

Department of Foreign Affairs and Trade (DFAT)

Agency resources and planned performance

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

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DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

In 2009-10, the Department will advance the Government's national security agenda through a range of strategies. The Budget measure *Enhanced Diplomacy - Advancing National Security and Protecting Australians Abroad - Resourcing* will enhance diplomatic resources, in line with the December 2008 *National Security Statement to the Australian Parliament*. As well as providing additional funding, it will remove the need for the Department to deliver the savings that were deferred or re-phased in the 2008-09 Budget and through the 2007-08 Additional Estimates.

Through the measure *Enhancing Australia's Regional Engagement*, the Department will support a further deepening of Australia's engagement with countries and regions of growing significance to Australia's national interest, including India, Pakistan, Africa and Latin America. These are relationships that directly affect Australia's economic, security, development and diplomatic interests, and this measure will enable the Department to pursue the Government's priorities more effectively.

With additional funding through the Budget measure *Protecting Australian Diplomatic and Consular Posts Overseas - Security Enhancements*, the Department will enhance security arrangements for Australia's overseas network, in line with an environment of increasing security risk. The measures *Bangkok - New Chancery Construction* and *Jakarta - New Chancery Construction* provide supplementary funding for the construction of new Australian embassies in Jakarta and Bangkok in more secure locations and with enhanced security features. The measure *Kabul - New Chancery Construction Project Feasibility and Planning* will provide for feasibility and planning work towards construction of a purpose-built, secure Australian chancery in Kabul, Afghanistan.

The Department will continue to place a high priority on providing an effective consular service to Australians overseas, including provision of accurate and accessible travel advice.

The Department will continue to work to revitalise engagement with the Pacific, as outlined in the Prime Minister's 'Port Moresby Declaration' of March 2008. The Budget measure *Enhanced Pacific Engagement* provides further resources to continue negotiations towards Pacific Partnerships for Development with a number of Pacific Island Forum countries and to pursue greater regional economic integration and trade. The Budget measure *Australian Consulate-General in Nauru - Continued Funding* will provide continuity in our Pacific engagement.

DFAT Budget Statements

The Department will advance Australia's interests multilaterally, reinvigorating Australia's participation in the United Nations (UN) and other international groupings. The Budget measure *United Nations Security Council - Candidacy* will continue resourcing for the next two years of the campaign to secure Australia's election in 2012 to a non-permanent seat on the UN Security Council (for the 2013-14 term).

The Department will strengthen its efforts to promote nuclear non-proliferation and disarmament. The Budget measure *International Commission on Nuclear Non-proliferation and Disarmament - Operational Costs* will allow the Department to continue to support the International Commission on Nuclear Non-proliferation and Disarmament, co-chaired by Australia and Japan.

The Department will work to further enhance Australia's security more broadly. It will do so through close cooperation with Australia's allies and security partners in countering terrorism and extremism. The Budget measure *International Counter-Terrorism Capability and Programs* will provide for the continuation of the Department's counter-terrorism activities, addressing specific regional counter-terrorism and counter-radicalisation challenges in South-East Asia. The Budget measure *Global Terrorism: Enhancing Australia's Commitment to Afghanistan* will provide resources to enable the Department to support Australia's whole-of-government engagement in Afghanistan.

The Department will strengthen its efforts to combat people smuggling in the region. The Budget measure *Border Protection - Additional Resourcing to Combat People Smuggling - International Engagement to Prevent and Disrupt Maritime People Smuggling* will strengthen the Department's contribution to efforts to address this issue of ongoing importance to Australia's national security.

The Budget measure *Hosting the 35th Antarctic Treaty Consultative Meeting* provides funding towards Australia's hosting of the meeting in 2012. This reflects Australia's strong support of the Antarctic Treaty and continues the Department's active participation in Antarctic affairs.

The Department will work with key World Trade Organization (WTO) members to conclude the WTO Doha Round of trade negotiations. It will monitor the effects and implications for trade of the global economic crisis, and participate actively in the G20 and other multilateral forums to counter protectionism and facilitate economic recovery. It will seek to strengthen Australia's international competitiveness and export performance, and promote further regional integration in the Asia-Pacific region.

The Department will work to achieve further progress in negotiations on free trade agreements with China, Japan, Korea, the Gulf Cooperation Council and Malaysia. It will prepare for comprehensive free trade agreements with India and Indonesia, a

trade and economic cooperation agreement with Pacific Island countries and New Zealand, and a Trans-Pacific Partnership Agreement.

The Department will further deepen Australia's relationship with its key strategic ally, the United States, across a wide range of economic, political and security issues. It will continue to build close co-operation with the new Administration, advocating Australia's interests and the importance of our interaction. It will pursue bilateral as well as multilateral strategic, trade and investment goals in its engagement with the United States.

The Department will continue to strengthen cooperation in the Asia-Pacific region. It will pursue close ties with Japan, by far our largest export market. It will broaden the scope of productive engagement with China and continue preparations for Australia's participation in Shanghai World Expo 2010. It will build on work to date in developing Australia's role in East Asian institutional arrangements, particularly in relation to the proposed Asia-Pacific community. It will continue to engage actively in the Asia-Pacific Economic Cooperation (APEC) forum and the East Asia Summit.

The Department will advance Australia's interests with other major regional and bilateral partners. It will pursue continued strong relations with New Zealand, and will enhance its economic, security and broader interests in its engagement with European countries.

The Department will continue its contribution on the environment, including cooperation with the Department of Climate Change towards establishment of a global post-2012 climate change agreement, and will work in support of the Global Carbon Capture and Storage Initiative.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: Department of Foreign Affairs and Trade resource statement — Budget estimates for 2009-10 as at Budget May 2009

	Estimate of prior ⁺ year amounts available in 2009-10 \$'000	Proposed at Budget ⁼ 2009-10 \$'000	Total estimate 2009-10 \$'000	Actual available appropriation 2008-09 \$'000
Ordinary Annual Services¹				
Departmental appropriation				
Prior year departmental appropriation ⁴	215,439	-	215,439	-
Departmental appropriation	-	928,154	928,154	839,311
s.31 Relevant Agency receipts ³	-	48,859	48,859	54,072
Total	215,439	977,013	1,192,452	893,383
Administered expenses				
Outcome 1	-	393,896	393,896	357,156 ⁹
Outcome 2	-	750	750	500 ¹⁰
Payments to CAC Act Bodies	-	6,000	6,000	9,700
Total	-	400,646	400,646	367,356
Total ordinary annual services	A 215,439	1,377,659	1,593,098	1,260,739
Other services²				
Departmental non-operating				
Equity injections	69,134	58,074	127,208	36,441
Previous years' outputs	-	41,184	41,184	10,588
Total	69,134	99,258	168,392	47,029
Administered non-operating				
Administered Assets and Liabilities ⁸	-	75,000	75,000	-
Total	-	75,000	75,000	-
Total other services	B 69,134	174,258	243,392	47,029
Total Available Annual Appropriations	284,573	1,551,917	1,836,490	1,307,768
Special appropriations				
Special appropriations limited by amount				
Special Appropriation FMA Act, 1997 s28	-	650	650	700
Total special appropriations	C -	650	650	700
Total appropriations excluding Special Accounts	284,573	1,552,567	1,837,140	1,308,468

Table 1.1: Department of Foreign Affairs and Trade resource statement — Budget estimates for 2009-10 as at Budget May 2009 (continued)

	Estimate of prior ⁺ year amounts available in 2009-10 \$'000	Proposed at Budget ⁼ 2009-10 \$'000	Total estimate 2009-10 \$'000	Actual available appropriation 2008-09 \$'000
Special Accounts				
Opening balance ⁵	182,727	-	182,727	215,585
Appropriation receipts ⁶	-	138,774	138,774	146,575
Appropriation receipts - other agencies ⁷	-	44,269	44,269	43,525
Non-appropriation receipts to Special Accounts	-	9,468	9,468	25,529
Total Special Account	D 182,727	192,511	375,238	431,214
Total resourcing A+B+C+D	467,300	1,745,078	2,212,378	1,739,682
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	(138,774)	(138,774)	(146,575)
	-	(81,000)	(81,000)	(9,700)
Total net resourcing for DFAT	467,300	1,525,304	1,992,604	1,583,407

¹ Appropriation Bill (No.1) 2009-10² Appropriation Bill (No.2) 2009-10³ s31 Relevant Agency receipts - estimate⁴ Estimated adjusted balance carried from previous year for Annual Appropriations⁵ Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.2.⁶ Appropriation receipts from DFAT's annual and special appropriations for 2008-09 included above⁷ Appropriation receipts from other agencies credited to DFAT's special accounts⁸ The Administered Assets and Liabilities appropriation has been provided to DFAT to allow payment to the Export Finance and Insurance Corporation (a CAC Act body) in relation to the measure *Overseas Development Assistance - Debt to Health Swap with Government of Indonesia*. The appropriation will be transferred to the Export Finance and Insurance Corporation commencing in 2011-12, once the Memorandum of Understanding with Indonesia is finalised.⁹ Excludes parameter and foreign exchange no win no loss adjustments totalling \$7.9 million for 2008-09, which have not yet been appropriated.¹⁰ Excludes the measure *Thailand - repatriation of Australian citizens and permanent residents*, valued at \$0.1 million, which has not yet been appropriated.

