIPRD. It is estimated that \$98.0 million of loans will be disbursed in 2007-08.

Administered expenses for 'Other Aid Programme' are budgeted at \$1,867.4 million, an increase of \$397.9 million from the 2006-07 estimated actual. This increase is primarily related to:

- New Budget measures as disclosed in Section 2, Table 2.2.

Schedule of budgeted assets and liabilities administered on behalf of Government

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

Due to a change in accounting policy there has been a change to the 2006-07 Estimated Actuals since the tabling of the 2006-07 Portfolio Budget Statement.

Previously, the entire amount of the multilateral replenishments were expensed at the time of entering into the commitment. This has since changed. The core contributions associated with the International Development Association (IDA) and Asian Development Fund (ADF) multilateral replenishments have now been capitalised. These amounts were included in the budgeted income and expense statement. The grant component of these replenishments will continue to be expensed.

Schedule of budgeted administered capital budget and cash flows

Tables 5.8 and 5.9 show significant, although decreasing, capital needs for AusAID's administered items. These relate to the need to extinguish multiyear liabilities incurred prior to the transition to accrual budgeting in 1999-2000. Specifically, these are agreements relating to Australia's contribution to the:

- Asian Development Fund;
- Global Environment Facility; and
- Nauru Settlement Treaty.

Schedule of administered property, plant, equipment and intangibles - summary of movement

This schedule discloses details of movements in administered non-financial assets.

Explanatory tables

Included in the notes to financial statements are three explanatory tables that detail:

- The reconciliation of AusAID's expense estimates to Australia's estimated Official Development Assistance (ODA);
- The reconciliation of AusAID's cash estimates to Australia's estimated ODA; and
- The reconciliation of AusAID's expense estimates to its cash estimates.

5.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental income statement (for the period ended 30 June 2008)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	93,162	108,904	111,745	107,332	106,916
Goods and services	260	229	231	231	231
Other					
Total revenue	93,422	109,133	111,976	107,563	107,147
Gains					
Sale of assets	-	-	-	-	-
Other	91	91	91	91	91
Total gains	91	91	91	91	91
Total income	93,513	109,224	112,067	107,654	107,238
EXPENSE					
Employees	62,312	73,750	75,436	72,679	71,915
Suppliers	27,526	32,014	33,410	31,848	32,195
Depreciation and amortisation	3,450	3,385	3,138	3,041	3,042
Write-down of assets and impairment of assets	225	75	83	86	86
Other	-	-	-	-	-
Total expenses	93,513	109,224	112,067	107,654	107,238
Surplus (deficit) attributable to the Australian Government	-	-	-	-	-

Table 5.2: Budgeted departmental balance sheet (as at 30 June 2008)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and equivalents	2,840	3,450	4,172	4,172	4,172
Receivables	10,568	14,281	17,800	18,829	19,447
Other	-	-	-	-	-
Total financial assets	13,408	17,731	21,972	23,001	23,619
Non-financial assets					
Land and buildings	7,872	8,157	8,077	8,095	8,113
Infrastructure, plant and equipment	5,032	4,124	3,092	2,057	1,022
Intangibles	4,164	3,141	2,302	2,702	3,101
Other	1,427	1,446	1,466	1,466	1,466
Total non-financial assets	18,495	16,868	14,937	14,320	13,702
Total assets	31,903	34,599	36,909	37,321	37,321
LIABILITIES					
Interest bearing liabilities					
Other	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	13,072	13,818	14,440	14,852	14,852
Other	-	-	-	-	-
Total provisions	13,072	13,818	14,440	14,852	14,852
Payables					
Suppliers	1,244	1,101	1,868	1,868	1,868
Other	-	-	-	-	-
Total payables	1,244	1,101	1,868	1,868	1,868
Total liabilities	14,316	14,919	16,308	16,720	16,720
Net assets	17,587	19,680	20,601	20,601	20,601
EQUITY*					
Parent entity interest					
Contributed equity	17,013	19,106	20,027	20,027	20,027
Reserves	109	109	109	109	109
Retained surpluses or accumulated deficits	465	465	465	465	465
Total parent entity interest	17,587	19,680	20,601	20,601	20,601
Total equity	17,587	19,680	20,601	20,601	20,601
Current assets	14,835	19,177	23,438	24,467	25,085
Non-current assets	17,068	15,422	13,471	12,854	12,236
Current liabilities	4,848	5,112	6,335	6,382	6,382
Non-current liabilities	7,508	7,857	8,113	8,219	8,219

