

Department of Foreign Affairs and Trade (DFAT)

Agency Resources and Planned Performance

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

Section 1: Agency Overview and Resources	13
1.1 Strategic Direction Statement	13
1.2 Agency Resource Statement	17
1.3 Budget Measures.....	19
Section 2: Outcomes and Planned Performance.....	21
2.1 Outcomes and Performance Information.....	21
Section 3: Explanatory Tables and Budgeted Financial Statements.....	42
3.1 Explanatory Tables	42
3.2 Budgeted Financial Statements.....	45

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)

Section 1: Agency Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

In 2013-14, the Department of Foreign Affairs and Trade (DFAT) will continue to develop and implement the Government's foreign, trade and international security priorities and, in so doing, advance the interests of Australia and Australians internationally.

The department will work to strengthen Australia's key international partnerships, bilaterally and in regional and multilateral forums. The department recognises that in an increasingly complex and interdependent world, developments in a particular relationship or issue often have a wider resonance. International advocacy for Australia's interests to shape global cooperation and coordination is accordingly more important than ever before.

The department will actively engage with Australia's main strategic ally, the United States, to strengthen bilateral cooperation and support continued US engagement in the Indo-Pacific. It will build on Australia's broad and deep ties with Japan and work to strengthen growing links with the Republic of Korea, with both relationships underpinned by significant shared values and interests. It will also intensify engagement with China across political, security and trade interests. It will continue to expand on Australia's close cooperation with Indonesia on security, trade and people-to-people links. The department will also continue to implement the Government's commitment to develop Australia's growing strategic and economic relationship with India.

The department will continue to strengthen Australia's relations with Pacific island countries and support Australia's role in the Pacific Islands Forum, including to advance regional security and trade and economic integration. It will work with the international community to encourage Fiji's return to democracy and the rule of law, including by seeking opportunities to support credible elections. Through the measure on the *Regional Assistance Mission to Solomon Islands (RAMSI) – transition*, the department will continue to coordinate the RAMSI mission through the critical phase of drawdown and transition towards RAMSI's eventual full withdrawal, including through support to development and police capacity-building programs in Solomon Islands. The department will promote closer bilateral economic cooperation with Papua New Guinea as that country faces the challenge of translating its resources wealth into sustained development outcomes.

The department will continue to develop and implement policies to advance Australia's national interests in multilateral forums, particularly the United Nations. It will work to advance core national interests through Australia's 2013-14 term on the United Nations Security Council. It will seek to strengthen and reform the Commonwealth, including through Australia's role as Chair-in-Office until November 2013. The department will uphold Australia's strong record of global action on climate change, encouraging international support for negotiations on a new legally binding climate change agreement applicable to all, in line with the 2011 Durban mandate. It will advocate Australia's interest in developing international carbon markets and continue to support action on climate change in developing countries and small island states.

Australia will host the G20 in 2014 and will be part of the G20 Troika from 2013 to 2015. The department will work with the Department of the Prime Minister and Cabinet, Treasury and other agencies to ensure that the G20, as the premier forum for international economic cooperation, delivers on its global financial reform and economic recovery agendas. The department will lead on the trade agenda, emphasising the contribution trade makes to global growth and to job creation. In the lead-up to and during Australia's year as G20 chair, the department will develop and deepen its engagement with major emerging economies which are of growing political and economic significance to Australia and contribute to solving global problems of shared concern. The department will also lead Australia's outreach with non-G20 members, with an emphasis on the Asian region in 2013.

The department will work to maximise political, strategic and economic opportunities for Australia arising from the transformation of our region, including through its contribution to implementation of the *Australia in the Asian Century White Paper*. Support for strengthened regional architecture that promotes enhanced political, security and economic dialogue among regional states will continue to be core work for the department in 2013-14. The department will work with international partners, including ASEAN, to strengthen the economic and security agendas of the East Asia Summit, with the aim of sustaining long-term regional stability and economic cooperation. The department will lead the Government's efforts to create partnerships, build regional integration and promote stability through the Asia-Pacific Economic Cooperation (APEC) forum as Indonesia and China serve as hosts in 2013 and 2014 respectively. It will support the reform process underway in Myanmar, and will explore political, security and economic opportunities arising from reforms there.