Reader note: All figures are GST exclusive.

Third Party Payments from and on behalf of other agencies

	2009-10 \$'000	2008-09 \$'000
Receipts received from other agencies for the provision of services (disclosed above within s.31 Relevant Agency receipts)	48,859	54,072
Payments made to CAC Act bodies within the portfolio Export Finance and Insurance Corporation	81,000	9,700
Appropriation Acts 1&2		

1.3 BUDGET MEASURES

Budget measures relating to the Department of Foreign Affairs and Trade are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2009-10 Budget measures

	Program	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
Expense measures						
APEC Business Advisory Council (ABAC) - hosting an ABAC meeting in 2010 and secretariat support	1.1					
Departmental expenses		-	250	-	-	-
Total		-	250	-	-	-
Australian Consulate-General in Nauru - continued funding ¹	1.1					
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Border protection - additional resourcing to combat people smuggling - international engagement to prevent and disrupt maritime people smuggling ²	1.1					
Departmental expenses		-	4,106	4,555	-	-
Total		-	4,106	4,555	-	-
Enhanced crisis coordination facilities ³	3.1					
Departmental expenses		-	552	662	662	664
Total		-	552	662	662	664
Enhanced diplomacy - advancing national security and protecting Australians abroad - resourcing	1.1, 2.1, 3.1					
Departmental expenses		-	18,791	22,056	29,248	35,118
Total		-	18,791	22,056	29,248	35,118
Enhanced Pacific engagement	1.1					
Departmental expenses		-	1,904	1,876	-	-
Total		-	1,904	1,876	-	-
Enhancing Australia's Regional Engagement	1.1, 2.1, 3.1					
Departmental expenses		-	13,326	23,725	25,149	29,994
Total		-	13,326	23,725	25,149	29,994
Global Terrorism - enhancing Australia's commitment to Afghanistan ⁴	1.1					
Departmental expenses		-	4,104	2,654	1,753	2,056
Total		-	4,104	2,654	1,753	2,056
Hosting the 35th Antarctic Treaty Consultative Meeting	1.4					
Administered expenses		-	13	29	1,386	-
Total		-	13	29	1,386	-

Table 1.2: Agency 2009-10 Budget measures (continued)

	Program	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
Expense measures (continued)						
International Commission on Nuclear Non-proliferation and Disarmament - operational costs	1.1					
Departmental expenses		-	7,660	1,579	-	-
Total		-	7,660	1,579	-	-
International Counter-Terrorism Capability and Programs ⁵	1.1					
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Jakarta - new Chancery construction ⁶	3.1					
Departmental expenses		-	500	400	400	-
Total		-	500	400	400	-
Kabul - new chancery construction project feasibility and planning	3.1					
Departmental expenses		-	3,000	-	-	-
Total		-	3,000	-	-	-
Overseas development assistance - Debt to Health Swap with Government of Indonesia ⁷	1.4					
Administered expenses		-	-	-	-	-
Total		-	-	-	-	-
Overseas development assistance - Regional Assistance Mission to Solomon Islands - continuation ⁸	1.1					
Departmental expenses		-	3,751	3,637	3,844	3,719
Total		-	3,751	3,637	3,844	3,719
Pandemic influenza preparedness - maintaining the delivery of Australian Government services overseas	1.1					
Departmental expenses		-	418	11	-	-
Total		-	418	11	-	-
Protecting Australian diplomatic and consular posts overseas - security enhancements	3.1					
Departmental expenses		-	6,492	8,480	9,342	11,241
Total		-	6,492	8,480	9,342	11,241
Regional chemical, biological, radiological and nuclear security ⁹	1.1					
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Thailand - repatriation of Australian citizens and permanent residents	2.3					
Administered expenses		102	-	-	-	-
Total		102	-	-	-	-

Table 1.2: Agency 2009-10 Budget measures (continued)

	Program	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
Expense measures (continued)						
Trans-Pacific Partnership Agreement negotiation - Australia's participation ¹⁰	1.1					
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Travellers' Emergency Loans and Consular Emergency Services Schemes	2.3					
Administered expenses		-	250	250	250	250
Total		-	250	250	250	250
United Nations Security Council - candidacy	1.1					
Departmental expenses		-	4,831	5,735	-	-
Total		-	4,831	5,735	-	-
Total expense measures						
Administered		102	263	279	1,636	250
Departmental		-	69,685	75,370	70,398	82,792
Total		102	69,948	75,649	72,034	83,042
Capital measures						
Bangkok - new Chancery construction ¹¹	3.1					
Departmental capital		-	-	-	-	51,907
Total		-	-	-	-	51,907
Border protection - additional resourcing to combat people smuggling - international engagement to prevent and disrupt maritime people smuggling ²	1.1					
Departmental capital		-	1,063	-	-	-
Total		-	1,063	-	-	-
Enhanced crisis coordination facilities ³	3.1					
Departmental capital		-	2,974	-	-	-
Total		-	2,974	-	-	-
Enhanced diplomacy - advancing national security and protecting Australians abroad - resourcing	1.1, 2.1, 3.1					
Departmental capital		-	225	180	540	315
Total		-	225	180	540	315
Enhancing Australia's Regional Engagement	1.1, 2.1, 3.1					
Departmental capital		-	6,458	7,378	-	-
Total		-	6,458	7,378	-	-
Global Terrorism - enhancing Australia's commitment to Afghanistan ⁴	1.1					
Departmental capital		-	325	-	-	-
Total		-	325	-	-	-

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	Program	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
Capital measures (continued)						
Jakarta - new Chancery construction ⁶	3.1					
Departmental capital		-	-	-	-	107,417
Total		-	-	-	-	107,417
Overseas development assistance - Regional Assistance Mission to Solomon Islands - continuation ⁸	1.1					
Departmental capital		-	237	129	36	15
Total		-	237	129	36	15
Protecting Australian diplomatic and consular posts overseas - security enhancements	3.1					
Departmental capital		-	12,584	3,435	1,188	1,471
Total		-	12,584	3,435	1,188	1,471
United Nations Security Council - candidacy	1.1					
Departmental capital		-	585	-	-	-
Total		-	585	-	-	-
Total capital measures						
Administered		-	-	-	-	-
Departmental		-	24,451	11,122	1,764	161,125
Total		-	24,451	11,122	1,764	161,125

Notes:

1. The Government is providing \$8.8 million over four years for the measure *Australian Consulate-General in Nauru - continued funding*. As this amount is already included in the Forward Estimates, the table shows zero funding.
2. Full measure description and package details appear in Budget Paper No. 2 under the Department of Immigration and Citizenship, which is the lead agency for this measure.
3. Full measure description and package details appear in Budget Paper No. 2 under the Attorney-General's Department, which is the lead agency for this measure.
4. Full measure description and package details appear in Budget Paper No. 2 under the Department of Defence, which is the lead agency for this measure.
5. The Government is providing \$28.1 million over three years from 2010-11 for the measure *International Counter-Terrorism Capability and Programs*. As this amount is already included in the Forward Estimates, the table shows zero funding.
6. The new chancery construction in Jakarta will be funded through both the Overseas Property Special Account and the Appropriation Bills.
7. The Government is providing \$75 million in 2009-10 for the measure *Overseas development assistance - Debt to Health Swap with Government of Indonesia*. As this has no impact on fiscal balance on a whole-of-government basis, the table shows zero funding over four years. This measure is being implemented in conjunction with the Australian Agency for International Development (AusAID) and the Export Finance and Insurance Corporation (EFIC).
8. The Government is providing \$29.0 million to DFAT over four years for the measure *Overseas development assistance - Regional Assistance Mission to Solomon Islands - continuation*. As \$13.6 million for this initiative is already included in the Forward Estimates, the table shows only funding of \$15.4 million over four years.
9. The Government is providing \$1.2 million over three years from 2010-11 for the measure *Regional chemical, biological, radiological and nuclear security*. As this amount is already included in the Forward Estimates, the table shows zero funding.
10. The measure *Trans-Pacific Partnership Agreement Negotiation - Australia's Participation* will be funded through existing departmental resources.
11. The new chancery construction in Bangkok will be funded through both the Overseas Property Special Account and the Appropriation Bills.

1.4 TRANSITION FROM OUTCOMES AND OUTPUTS TO OUTCOMES AND PROGRAMS

From the 2009-10 Budget, all General Government Sector (GGS) entities will be reporting on a program basis. The table below outlines the transition from the 2008-09 Budget year (as at Additional Estimates), which was presented in administered items, outputs and output groups, to the program reporting framework used for the 2009-10 Budget. The table also captures revisions made to GGS outcome statements under the Operation Sunlight Outcome Statements Review.