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 5.3: Budgeted departmental statement of cash flows (for the period ended 30 June 2008)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	260	229	231	231	231
Appropriations	88,630	105,194	108,229	106,303	106,298
Other	984	997	1,011	1,012	1,013
Total cash received	89,874	106,420	109,471	107,546	107,542
Cash used					
Employees	61,310	73,007	74,817	72,267	71,915
Suppliers	28,926	32,085	32,572	31,757	32,104
Other	984	997	1,011	1,012	1,013
Total cash used	91,220	106,089	108,400	105,036	105,032
Net cash from or (used by) operating activities	(1,346)	331	1,071	2,510	2,510
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	11,020	1,684	1,140	1,140	1,140
Other	130	130	130	1,370	1,370
Total cash used	11,150	1,814	1,270	2,510	2,510
Net cash from or (used by) investing activities	(1,150)	(1,814)	(1,270)	(2,510)	(2,510)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	6,644	2,093	921	-	-
Other	-	-	-	-	-
Total cash received	6,644	2,093	921	-	-
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	6,644	2,093	921	-	-
Net increase or (decrease) in cash held	(12,496)	(1,483)	(199)	-	-
Cash at the beginning of the reporting period	8,692	2,585	3,195	3,917	3,917
Cash at the end of the reporting period	2,585	3,195	3,917	3,917	3,917

Table 5.4: Departmental statement of changes in equity — summary of movement (Budget year 2007-08)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	465	109	-	17,013	17,587
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	465	109	-	17,013	17,587
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense	-	-	-	-	-
Surplus (deficit) for the period	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
<i>Distribution to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	2,093	2,093
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	2,093	2,093
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2008	465	109	-	19,106	19,680

Table 5.5: Departmental capital budget statement

	Estimated Actual 2006-07 \$'000	Budget Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000	Forward Estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	6,644	2,093	921	-	-
Total loans	-	-	-	-	-
Total capital appropriations	6,644	2,093	921	-	-
Represented by:					
Purchase of non-financial assets	6,644	2,093	921	-	-
Other	-	-	-	-	-
Total represented by	6,644	2,093	921	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	6,644	2,093	921	-	-
Funded internally by					
Departmental resources	4,506	(279)	349	2,510	2,510
Total	11,150	1,814	1,270	2,510	2,510

Table 5.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment	Buildings	Specialist	Other	Heritage	Computer	Other	Total
	\$'000	\$'000	\$'000	military	infrastructure	and cultural	software	intangibles	\$'000
		property		equipment	plant and	assets			\$'000
					equipment				
As at 1 July 2007									
Gross book value	-	-	8,665	-	7,798	-	8,017	-	24,480
Accumulated depreciation	-	-	(793)	-	(2,766)	-	(3,853)	-	(7,412)
Opening net book value	-	-	7,872	-	5,032	-	4,164	-	17,068
Additions:									
by purchase	-	-	953	-	731	-	130	-	1,814
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-	-
from acquisitions of entities or	-	-	-	-	-	-	-	-	-
operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through	-	-	-	-	-	-	-	-	-
equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	(668)	-	(1,564)	-	(1,153)	-	(3,385)
Impairments recognised in operating	-	-	-	-	-	-	-	-	-
result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	(75)	-	-	-	(75)
Disposals:									
from disposal of entities or	-	-	-	-	-	-	-	-	-
operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2008									
Gross book value	-	-	9,618	-	7,854	-	8,147	-	25,619
Accumulated depreciation	-	-	1,461	-	3,730	-	5,006	-	10,197
Estimated closing net book value	-	-	8,157	-	4,124	-	3,141	-	15,422