Figure 2: Transition table

2008-09 Budget year	2009-10 Budget year																										
<p>Outcome 1: Australia's national interests protected and advanced through contributions to international security, national economic and trade performance and global cooperation.</p>	<p>Outcome 1: The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign and trade policy priorities.</p>																										
<table border="1"> <tr> <td colspan="2">Output Group 1.1: Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity</td> </tr> <tr> <td colspan="2">Administered Items:</td> </tr> <tr> <td><i>Payments to CAC Act Bodies - EFIC</i></td> <td>P 1.4</td> </tr> <tr> <td><i>Other</i></td> <td>P 1.4</td> </tr> <tr> <td><i>Payments to International Organisations</i></td> <td>P 1.2</td> </tr> <tr> <td colspan="2">Departmental Outputs:</td> </tr> <tr> <td><i>Program Management</i></td> <td>P 1.1</td> </tr> </table>	Output Group 1.1: Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity		Administered Items:		<i>Payments to CAC Act Bodies - EFIC</i>	P 1.4	<i>Other</i>	P 1.4	<i>Payments to International Organisations</i>	P 1.2	Departmental Outputs:		<i>Program Management</i>	P 1.1	<table border="1"> <tr> <td colspan="2">Program 1.1: Other Departmental</td> </tr> <tr> <td colspan="2">Program Support:</td> </tr> <tr> <td><i>Program Management (Advocacy and Protection of Australia's Interests)</i></td> <td>OG 1.1</td> </tr> <tr> <td><i>Program Management (Services to Other Agencies)</i></td> <td>OG 1.3</td> </tr> <tr> <td><i>Program Management (Services to Diplomatic/Consular Representatives)</i></td> <td>OG 1.4</td> </tr> <tr> <td><i>Program Management (Public Information Services and Public Diplomacy)</i></td> <td>OG 3.1</td> </tr> </table>	Program 1.1: Other Departmental		Program Support:		<i>Program Management (Advocacy and Protection of Australia's Interests)</i>	OG 1.1	<i>Program Management (Services to Other Agencies)</i>	OG 1.3	<i>Program Management (Services to Diplomatic/Consular Representatives)</i>	OG 1.4	<i>Program Management (Public Information Services and Public Diplomacy)</i>	OG 3.1
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Administered Items:																											
<i>Payments to CAC Act Bodies - EFIC</i>	OG 1.1																										
<i>Other</i>	OG 1.4																										

Figure 2: Transition table (continued)

Outcome 2: Australians informed about and provided access to consular and passport services in Australia and overseas.

Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas.

Output Group 2.1: Consular and passport services	
Administered Items:	
<i>Consular Services</i>	P 2.3
<i>Special Appropriation FMA Act, 1997 s28 (A)1</i>	P 2.4
Departmental Outputs:	
<i>Program Management</i>	P 2.1 & P 2.2

Program 2.1: Consular Services (Departmental)	
Program Support:	
<i>Program Management (Consular)</i>	OG 2.1

Program 2.2: Passport services (Departmental)	
Program Support:	
<i>Program Management (APO)</i>	OG 2.1

Program 2.3: Consular Services (Administered)	
Administered Items:	
<i>Consular Services (TEs/CES)</i>	OG 2.1

Program 2.4: Passport services	
Administered Items:	
<i>Special Appropriation FMA Act, 1997 s28 (A)1</i>	OG 2.1

Outcome 3: Public understanding in Australia and overseas of Australia's foreign and trade policy and a positive image of Australia internationally.

Note: Outcome 3 for 2008-09 has been integrated into the new Outcome 1 (above).

Output 3.1: Public information services and public	
Administered Items:	
<i>Shanghai World Expo (Special Account)</i>	P 1.3
<i>Australia Network</i>	P 1.3
<i>International Relations Grants Program</i>	P 1.3
Departmental Outputs:	
<i>Program Management</i>	P 1.1

See above Program 1.3

See above Program 1.1

Figure 2: Transition table (continued)

Outcome 4: Efficient management of the Commonwealth overseas owned estate.

Outcome 3: A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas owned estate.

Output 4.1: Property Management	
Departmental Outputs:	
<i>Special Account Overseas Property Account - Finance determination 2002-01 (D)</i>	P 3.2

Program 3.1: Other Departmental	
Program Support:	
<i>Program Management (Security and IT)</i>	OG 1.2

Output 4.2: Contract Management	
Departmental Outputs:	
<i>Special Account Overseas Property Account - Finance determination 2002-01 (D)</i>	P 3.2

Program 3.2: (Overseas Property)	
Program Support:	
<i>Special Account Overseas Property Account - Finance determination 2002-01 (D)</i>	OG 4.1 & OG 4.2

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. Agencies deliver programs which are the government actions taken to deliver the stated outcomes. 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 the Department of Foreign Affairs and Trade in achieving government outcomes.

Outcome 1: The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign and trade policy priorities

Outcome 1 Strategy

This outcome reflects the Department's primary responsibility for developing and implementing international policies on matters of security, trade and global cooperation that advance Australia's national interests. The majority of the Department's financial and human resources are directed to the achievement of Outcome 1.

As highlighted earlier in the 2009-10 Strategic Direction, the Department will advance a number of key strategies in support of the Government's national security agenda. These strategies are aimed at: promoting a more stable regional and global security environment; contributing to national prosperity by strengthening Australia's international trade competitiveness and export performance, and improving access to overseas markets for Australian exports through multilateral, regional and bilateral means; strengthening global cooperation in such areas as the environment, human rights and good governance; working multilaterally to address global challenges and to advance Australia's interests, including our United Nations Security Council candidacy for the 2013-14 term; and enhancing international awareness and understanding of Australia's policies and society to the benefit of our foreign and trade policy goals.

As the lead agency managing Australia's external affairs, the Department has a central role in the development and implementation of whole-of-government international policy. It provides leadership at Australian diplomatic missions overseas. It also manages and maintains Australia's diplomatic network, including the provision of services to other agencies represented overseas, and services to diplomatic and consular representatives in Australia.

Outcome 1 Budgeted Expenses and Resources

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

Table 2.1: Budgeted Expenses and Resources for Outcome 1

Outcome 1: The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign and trade policy priorities	2008-09 Estimated Actual Expenses \$'000	2009-10 Estimated Expenses \$'000
Program 1.1: Other Departmental		
Departmental Expenses		
Ordinary Annual Services (Appropriation Bill No. 1) ¹	462,282	507,810
Revenues from Independent Sources (Section 31)	47,269	48,969
Expenses not requiring Appropriation in the Budget year	1,490	1,727
Total for Program 1.1	511,041	558,506
Program 1.2: Payments to International Organisations		
Administered Expenses		
Ordinary Annual Services (Appropriation Bill No. 1)	292,600	330,700
Total for Program 1.2	292,600	330,700
Program 1.3: Public Information Services and Public Diplomacy		
Administered Expenses		
Ordinary Annual Services (Appropriation Bill No. 1)	23,572	24,083
Special Accounts	45,877	36,131
Total for Program 1.3	69,449	60,214
Program 1.4: Other Administered		
Administered Expenses		
Ordinary Annual Services (Appropriation Bill No. 1)	13,489	8,782
Other services (Appropriation Bill No. 2)	-	75,000
Expenses not requiring Appropriation in the Budget year	(800)	200
Total for Program 1.4	12,689	83,982
Outcome 1 Totals by Appropriation type		
Administered Expenses		
Ordinary Annual Services (Appropriation Bill No. 1)	329,661	363,565
Other services (Appropriation Bill No. 2)	-	75,000
Special Accounts	45,877	36,131
Expenses not requiring Appropriation in the Budget year	(800)	200
Departmental Expenses		
Ordinary Annual Services (Appropriation Bill No. 1)	462,282	507,810
Revenues from Independent Sources (Section 31)	47,269	48,969
Special Appropriations	-	-
Special Accounts	-	-
Expenses not requiring Appropriation in the Budget year	1,490	1,727
Total Expenses for Outcome 1	885,779	1,033,402
	2008-09	2009-10
Average Staffing Level (number) ²	1,965	2,027

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

- These expenses include a portion of an intra-entity amount of \$102.6 million representing rent paid by DFAT to the DFAT Overseas Property Office which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2.1).
- ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 2 - Programs 2.1 and 2.3 (Consular Services).

Contributions to Outcome 1

Program 1.1: Other Departmental - DFAT
<p>Program Objective</p> <ul style="list-style-type: none"> • To protect and advance the national interest through engaging in effective advocacy and overseas diplomatic activity which promote Australia’s international political, security, economic and multilateral interests. To ensure the accurate and timely provision of policy advice to Ministers to meet the challenges of an evolving international environment. • To protect and advance the national interest through a whole-of-government approach to foreign and trade policy, including leading the development and implementation of such policy, negotiating to reduce barriers to Australian trade and investment, providing leadership at overseas missions, and coordinating the overseas diplomatic network. • To ensure the security and protect the dignity of the diplomatic and consular corps serving in Australia by delivering a quality service and upholding Australia’s obligations under the Vienna Conventions. • To project a positive and contemporary image of Australia, and to promote a clear understanding of the Government’s foreign and trade policies, through the delivery of high-quality and innovative public and cultural diplomacy programs.

Program Expenses

Program component name	Revised budget 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
Annual departmental expenses:					
Other Departmental - DFAT	511,041	558,506	558,340	561,541	570,249
Total program expenses	511,041	558,506	558,340	561,541	570,249

Program 1.1 Deliverables

- A heightened role for Australia in promoting non-proliferation and disarmament of weapons of mass destruction and other arms control efforts, including through the International Commission on Nuclear Non-proliferation and Disarmament (ICNND).
- Effective coordination of whole-of-government approaches to counter-terrorism programs and activities outside Australia, particularly focusing on South-East Asia, and also in concert with broader multilateral efforts.
- Effective contribution to whole-of-government approaches in promoting stability and reconstruction in Afghanistan.
- Reinvigorated engagement with the United Nations (UN), and international support for Australia's election to the UN Security Council for the 2013-14 term.
- Effective whole-of-government efforts in bilateral and regional diplomacy to counter people smuggling, in particular by reinvigorating the Bali Process on People Smuggling and Trafficking.
- Effective advocacy to strengthen good governance and democracy, including advocacy of human rights.
- Provision of advice relating to compliance with international legal obligations, and an effective contribution to the development of a strong international legal framework.
- Effective contributions that advance Australia's climate change and environment objectives, including in relation to:
 - strategies for the post-2012 climate change negotiations
 - promotion of Australia's Carbon Pollution Reduction Scheme
 - hosting the 35th Antarctic Treaty Consultative Meeting in 2012
 - stemming illegal, unregulated and unreported fishing
 - Japan's 'scientific whaling' program.
- Strong leadership in advancing Australia's multilateral trade and economic interests, including:
 - effective participation in the World Trade Organization (WTO), including

progress toward an ambitious outcome in the Doha Round

- strong leadership of the Cairns Group of agricultural exporting countries
- effective contribution to resolving economic and trade policy issues through the G20 process.
- Effective leadership in advancing Australia’s free trade agreement (FTA) agenda, including negotiating and implementing FTAs, and exploring opportunities for new FTAs.
- Further enhancing Australia’s strong alliance with the United States by building on economic, strategic, defence and intelligence cooperation, and enhancing high level political engagement, including through mechanisms such as the Australia United States Ministerial Consultations (AUSMIN).
- Enhanced engagement with the European Union (EU) on a range of economic and security interests, and strengthened bilateral cooperation, in particular with the United Kingdom, on shared defence and security interests.
- Continued strong relations with Canada.
- Strong relations with North Asia, including:
 - Japan through wide-ranging economic and security co-operation
 - China through wide-ranging political and economic engagement
 - the Republic of Korea through co-operation on economic and security issues.
- Strong relations with South Asia, particularly:
 - India through high level political and economic engagement
 - Pakistan through counter-terrorism and law enforcement cooperation and development assistance.
- An advanced role for Australia in the Asia-Pacific, including by:
 - contributing effectively to Asia-Pacific Economic Cooperation (APEC) and other regional forums
 - enhancing the role of the East Asia Summit
 - encouraging consensus on an Asia-Pacific community

- building on regional economic and trade reform efforts.
- Enhanced regional cooperation and strengthened architecture in South-East Asia to meet emerging strategic and economic challenges, including by:
 - working with the Association of Southeast Asian Nations (ASEAN) on existing partnerships
 - supporting regional responses to terrorism, people smuggling and the global financial crisis
 - expanding our partnerships with Indonesia, Vietnam, Malaysia and Singapore.
- Enhanced engagement with Pacific Island countries, including effective coordination of whole-of-government approaches to the Government's *Enhanced Pacific Engagement Strategy*, as well as through:
 - Pacific Partnerships for Development
 - Pacific Agreement on Closer Economic Relations (PACER) Plus trade and economic cooperation
 - encouraging an early return to democracy in Fiji
 - continuing the operations of the Australian Consulate-General in Nauru.
- Promoting political stability, economic growth and security in the region, including through program support and cooperation activities in:
 - East Timor
 - Solomon Islands through effective leadership of the Regional Assistance Mission to Solomon Islands (RAMSI).
- Further deepening our important and wide-ranging relationship with New Zealand.
- Stronger relations with the countries of Africa and the African Union through trade and investment, multilateral cooperation and high-level contact.
- Enhanced cooperation with Latin America and the Caribbean.
- Strong support for peace and stability in the Middle East, and advancing our trade and economic interests with the region.
- Closer engagement with the countries of the Gulf, including the Gulf

Cooperation Council (GCC), including through negotiation of a free trade agreement with the GCC.

- High quality public diplomacy, international media and cultural visit programs which promote an image of Australia and Australian Government policies that are accurate, positive and contemporary.
- Effective consultation and liaison with, and provision of advice to, external clients on portfolio and whole-of-government issues, particularly trade issues. External clients include state and territory governments, industry and business representatives, non-government organisations (NGOs) and members of the public.
- Effective leadership of, and provision of advice and support to, other government agencies at overseas missions, in line with the Prime Minister's Directive on the Guidelines for the Management of the Australian Government Presence Overseas and service level agreements.
- Quality service and support by overseas missions to high-level Australian visitors and their delegations, including members of Parliament, State Premiers and senior officials.
- High quality service and support to the diplomatic and consular corps serving in Australia, including with respect to the facilitation of accreditation and diplomatic visas, and the security and protection of the dignity of diplomatic missions and their personnel.

Program 1.1 Key Performance Indicators

- The Department's delivery of policy advice to Ministers and high-level clients is well-judged, timely, accurate, well-coordinated, and in support of Australia's national interests.
- The Department's advocacy, negotiation and liaison with stakeholders on Australia's political, security and economic interests is effective, collaborative and persuasive in encouraging an understanding of, and alignment towards, Australia's policy positions, and Australia's interests in these areas are advanced.
- The Department's leadership in counter-terrorism and non-proliferation and disarmament efforts is effective, collaborative and persuasive, and contributes positively to regional and international outcomes that help ensure the security and prosperity of Australians.

- The Department's work multilaterally to address global challenges and advance Australia's interests is effective, collaborative and persuasive, and contributes towards outcomes that promote peace and prosperity.
- The Department assists in maintaining a high level of Australian compliance with international legal obligations through provision of appropriate advice, and the Department's advocacy contributes positively toward the development of a strong international legal framework.
- The Department's advancement of bilateral, regional and multilateral trade interests is effective, consultative and persuasive, and contributes positively to advancing Australia's trade interests, as well as towards improved market access and expanded trade and investment opportunities for Australia.
- The Department's efforts to maintain and strengthen bilateral and regional relationships are effective and timely, delivering support for Australia's foreign and trade policy objectives, and increased linkages and opportunities for substantive engagement through both formal and informal channels.
- The Department's delivery of public diplomacy, cultural and media programs is efficient, resourceful, well-targeted and accurate, and assists in the promotion of a contemporary and positive understanding of Australia and the Government's foreign and trade policies.
- Government agencies at overseas missions are satisfied with the level of DFAT service provided in accordance with the Prime Minister's Directive on the Guidelines for the Management of the Australian Government Presence Overseas and the relevant service level agreement in place.
- High-level Australian visitors overseas are satisfied with the level of logistic and administrative support provided by overseas missions (including with the timeliness and efficiency of support), with the depth of local knowledge and contacts, and the relevance of on-the-ground policy advice to their visit objectives.
- The diplomatic and consular corps posted or accredited to Australia is satisfied with the level of service provided, including in terms of responsiveness and timeliness in resolving issues and meeting Australia's obligations under the Vienna Conventions.

Program 1.2: Payments to International Organisations (Administered)

Program Objective

- To advance Australia’s foreign, trade and security interests by administering the payments of Australian Government contributions to international organisations.

Program Expenses

Program component name	Revised budget 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
Annual administered expenses:					
Payments to International Organisations	292,600	330,700	330,700	330,700	330,700
Total program expenses	292,600	330,700	330,700	330,700	330,700

Program 1.2 Deliverables

- Payments of Australian Government contributions to international organisations.

Program 1.2 Key Performance Indicators

- The Department’s delivery of payments to international organisations is correct, appropriate, on time and within budget.

**Program 1.3: Public Information Services and Public Diplomacy
(Administered)**

Program Objective

- To advance the national interest through the Department's public diplomacy, cultural and media activities, which will project a positive and contemporary image of Australia and promote a clear understanding of government policy and programs.

Program Expenses

Program component name	Revised budget 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
Annual administered expenses:					
International Relations Grants Program	4,741	4,794	4,594	4,594	4,594
Australia Network	18,831	19,289	19,354	19,354	19,354
Special Account expenses:					
<i>Expositions Special Account</i>	45,877	36,131	15,470	-	-
Expenses not requiring Appropriation in the Budget year - Shanghai World Expo expenses funded through Sponsorship Received	-	-	(10,000)	-	-
Total program expenses	69,449	60,214	29,418	23,948	23,948

Program 1.3 Deliverables

- Effective management of the contract with the Australian Broadcasting Corporation (ABC) to deliver an Asia-Pacific television service which provides a credible and reliable voice in the region, and presents images and perceptions of Australia in an independent and impartial manner.
- Grants in support of the Government's foreign and trade policy goals, including through bilateral foundations, councils and institutes, which help promote people-to-people links and a contemporary and positive image of Australia.
- Management of Australia's participation in Shanghai World Expo 2010, including delivery of an Australian pavilion and comprehensive business, culture and communications programs, all of which will highlight Australia's business expertise, innovation, creativity, culture and values to the Chinese market and a wider global audience.