Table 5.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June 2008)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	-	-	-	-	-
Total taxation	-	-	-	-	-
Non-taxation					
Other sources of non-taxation revenues	2,904	3,049	3,202	3,362	3,530
Total non-taxation	2,904	3,049	3,202	3,362	3,530
Total revenues administered on behalf of Government	2,904	3,049	3,202	3,362	3,530
Gains					
Other gains	-	-	-	-	-
Total gains administered on behalf of Government	-	-	-	-	-
Total income administered on behalf of Government	2,904	3,049	3,202	3,362	3,530
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	402,910	451,786	374,483	188,369	271,222
Depreciation and amortisation	841	1,498	1,499	1,500	1,500
Other - Aid programme	1,469,512	1,867,407	2,025,975	2,162,928	2,297,642
Total expenses administered on behalf of Government	1,873,263	2,320,691	2,401,957	2,352,797	2,570,364

Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June 2008)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	69,563	69,563	69,563	69,563	69,563
Loans Receivable (AIPRD)	47,000	145,000	290,000	450,000	500,000
Capital Advances (IDA/ADF) ¹	4,879,678	5,177,387	5,410,044	5,410,044	5,725,046
Receivables	1,776,976	1,656,044	1,623,532	1,230,969	1,402,286
Other financial assets	-	-	-	-	-
Total financial assets	6,773,217	7,047,994	7,393,139	7,160,576	7,696,895
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	7,836	7,013	5,889	4,772	3,656
Other	12,663	12,663	12,663	12,663	12,663
Total non-financial assets	20,499	19,676	18,552	17,435	16,319
Total assets administered on behalf of Government	6,793,716	7,067,670	7,411,691	7,178,011	7,713,214
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Loans	4,089	4,968	5,694	6,057	6,414
Total interest bearing liabilities	4,089	4,968	5,694	6,057	6,414
Provisions					
Other provisions	2,153	2,153	2,153	2,153	2,153
Total provisions	2,153	2,153	2,153	2,153	2,153
Payables					
Suppliers	85,845	87,990	89,170	90,147	92,128
Grants and subsidies	303,034	324,482	384,935	305,314	338,192
IDA/ADF ²	624,690	692,222	834,249	718,439	899,793
Total payables	1,013,569	1,104,694	1,308,354	1,113,900	1,330,113
Total liabilities administered on behalf of Government	1,019,811	1,111,815	1,316,201	1,122,110	1,338,680

1. Due to a change in accounting policy, the core contributions associated with IDA and ADF multilateral replenishments have been capitalised. Previously these amounts were expensed and were included in the budgeted income statement against account line "Expenses - Grants".
2. Due to a change in accounting policy, the core contributions associated with IDA and ADF multilateral replenishments have been capitalised. Previously these amounts were included against "Payables – Grants and Subsidies".