Program 1.3 Key Performance Indicators

- The Department's delivery of public diplomacy, cultural and media programs is efficient and effective, including in:
 - promoting an image of Australia that is accurate and up-to-date
 - fostering an understanding of Australian foreign and trade policies
 - strengthening people-to-people links and trade and economic ties.

Program 1.4: Other Administered

Program Objective

- To advance the national interest by administering on behalf of the Commonwealth a range of programs, activities and services that promote Australia's international political, security, economic and multilateral policy agenda.

Program Expenses

	Revised budget 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
Program component name					
Annual administered expenses:					
Export Finance and Insurance Corporation (EFIC) - National Interest Account Expenses	10,100	5,800	5,300	6,000	5,500
Overseas development assistance - Debt-to-Health Swap with Government of Indonesia	-	75,000	-	-	-
Hosting of the 35 th Antarctic Treaty Consultative Meeting	-	13	29	1,386	-
Personal Benefits - Locally Engaged Staff pension schemes	2,317	2,420	2,440	2,440	2,440
Other Administered Items	1,072	549	558	568	578
Expenses not requiring Appropriation in the Budget year - National Interest Account non-cash expenses	(800)	200	-	-	-
Total program expenses	12,689	83,982	8,327	10,394	8,518

Program 1.4 Deliverables

- Administration of the Export Finance and Insurance Corporation (EFIC) National Interest Account (under the *Commonwealth Authorities and Companies Act 1997*).
- Services to diplomatic and consular representatives in Australia.
- Preparations for the hosting of the 35th Antarctic Treaty Consultative Meeting in 2012.
- Management of cases of compensation for detriment caused by defective administration.

Program 1.4 Key Performance Indicators

- The Department's management of administered programs, activities and services on behalf of the Commonwealth is efficient, effective, timely and accountable.

Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas

Outcome 2 Strategy

The Department is committed to supporting Australians overseas through a highly effective consular service, accurate and timely travel advice, practical contingency planning and rapid crisis response. With the additional resourcing for Travellers' Emergency Loans and Consular Emergency Services provided through the Budget, the Department can continue to provide a timely response to Australians in need of financial assistance overseas.

The Department will continue to give priority to managing the growing demands of consular casework. It will focus on further educating Australians about the importance of making informed travel choices and having realistic expectations of the consular services the Department can provide.

The Department has adopted more accurate passport forecasting models to enhance its operational planning to meet growing passport demand and maintain short turnaround times. Work is continuing to further enhance the Department's passport fraud detection, investigation and prevention measures. Passport security remains a focus and progress will be made in 2009-10 on the release of the next passport series.

Outcome 2 Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for Outcome 2, by program.

Table 2.1.1: Budgeted Expenses and Resources for Outcome 2

Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas	2008-09 Estimated Actual Expenses	2009-10 Estimated Expenses
	\$'000	\$'000
Program 2.1: Consular Services (Departmental)		
Departmental Expenses		
Ordinary Annual Services (Appropriation Bill No. 1) ¹	79,978	80,975
Expenses not requiring Appropriation in the Budget year	37	37
Total for Program 1.1	80,015	81,012
Program 2.2: Passport Services (Departmental)		
Departmental Expenses		
Ordinary Annual Services (Appropriation Bill No. 1) ¹	182,465	187,566
Special Accounts	-	-
Expenses not requiring Appropriation in the Budget year	88	88
Total for Program 1.2	182,553	187,654
Program 2.3 Consular Services (Administered)		
Administered Expenses		
Ordinary Annual Services (Appropriation Bill No. 1)	602	750
Total for Program 1.3	602	750
Program 2.4 Passport Services (Administered)		
Administered Expenses		
Special Appropriations	700	650
Total for Program 1.4	700	650
Outcome 2 Totals by Appropriation type		
Administered Expenses		
Ordinary Annual Services (Appropriation Bill No. 1)	602	750
Special Appropriations	700	650
Departmental Expenses		
Ordinary Annual Services (Appropriation Bill No. 1)	262,443	268,541
Expenses not requiring Appropriation in the Budget year	125	125
Total Expenses for Outcome 2	263,870	270,066
	2008-09	2009-10
Average Staffing Level (number) ²	940	939

Notes:

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

- These expenses include a portion of an intra-entity amount of \$102.6 million representing rent paid by DFAT to the DFAT Overseas Property Office which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2.1).
- ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 2 - Programs 2.1 and 2.3 (Consular Services). The estimates for 2009-10 represent an increase of 4 ASL over 2008-09 levels for Program 2.1: Consular Services, offset by a decrease of 5 ASL for Program 2.2: Passport Services.

Contributions to Outcome 2

Program 2.1: Consular Services (Departmental)
<p>Program Objective</p> <ul style="list-style-type: none"> To protect the welfare of Australians abroad by supporting and assisting Australian travellers and Australians overseas through high quality consular services, including timely travel advice, practical contingency planning and rapid crisis response.
Linked to: Austrade Program 2.1: Consular and passport services

Program Expenses

Program component name	Revised budget 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
Annual departmental expenses:					
Consular Services	80,015	81,012	82,757	81,760	83,208
Total program expenses	80,015	81,012	82,757	81,760	83,208

<p>Program 2.1 Deliverables</p> <ul style="list-style-type: none"> High quality consular services to an increasing number of Australian travellers and Australian citizens living overseas, including notarial services and assistance with welfare issues, whereabouts enquiries, arrest or detention matters, deaths and medical emergencies. High quality travel advisory services, including issuing up-to-date travel information on travel destinations, promotion of this information through the <i>smartraveller</i> campaign using various media and travel-oriented networks, and management of an online travel registration service. Effective consular contingency planning for major events or high-risk scenarios, including through regular reviews of procedures and available resources, training of staff, and coordination with other government agencies and foreign governments. Coordination of whole-of-government responses to large-scale crises involving conflict, civil unrest, natural disasters or tragic accidents.

Program 2.1 Key Performance Indicators

- The Department's delivery of consular services is effective, efficient, timely and responsive, and within the scope of Australian Government responsibility.
- The Department's travel advisory services are up-to-date, accurate, responsive and effective in reaching a broad audience and encouraging a greater awareness of potential risks and the extent of Australian Government assistance, and
 - public use of the online registration service and *smartraveller* website continues to grow.
- Consular contingency planning accurately anticipates high risk events and scenarios, the necessary resources for response are readily available, the procedures and networks remain valid and viable, and plans are tested and reviewed regularly to satisfaction.
- Coordination of whole-of-government responses to large-scale crises is targeted, timely, consultative, resourceful and effective in maintaining the welfare of the maximum possible number of Australians involved.

Program 2.2: Passport Services (Departmental)

Program Objective

- To provide Australians access to secure international travel documentation through the delivery of a high quality passports service.

Linked to: Austrade Program 2.1: Consular and passport services

Program Expenses

Program component name	Revised budget 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
Annual departmental expenses:					
Passport Services	182,553	187,654	192,021	197,954	215,566
Total program expenses	182,553	187,654	192,021	197,954	215,566

Program 2.2 Deliverables

- High quality passport services to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud.
- Roll-out of a new passport series with enhanced security features and a more durable design.
- Effective management of an increasing workload, including maintenance of security standards, promotion of web-enabled services, and adherence to the client service commitment of passport issue within ten working days.

Program 2.2 Key Performance Indicators

- Public and travel industry clients are satisfied with the Department's efficiency and effectiveness in delivering passport services, with routine passports issued within ten working days and urgent passport issues dealt with in a timely and responsive manner.
- The demand for passport services is managed effectively, including in a way that maintains security, efficiency and responsiveness, and that builds on information technology capabilities and innovative solutions.

Program 2.3: Consular Services (Administered)

Program Objective

- To protect the welfare of Australians abroad by administering on behalf of the Commonwealth consular programs and activities that support and assist Australian travellers and Australians overseas.

Linked to: Austrade Program 2.1: Consular and passport services

Program Expenses

	Revised budget 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
Program component name					
Annual administered expenses:					
Consular Emergency Services	200	200	200	200	200
Thailand - repatriation of Australian citizens and permanent residents	102	-	-	-	-
Other Administered Appropriation Items:					
Travellers' Emergency Loans	300	550	550	550	550
Total program expenses	602	750	750	750	750

Program 2.3 Deliverables

- Payment and administration of Travellers' Emergency Loans (TELS) to Australians in need, in accordance with the guidelines of the DFAT Consular Handbook.
- Delivery of increased consular emergency services to Australians overseas, including medical evacuations and repatriations, in accordance with the guidelines of the DFAT Consular Handbook.
- Revenue collection of consular fees and recovery of loan debts.

Program 2.3 Key Performance Indicators

- Payment of Travellers' Emergency Loans is administered in a timely and efficient manner, in accordance with established guidelines and practices.
- Revenue collection of consular fees and recovery of loan debts is administered efficiently and effectively in accordance with established guidelines.
- Consular emergency services are delivered in a timely and responsive manner.

Program 2.4: Passport Services (Administered)

Program Objective

- To provide Australians access to secure international travel documentation by administering on behalf of the Commonwealth passport programs and activities which contribute to the delivery of a high quality passports service.

Linked to: Austrade Program 2.1: Consular and passport services

Program Expenses

Program component name	Revised budget 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
Special appropriations:					
<i>Special Appropriation FMA Act s28</i>					
<i>Passport Refunds</i>	700	650	650	650	650
Total program expenses	700	650	650	650	650

Program 2.4 Deliverables

- Revenue collection and administration of passport fees.

Program 2.4 Key Performance Indicators

- Passport fees are collected and administered in a timely, efficient and accountable manner, in accordance with established guidelines and practices.

Outcome 3: A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas owned estate

Outcome 3 Strategy

The Department gives the highest priority to the safety of Australian Government personnel overseas, and the security of our diplomatic and consular posts. In 2009-10, the Department will enhance the protection of Australian diplomatic and consular posts by undertaking works which will strengthen security measures at a number of priority posts in line with the evolving security environment. This includes construction of new embassies in Jakarta and Bangkok in more secure locations.

The Department will continue to manage the Government's overseas network in an efficient and effective manner, including its owned overseas estate. In managing the overseas network, the Department operates in an inherently high risk overseas environment and needs to maintain a capability to respond promptly when new or unforeseen security-related challenges arise.

The Department will maintain a strategic forward five-year rolling plan for its overseas property that identifies future requirements for capital works and other major expenditure. In terms of the owned overseas estate, the plan will continue to aim to ensure that financial objectives, including the annual return of an agreed dividend to Government, a sound return on investment and a management-expense ratio consistent with property industry benchmarks, are achieved within the context of the Government's broader policy objectives.

Outcome 3 Budgeted Expenses and Resources

Table 2.1.2 provides an overview of the total expenses for Outcome 3, by program.

Table 2.1.2: Budgeted Expenses and Resources for Outcome 3

Outcome 3: A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas owned estate	2008-09 Estimated Actual Expenses \$'000	2009-10 Estimated Expenses \$'000
Program 3.1 Other Departmental		
Departmental Expenses		
Ordinary Annual Services (Appropriation Bill No. 1) ¹	132,894	151,803
Expenses not requiring Appropriation in the Budget year	59	59
Total for Program 3.1	132,953	151,862
Program 3.2 Overseas Property		
Departmental Expenses		
Special Accounts	67,204	73,872
Total for Program 3.2	67,204	73,872
Outcome 3 Totals by Appropriation type		
Departmental Expenses		
Ordinary Annual Services (Appropriation Bill No. 1)	132,894	151,803
Special Accounts	67,204	73,872
Expenses not requiring Appropriation in the Budget year	59	59
Total Expenses for Outcome 3	200,157	225,734
Average Staffing Level (number) ²	556	597

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

1. These expenses include a portion of an intra-entity amount of \$102.6 million representing rent paid by DFAT to the DFAT Overseas Property Office which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2.1).
2. ASL figures are estimates only. The 2009-10 figure includes 37 new ASL resulting from the conversion of contractors to Australian Public Service staff in line with the Department's obligations flowing from the *Review of the Australian Government's Use of ICT*, or Gershon Review.

Contributions to Outcome 3

Program 3.1: Other Departmental
Program Objective
<ul style="list-style-type: none"> To ensure a secure Australian Government presence overseas by sustaining and improving security, and strengthening information and communications technology (ICT) capability at Australia’s overseas missions.

Program Expenses

Program component name	Revised budget 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
Annual departmental expenses:					
Other Departmental	132,953	151,862	151,131	144,610	155,439
Total program expenses	132,953	151,862	151,131	144,610	155,439

Program 3.1 Deliverables
<ul style="list-style-type: none"> Enhanced security measures at a number of priority overseas posts in line with the evolving security environment. Classified information safeguarded through effective management of ICT systems and security vetting processes, as well as through security training to staff to ensure a high level of security awareness and vigilance. Continued implementation of the Department’s ICT Asset Refresh Program to 2010-11, which will lay the foundation for the progressive upgrade of the Department’s ICT network infrastructure. Implementation of the agreed recommendations of the independent <i>Review of the Australian Government’s Use of ICT - the Gershon Review</i> - including strengthened ICT capability through the recruitment of skilled ICT professionals and implementation of ICT training and development programs. High quality overseas ICT services to other government agencies.

Program 3.1 Key Performance Indicators

- Security risks relating to safeguarded classified information are minimised to the extent possible, as evidenced by a low number of sensitive security breaches.
- Effective risk mitigation strategies in response to heightened security risks.
- Client satisfaction with the accessibility, reliability and effectiveness of the secure cable network (Official Diplomatic Information Network - ODIN) and the secure telecommunications infrastructure.

Program 3.2: Overseas Property

Program Objective

- To ensure a secure Australian Government presence overseas through the effective management of the Commonwealth’s overseas owned estate, including through effective contract management.

Program Expenses

	Revised budget 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
Program component name					
Special Account expenses:					
<i>Overseas Property Special Account - Finance Determination 2002-01 (D)</i>	67,204	73,872	72,289	71,923	68,028
Total program expenses	67,204	73,872	72,289	71,923	68,028

Program 3.2 Deliverables

- Effective management of a substantial construction program in the overseas property estate, including new chancery construction projects in Jakarta and Bangkok.
- Effective management of outsourced property contract arrangements.
- Effective management of the Overseas Property Special Account, consistent with the provisions of the Australian Government Property Ownership Framework.
- Progression of a feasibility study and planning towards a secure, purpose-built Australian Embassy in Kabul, Afghanistan.

Program 3.2 Key Performance Indicators

- Management of the overseas property estate meets the Government’s property needs, achieves an appropriate return on investment, and accords with the principles set out in the Australian Government Property Ownership Framework.
- Management of the property services contract and construction project contracts is effective and accountable, and ensures that contractors deliver on intended results within agreed performance and cost targets.
- Tenant satisfaction with the condition and utility of the estate.

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 budget year 2009-10. 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 are subject to review by the Minister for Finance and Deregulation, and may be moved to a future period, in accordance with provisions in legislation. There has been no movement of administered funds between years for the Department since the 2008-09 Additional Estimates.

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 *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the Department of Foreign Affairs and Trade.

Table 3.1.2: Estimates of Special Account cash flows and balances

		Opening balance 2009-10 2008-09	Receipts 2009-10 2008-09	Payments 2009-10 2008-09	Adjustments 2009-10 2008-09	Closing balance 2009-10 2008-09
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Australia-China Council Special Account - FMA Act 1997 s20 (A) *	1	-	-	-	-	-
		66	-	(66)	-	-
Australia-France Endowment Special Account - FMA Act 1997 s20 (A) *	1	-	-	-	-	-
		5	-	(5)	-	-
Australia-India Council Special Account - FMA Act 1997 s20 (A) *	1	-	-	-	-	-
		87	-	(87)	-	-
Australia-Indonesia Institute Special Account - FMA Act 1997 s20 (A) *	1	-	-	-	-	-
		34	380	(414)	-	-
Australia-Korea Foundation Special Account - FMA Act 1997 s20 (A) *	1	-	-	-	-	-
		111	-	(111)	-	-
Consular Services Special Account - FMA Act 1997 s20 (A)	2	-	100	100	-	-
		46	100	(146)	-	-
Australia-Japan Foundation Special Account - FMA Act 1997 s20 (A) *	1	-	-	-	-	-
		615	-	(615)	-	-
Expositions Special Accounts - FMA Act 1997 s20 (A)	1	-	36,131	(36,131)	-	-
		54	45,877	(45,931)	-	-

(A) = Administered

(D) = Departmental

* DFAT has requested that the Minister for Finance and Deregulation issue a determination for the abolition of the special accounts relating to the Foundations, Councils and Institutes (FCIs). Management of funding provided to DFAT under the International Relations Grants Program for allocation to the FCIs is now fully intergrated into the DFAT Administered accounts and removes the need for the special accounts. DFAT estimates that the balances for the FCI special accounts should be zero by 30 June 2009.