Table 5.9: Schedule of budgeted administered cash flows (for the period ended 30 June 2008)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	48,710	61,270	67,232	71,867	76,373
Other	2,904	3,049	3,202	3,362	3,530
Total cash received	51,614	64,319	70,434	75,229	79,903
Cash used					
Aid Programme	1,689,697	2,199,511	2,421,991	2,534,799	2,402,918
Grant payments	404,511	422,088	307,725	261,630	231,872
IDA/ADF Core	162,524	230,177	90,630	115,810	133,648
Net GST paid	49,086	62,377	67,674	72,248	76,748
Other	2,904	3,049	3,202	3,362	3,530
Total cash used	2,308,722	2,917,202	2,891,222	2,987,849	2,848,716
Net cash from or (used by) operating activities	(2,257,108)	(2,852,883)	(2,820,788)	(2,912,620)	(2,768,813)
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant & equipment & intangibles	6,900	675	375	383	384
Other	-	-	-	-	-
Total cash used	6,900	675	375	383	384
Net cash from or (used by) investing activities	(6,900)	(675)	(375)	(383)	(384)
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	49,086	62,377	67,674	72,248	76,748
Cash from Capital injections	22,563	14,240	6,977	6,150	3,632
Total cash received	71,649	76,617	74,651	78,398	80,380
Cash used					
Net repayment of borrowings	48,710	61,270	67,232	71,867	76,373
Total cash used	48,710	61,270	67,232	71,867	76,373
Net cash from or (used by) financing activities	22,939	15,347	7,419	6,531	4,007
Net increase or (decrease) in cash held					
Cash at beginning of reporting period	69,563	69,563	69,563	69,563	69,563
Cash from Official Public Account for:					
- appropriations	1,907,070	2,382,211	2,323,744	2,507,648	2,665,189
- special accounts	169,154	230,154	247,154	207,892	52,154
Cash at end of reporting period	69,563	69,563	69,563	69,563	69,563

Table 5.10: Schedule of administered capital budget

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Administered capital	22,563	14,240	6,977	6,150	3,632
Special appropriations	-	-	-	-	-
Total capital appropriations	22,563	14,240	6,977	6,150	3,632
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	22,563	14,240	6,977	6,150	3,632
Total represented by	22,563	14,240	6,977	6,150	3,632
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by Departmental resources	6,900	675	375	383	384
Total	6,900	675	375	383	384

Table 5.14: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget Year 2007-08)

	Land investment property	Buildings	Specialist military equipment	Other infrastructure and plant and equipment	Heritage and cultural assets	Computer software internally developed	Computer software internally developed	Other intangibles internally developed	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007										
Gross book value	-	-	-	10,038	-	-	-	-	-	10,038
Accumulated depreciation/amortisation and impairment	-	-	-	(2,202)	-	-	-	-	-	(2,202)
Opening net book value	-	-	-	7,836	-	-	-	-	-	7,836
Additions:										
by purchase	-	-	-	675	-	-	-	-	-	675
by finance lease	-	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	(1,498)	-	-	-	-	-	(1,498)
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-	-
Disposals:										
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-	-
As at 30 June 2008										
Gross book value	-	-	-	10,713	-	-	-	-	-	10,713
Accumulated depreciation/amortisation and impairment	-	-	-	(3,700)	-	-	-	-	-	(3,700)
Estimated closing net book value	-	-	-	7,013	-	-	-	-	-	7,013

Explanatory Table 1 – Reconciliation of AusAID expenses to ODA

	Estimated Actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
Total AusAID appropriation:		
AusAID departmental income	93,513	109,224
AusAID administered income	1,753,263	2,488,400
less liabilities with no cash required in the year of the liability:		
New multiyear liabilities ¹	(196,010)	(406,949)
Other accrual adjustments ²	8,092	3,179
plus cash for GST		
GST - cash items with no corresponding expense	98,780	124,644
plus AIPRD		
AIPRD Loans	47,000	98,000
AIPRD Grants	120,000	130,000
plus cash for liability in a different year:		
Payments to existing multiyear liabilities ³	368,334	317,968
Total AusAID cash	2,292,972	2,864,466
minus AusAID ODA adjustments: ⁴		
AusAID non-ODA departmental expenditure	(1,613)	(1,682)
AusAID non-ODA administered expenditure	(4,392)	(4,527)
Offsetting receipts from previous years' expenditure	(2,094)	(3,049)
GST repaid to DoFA	(48,710)	(61,270)
GST paid to suppliers	(49,086)	(62,377)
plus non-AusAID ODA:		
ACIAR	49,089	45,752
Other Government Departments	753,744	377,997
Total Estimated ODA⁵	2,989,910	3,155,310

1. Estimated new multiyear liabilities for 2007–08 consist of replenishments for the fifteenth replenishment of the International Development Association (IDA 15) and the Heavily Indebted Poor Countries Initiative (HIPC).
2. See Explanatory Table 3 for detail.
3. Cash payments for multiyear liabilities occur in a later year to liability being recorded. These cash payments may be funded from Capital Injections or Bill 1.
4. See Explanatory Table 2 for detail.
5. Actual calculations of total ODA cannot be determined until after the end of the financial year.