Table 3.1.2: Estimates of Special Account cash flows and balances (continued)

		Opening balance 2009-10 2008-09	Receipts 2009-10 2008-09	Payments 2009-10 2008-09	Adjustments 2009-10 2008-09	Closing balance 2009-10 2008-09
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Governments & Non-Agency Bodies Account - FMA Act 1997 s20 (A)	1	-	5,000	(5,000)	-	-
		3,379	5,000	(8,379)	-	-
Other Trust Monies Account - FMA Act 1997 s20 (A)	1	-	2,500	(2,500)	-	-
		214	2,500	(2,714)	-	-
Administered Payments and Receipts for Other Entities Special Account - FMA Act 1997 s20 (A)	1	5,000	230,000	(230,000)	-	5,000
		5,000	230,000	(230,000)	-	5,000
Overseas Property Account - Finance Determination 2002-01 (D)	3	182,727	156,380	(82,531)	-	256,576
	4	214,613	169,372	(201,258)	-	182,727
Total special accounts						
2009-10 Budget estimate		187,727	430,111	(356,062)	-	261,576
Total special accounts 2008-09 estimate actual		224,224	453,229	(489,726)	-	187,727

(A) = Administered

(D) = Departmental

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

Outcome	Appropriations				Other	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special Approp \$'000	Total Approp \$'000		
Foreign Affairs and Trade						
Outcome 1						
Departmental 2009-10	309	-	-	309	-	309
<i>Departmental 2008-09</i>	<i>205</i>	<i>-</i>	<i>-</i>	<i>205</i>	<i>-</i>	<i>205</i>
Total Outcome 2009-10	309	-	-	309	-	309
<i>Total Outcome 2008-09</i>	<i>205</i>	<i>-</i>	<i>-</i>	<i>205</i>	<i>-</i>	<i>205</i>
Outcome 3						
Departmental 2009-10	168	-	-	168	-	168
<i>Departmental 2008-09</i>	<i>164</i>	<i>-</i>	<i>-</i>	<i>164</i>	<i>-</i>	<i>164</i>
Total Outcome 2009-10	168	-	-	168	-	168
<i>Total Outcome 2008-09</i>	<i>164</i>	<i>-</i>	<i>-</i>	<i>164</i>	<i>-</i>	<i>164</i>
<hr/>						
Total Departmental 2009-10	477	-	-	477	-	477
<i>Total Departmental 2008-09</i>	<i>369</i>	<i>-</i>	<i>-</i>	<i>369</i>	<i>-</i>	<i>369</i>
<hr/>						
Total AGIE 2009-10	477	-	-	477	-	477
<i>Total AGIE 2008-09</i>	<i>369</i>	<i>-</i>	<i>-</i>	<i>369</i>	<i>-</i>	<i>369</i>

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Budgeted Net Cost of Services Statement

Budgeted departmental appropriations for 2009-10 have increased by \$107.3 million (excluding capital funding) since the publication of the 2008-09 Portfolio Additional Estimates Statements. This comprises funding of \$72.9 million for new measures and \$41.2 million in other adjustments, primarily relating to foreign exchange and overseas and domestic inflation. Marginally offsetting these increases are the \$2.8 million in savings required as a result of the *Review of the Australian Government's Use of Information and Communication Technology* (Gershon Review) and a net decrease of \$4.0 million to the Department's Passport Funding Arrangement.

Overall, the Department is forecasting a surplus of \$79.3 million in 2009-10, all of which relates to the Overseas Property Special Account. The overall DFAT budget position, excluding the Overseas Property Special Account, is break-even.

Budgeted Departmental Balance Sheet

Budgeted equity injections for 2009-10 have increased by \$71.9 million since the publication of the 2008-09 Portfolio Additional Estimates Statements. This can be broken down into an increase of \$34.6 million for the funding of new capital works and a reduction of \$3.9 million due to the rephrasing of previously announced budget measures. The Department will also receive an additional \$41.2 million for adjustments to previous years' outputs. This relates primarily to adjustments for foreign exchange losses incurred in 2008-09 and adjustments for new measures announced in 2008-09 but not appropriated until 2009-10.

For 2009-10, the Department's non financial asset position is budgeted to be \$2,280.2 million at year-end. The major asset component is \$2,010.5 million for Land and Buildings, of which \$1,868.3 million is held in the Overseas Property Special Account.

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

Budgeted administered income is projected to decrease by \$10.7 million in 2009-10 in line with the projected decrease in passport issues, and therefore passport revenue. Passport revenue is projected to return to 2008-09 levels in 2010-11.

Budgeted administered expenses for financial costs are projected to increase in 2009-10 primarily due to the measure *Overseas Development Assistance - Debt to Health Swap with Government of Indonesia*. This reflects the need to provision loans to the value of \$75 million associated with the measure.

Schedule of Budgeted Assets and Liabilities Administered on behalf of the Government

The increase in budgeted administered assets in 2009-10 is primarily due to the appropriation receivable of \$75 million resulting from the administered equity injection under the measure *Overseas Development Assistance - Debt to Health Swap with Government of Indonesia*. This increase is offset by an increase in administered liabilities of \$75 million also related to the measure, and reflects the amount owed to the Export Finance and Insurance Corporation for the provisioning of loans owed by the Government of Indonesia to the Commonwealth.

Schedule of Budgeted Administered Cash Flows

Administered cash received generally moves in line with the administered revenue, and is returned to the Consolidated Revenue Fund. Some administered revenue items have no cash impact.

Administered cash used will increase by \$24.3 million in 2009-10, principally due to the impact of foreign exchange movements on the budgeted contributions to international organisations and peacekeeping operations.

The budgeted administered cash flow also recognises expected utilisation of the appropriation receivable and payment to the Export Finance and Insurance Corporation, commencing in 2011-12, of \$12.5 million per year under the measure *Overseas Development Assistance - Debt to Health Swap with Government of Indonesia*.

3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental comprehensive income statement
(for the period ended 30 June)**

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
EXPENSES					
Employee benefits	388,885	434,210	442,810	438,112	423,239
Supplier	399,141	424,090	433,976	434,480	484,338
Grants	900	900	900	900	900
Depreciation and amortisation	80,285	86,269	101,626	106,336	108,409
Losses from asset sales	1,138	976	-	-	188
Finance costs	624	457	400	300	300
Other	2,095	3,361	3,334	3,329	1,857
Total expenses	873,068	950,263	983,046	983,457	1,019,231
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	97,387	99,496	90,261	89,918	91,690
Other revenue	1,100	1,521	1,911	1,780	2,033
Total revenue	98,487	101,017	92,172	91,698	93,723
Gains					
Sale of assets	5,013	-	-	-	-
Other gains	390	390	390	392	392
Total gains	5,403	390	390	392	392
Total own-source income	103,890	101,407	92,562	92,090	94,115
Net cost of (contribution by) services	769,178	848,856	890,484	891,367	925,116
Appropriation revenue	857,803	928,154	931,149	934,041	971,423
Surplus (Deficit)	88,625	79,298	40,665	42,674	46,307
Surplus (Deficit) attributable to the Australian Government	88,625	79,298	40,665	42,674	46,307
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	249,965	(48,753)	(18,067)	(12,450)	(5,859)
Total other comprehensive income	249,965	(48,753)	(18,067)	(12,450)	(5,859)
Total comprehensive income	338,590	30,545	22,598	30,224	40,448
Total comprehensive income attributable to the Australian Government	338,590	30,545	22,598	30,224	40,448

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
ASSETS					
Financial assets					
Cash and equivalents	11,334	57,105	58,507	59,880	59,880
Trade and other Receivables	534,162	609,409	555,340	495,505	360,829
Other	10,967	10,967	10,967	10,967	10,967
Total financial assets	556,463	677,481	624,814	566,352	431,676
Non-financial assets					
Land and buildings	2,067,186	2,010,549	2,056,915	2,059,991	2,097,080
Infrastructure, plant and equipment	142,035	171,085	179,735	200,382	233,775
Inventories	15,539	15,539	15,539	15,539	15,539
Intangibles	7,790	5,829	7,432	5,735	4,039
Prepayments	21,862	21,862	21,862	21,862	21,862
Work in progress (excl. inventory)	70,962	55,356	102,747	202,220	347,083
Total non-financial assets	2,325,374	2,280,220	2,384,230	2,505,729	2,719,378
Assets held for sale					
Total assets	2,881,837	2,957,701	3,009,044	3,072,081	3,151,054
LIABILITIES					
Interest bearing liabilities					
Leases	648	-	-	-	-
Total interest bearing liabilities	648	-	-	-	-
Provisions					
Employees	115,642	115,783	115,802	115,802	115,802
Other	18,406	18,406	18,406	18,406	18,406
Total provisions	134,048	134,189	134,208	134,208	134,208
Payables					
Suppliers	71,347	61,541	61,531	61,531	61,531
Other	17,593	18,135	18,135	18,135	18,135
Total payables	88,940	79,676	79,666	79,666	79,666
Total liabilities	223,636	213,865	213,874	213,874	213,874
Net assets	2,658,201	2,743,836	2,795,170	2,858,207	2,937,180
EQUITY*					
Parent entity interest					
Contributed equity	1,539,664	1,597,739	1,626,475	1,659,288	1,697,813
Reserves	684,895	636,142	618,075	605,625	599,766
Retained surpluses or accumulated deficits	433,642	509,955	550,620	593,294	639,601
Total parent entity interest	2,658,201	2,743,836	2,795,170	2,858,207	2,937,180
Total equity	2,658,201	2,743,836	2,795,170	2,858,207	2,937,180
Current assets	572,002	693,020	640,353	581,891	447,215
Non-current assets	2,309,835	2,264,681	2,368,691	2,490,190	2,703,839
Current liabilities	206,043	195,730	195,739	195,739	195,739
Non-current liabilities	17,593	18,135	18,135	18,135	18,135

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	96,679	98,955	90,261	89,918	91,690
Appropriations	823,686	928,181	912,539	921,968	969,287
Other	20,478	21,293	21,293	21,143	21,396
Total cash received	940,843	1,048,429	1,024,093	1,033,029	1,082,373
Cash used					
Employees	390,877	434,912	443,718	438,854	423,279
Suppliers	397,071	407,451	432,669	433,346	483,907
Grants	900	900	900	900	900
Borrowing costs	20	20	400	300	300
Other	21,477	22,744	22,696	22,692	21,408
Total cash used	810,345	866,027	900,383	896,092	929,794
Net cash from or (used by) operating activities	130,498	182,402	123,710	136,937	152,579
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	20,917	7,706	-	-	-
Total cash received	20,917	7,706	-	-	-
Cash used					
Purchase of property, plant and equipment	112,853	95,848	146,517	101,505	149,226
Other	23,498	29,731	77,186	138,780	178,691
Total cash used	136,351	125,579	223,703	240,285	327,917
Net cash from or (used by) investing activities	(115,434)	(117,873)	(223,703)	(240,285)	(327,917)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	44,262	58,075	28,736	32,813	38,525
Other	29,835	(73,848)	72,659	71,908	136,813
Total cash received	74,097	(15,773)	101,395	104,721	175,338
Cash used					
Dividends paid	92,605	-	-	-	-
Other	17,895	2,985	-	-	-
Total cash used	110,500	2,985	-	-	-
Net cash from or (used by) financing activities	(36,403)	(18,758)	101,395	104,721	175,338
Net increase or (decrease) in cash held	30,712	63,385	126,770	253,540	507,080
Cash at the beginning of the reporting period	30,712	63,385	126,770	253,540	507,080
Manual Allocations	1,961	-	-	-	-
Cash at the end of the reporting period	63,385	126,770	253,540	507,080	1,014,160

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2009-10)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2009					
Balance carried forward from previous period	433,642	684,895	-	1,539,664	2,658,201
Adjusted opening balance	433,642	684,895	-	1,539,664	2,658,201
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	(48,753)	-	-	(48,753)
Sub-total income and expense	-	(48,753)	-	-	(48,753)
Surplus (deficit) for the period	79,298	-	-	-	79,298
Total income and expenses recognised directly in equity	79,298	(48,753)	-	-	30,545
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	58,075	58,075
<i>Amount (to)/from OPA - Agency</i>					
Cash transfers to the OPA	(2,985)	-	-	-	(2,985)
Sub-total transactions with owners	(2,985)	-	-	58,075	55,090
Estimated closing balance as at 30 June 2010	509,955	636,142	-	1,597,739	2,743,836

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	36,441	58,074	28,736	32,813	38,525
Appropriation of Previous Years Accrued Revenue	10,588	41,184	-	-	-
Total capital appropriations	47,029	99,258	28,736	32,813	38,525
Represented by:					
Purchase of non-financial assets	36,441	58,074	28,736	32,813	38,525
Other	10,588	41,184	-	-	-
Total represented by	47,029	99,258	28,736	32,813	38,525
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	36,441	58,074	28,736	32,813	38,525
Funded internally from departmental resources ¹	103,196	60,359	147,576	107,999	141,301
TOTAL	139,637	118,433	176,312	140,812	179,826

¹ Includes the following sources of funding:

- annual and prior year appropriations
- donations and contributions
- gifts
- finance leases
- internally developed assets
- s31 relevant agency receipts
- proceeds from the sale of assets

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements - Departmental

	Land \$'000	Buildings \$'000	Other Infrastructure, P & E * \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2009					
Gross book value	1,113,460	987,647	198,862	37,569	2,337,538
Accumulated depreciation/amortisation	-	(33,921)	(56,827)	(29,779)	(120,527)
Opening net book balance	1,113,460	953,726	142,035	7,790	2,217,011
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
by purchase or internally developed	-	43,410	69,810	5,212	118,432
Sub-total	-	43,410	69,810	5,212	118,432
Other Movements					
Disposals [#]	(1,409)	(2,906)	(4,497)	-	(8,812)
Revaluations	(28,371)	(43,493)	(4,500)	-	(76,364)
Depreciation/amortisation expense	-	(47,333)	(31,763)	(7,173)	(86,269)
Reversal of depreciation - revaluations and disposals	-	23,465	-	-	23,465
As at 30 June 2010					
Gross book value	1,083,680	984,658	259,675	42,781	2,370,794
Accumulated depreciation/amortisation	-	(57,789)	(88,590)	(36,952)	(183,331)
Closing net book balance	1,083,680	926,869	171,085	5,829	2,187,463

* P & E - Plant and Equipment

[#] Proceeds may be returned to the Official Public Account

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Goods and services	309,061	300,260	311,870	325,450	339,010
Interest	7,718	6,711	6,101	5,411	4,541
Dividends	9,850	14,050	11,250	12,650	10,000
Other sources of non-taxation revenues	10,775	5,640	14,970	4,390	3,860
Total non-taxation	337,404	326,661	344,191	347,901	357,411
Total revenues administered on behalf of Government	337,404	326,661	344,191	347,901	357,411
Gains					
Foreign exchange	-	-	-	-	-
Total gains administered on behalf of Government	-	-	-	-	-
Total income administered on behalf of Government	337,404	326,661	344,191	347,901	357,411
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	297,643	335,694	335,494	335,494	335,494
Personal benefits	2,317	2,420	2,440	2,440	2,440
Employees	707	1,081	647	-	-
Suppliers	68,873	57,751	37,214	23,758	22,182
Write Down/Impairment of Assets	-	75,000	-	-	-
Finance costs	7,000	3,600	3,500	4,200	3,900
Total expenses administered on behalf of Government	376,540	475,546	379,295	365,892	364,016

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 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	5,171	5,171	5,171	5,171	5,171
Receivables	12,767	13,757	14,337	14,867	16,687
Appropriation Receivable	-	75,000	75,000	62,500	50,000
Investments	331,200	331,200	331,200	331,200	331,200
Other financial assets	1,645	1,645	1,645	1,645	1,645
Total financial assets	350,783	426,773	427,353	415,383	404,703
Non-financial assets					
Other	5,759	5,759	5,759	5,759	5,759
Total non-financial assets	5,759	5,759	5,759	5,759	5,759
Total assets administered on behalf of Government	356,542	432,532	433,112	421,142	410,462
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Other	31,250	26,660	26,680	21,390	16,970
Total interest bearing liabilities	31,250	26,660	26,680	21,390	16,970
Provisions					
Other provisions	30,011	30,011	30,011	30,011	30,011
Total provisions	30,011	30,011	30,011	30,011	30,011
Payables					
Suppliers	948	948	948	948	948
Other payables	27,607	100,439	98,539	84,439	71,939
Total payables	28,555	101,387	99,487	85,387	72,887
Total liabilities administered on behalf of Government	89,816	158,058	156,178	136,788	119,868

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	309,061	300,260	311,870	325,450	339,010
Interest	118	121	121	121	121
Dividends	9,850	14,050	11,250	12,650	10,000
Net GST received	6,377	5,397	3,398	2,074	1,934
Other	9,675	3,300	13,040	2,810	2,590
Total cash received	335,081	323,128	339,679	343,105	353,655
Cash used					
Employees	707	1,081	647	-	-
Grant payments	297,943	336,244	336,044	336,044	336,044
Borrowing costs	6,300	3,600	3,500	4,200	3,900
Personal benefits	2,317	2,420	2,440	2,440	2,440
Suppliers	65,773	55,551	35,414	21,958	20,582
Net GST paid	6,377	5,397	3,398	2,074	1,934
Other	3,000	2,400	1,800	1,800	1,600
Total cash used	382,417	406,693	383,243	368,516	366,500
Net cash from or (used by) operating activities	(47,336)	(83,565)	(43,564)	(25,411)	(12,845)
FINANCING ACTIVITIES					
Cash received					
Cash from Official Public Account	376,040	401,296	369,845	366,442	364,566
Equity Contribution	-	-	-	12,500	12,500
Total cash received	376,040	401,296	369,845	378,942	377,066
Cash used					
Cash to Official Public Account	328,704	317,731	326,281	341,031	351,721
Other Financing	-	-	-	12,500	12,500
Total cash used	328,704	317,731	326,281	353,531	364,221
Net cash from or (used by) financing activities	47,336	83,565	43,564	25,411	12,845
Net increase or (decrease) in cash held					
Cash at beginning of reporting period	5,171	5,171	5,171	5,171	5,171
Cash at end of reporting period	5,171	5,171	5,171	5,171	5,171

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of administered capital budget

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
CAPITAL APPROPRIATIONS					
Administered assets and Liabilities	-	75,000	-	-	-
Total capital appropriations					
Represented by:					
Other	-	75,000	-	-	-
Total represented by	-	75,000	-	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	75,000	-	-	-
TOTAL	-	75,000	-	-	-

Prepared on Australian Accounting Standards basis.

3.2.4 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 budgeted for, and reported on, separately to transactions which agencies do not have control over (administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.

Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments and administered revenues include taxes, fees, fines and excises.

Appropriations in the 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 agency programs;
- 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

The department has one administered investment in the Export Finance and Insurance Corporation (EFIC) with an estimated asset value of \$331.2 million as at 30 June 2008. This investment is revalued once each financial year based on the net asset position of EFIC as at 30 June.

Asset Valuation

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