Explanatory Table 2 – Reconciliation of AusAID cash to ODA

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
Total departmental cash used	102,370	107,903
Receipts under Section 31 of the FMA Act	(260)	(229)
Interest	-	-
GST repaid to DoFA	-	-
GST paid to suppliers	(984)	(997)
Fringe Benefits Tax adjustment	(1,353)	(1,453)
Total ODA-eligible AusAID Departmental cash	99,773	105,224
Total administered cash used ¹	2,192,432	2,757,560
Miscellaneous receipts ²	(2,904)	(3,049)
GST repaid to DoFA ³	(48,710)	(61,270)
GST paid to suppliers ³	(49,086)	(62,377)
AusAID non ODA eligible expenditure ⁴	(4,428)	(4,527)
Total ODA-eligible AusAID Administered cash	2,087,304	2,626,337
ACIAR	49,089	45,752
Other Government Departments	753,744	377,997
Non AusAID ODA	802,833	423,749
Total Estimated ODA⁵	2,989,910	3,155,310

1. Excluding cash to the Official Public Account.
2. Refunds of expenditure that was recorded as ODA in a previous year. Miscellaneous receipts are offset against ODA in the year of receipt, not expenditure.
3. GST cash is drawn-down separately from appropriated cash in order to pay any GST component to suppliers. This amount is subsequently refunded by the ATO. The difference between 'GST repaid to Finance' and 'GST paid to suppliers' in any given year equates to the ATO input tax credits receipts.
4. For example, only 77% of cash payments to the Global Environment Facility are eligible as ODA.
5. Actual calculations of total ODA cannot be determined until after the end of the financial year.

Explanatory Table 3 – Reconciliation of AusAID expenses to cash

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
Price of Outputs	93,513	109,224
Operating surplus/(loss)	-	-
Departmental expenses	93,513	109,224
Depreciation and amortisation	(3,675)	(3,460)
Investment	11,150	1,814
Net change in employee liabilities	63	(746)
Net change in supplier liabilities/prepayments	(344)	(143)
Resources supplied free of charge (other gains)	(91)	(91)
GST repaid to DoFA	-	-
GST paid to suppliers	984	997
Departmental cash used	101,600	107,595
Administered appropriation after operating loss		
Operating Loss	-	-
Administered appropriation after operating loss	1,753,263	2,488,400
New multiyear liabilities	(196,010)	(406,949)
Cash spent on existing and new multiyear liabilities:		
Annual Appropriation	345,771	303,728
Capital injection	22,563	14,240
AIPRD Loans	47,000	98,000
AIPRD Grants	120,000	130,000
Depreciation	(841)	(1,498)
Investment	6,900	675
GST repaid to DoFA	48,710	61,270
GST paid to suppliers	49,086	62,377
Net change in ordinary creditors and accruals	(4,001)	11,250
Administered cash used (excluding payments to OPA)	2,192,441	2,761,493

5.3 NOTES TO THE FINANCIAL STATEMENTS

Departmental financial statements and Schedule of administered activity

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 price of outputs appropriations: representing the Government's funding for outputs 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.

Special appropriations fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to State governments).

Administered investments in controlled entities

Each Australian Government Department is required to show an Administered investment in each Commonwealth Authority and Company (CAC) Act 1997 entity within their portfolio. These Administered investments should be valued at the Commonwealth's ownership interest in the net assets of those CAC entities, fixed at a notional acquisition date of 30 June 1997.

Asset valuation

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