Australia's alliances and security partnerships, as well as its active engagement in multilateral forums, will be critical to anticipating and responding to international security, human rights and related challenges. This includes constraining the illicit arms trade through enhanced controls, preventing resort to weapons of mass destruction and countering nuclear proliferation. In 2013-14, the department will continue to contribute to international stabilisation efforts in Afghanistan and pursue non-proliferation and disarmament objectives with Iran and the Democratic People's Republic of Korea. The department will continue to coordinate Australia's cooperation with partner countries to enhance the effectiveness of programs to counter terrorism,

which remains a significant threat. The department will contribute to ongoing efforts to prevent people-smuggling. Through the measure *Combating People Smuggling – continuation of preventative initiatives*, the department will continue to engage with key regional countries on preventative people smuggling initiatives.

The department will continue its current level and focus of diplomatic engagement in Afghanistan, including in making preparations for post-transition arrangements in 2014. Through the measure *Afghanistan – Australian Embassy*, the department will provide a more secure environment for Australia's whole-of-government representation. This supports the implementation of the Government's commitment to increase official development assistance to Afghanistan to \$250 million by 2015-16.

The department will seek to maximise market access and trade competitiveness gains for Australia through existing structures as well as pursuing further trade liberalisation through multilateral, regional and bilateral initiatives. While negotiations will remain complex and difficult, the department will continue to advocate for ambitious outcomes from the World Trade Organization's Doha Round, pursue sectoral liberalisation initiatives, and make progress on Free Trade Agreements (FTAs) with China, Japan, the Republic of Korea, India, Indonesia, the Pacific (through PACER Plus) and the Gulf Cooperation Council in support of more open, predictable and non-discriminatory trading arrangements for Australian exporters and investors. The department will work to advance regional economic integration negotiations on the Trans-Pacific Partnership (involving eleven Pacific-rim members) and the Regional Comprehensive Economic Partnership (involving ASEAN and the six countries that have FTAs with ASEAN). It will continue to leverage the benefits of Australia's existing FTAs with the countries of South-East Asia, New Zealand, the United States and Chile.

The department will seek to strengthen Australia's political and economic relations with Europe, by sustaining momentum in AUKMIN and the strategic partnerships with France and Germany, and through negotiation of a treaty-level Framework Agreement with the European Union and the Asia-Europe Meeting (ASEM) process. The department will continue to drive Australia's growing economic, strategic and security interests in Africa, the Middle East, Latin America and the Caribbean, including by identifying opportunities for trade and investment.

As the number of Australians travelling overseas each year continues to increase, the department will once again place priority on the effective delivery of consular services to Australians in need. It will promote safe travel messages through accurate and timely travel advice, including through the *Smartraveller* campaign. The department will also continue to invest in the development and testing of strong consular contingency plans across its network of overseas posts.

The department will continue to deliver an efficient passport service for Australian citizens, including through work on the new 'P-series' passport to provide a contemporary, secure travel document to Australian citizens. Over three years, the department's program to develop a new Australian travel document issuance system

DFAT Budget Statements

will deliver increased processing capability, improved client services and enhanced fraud and investigation controls.

The department will continue to place priority on the safety of Australian Government personnel overseas and the security of its missions. Through the measure *Nairobi Chancery – construction*, the department will relocate the Australian High Commission in Nairobi to a more secure, purpose-built chancery.

Through the *International Communications Network – upgrade* measure, the department will enhance whole-of-government global communications capabilities to meet the core business needs of Australian Government agencies over the next decade.

The department will continue to manage its resources efficiently through careful prioritisation and regular review of budget allocations. It will maintain a professional workforce that will respond effectively and flexibly to emerging foreign, trade and economic, international security and consular priorities.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: Department of Foreign Affairs and Trade Resource Statement — Budget Estimates for 2013-14 as at Budget May 2013

	Estimate of prior year amounts available in 2013-14 \$'000	Proposed at Budget = 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	305,272		305,272	287,757
Departmental appropriation ³		971,915	971,915	949,270
s31 Relevant agency receipts ⁴		81,599	81,599	81,599
Total	305,272	1,053,514	1,358,786	1,318,626
Administered expenses				
Outcome 1	-	286,416	286,416	269,003
Outcome 2	-	750	750	750
Outcome 3	-	-	-	-
Payments to CAC Act bodies	-	3,860	3,860	4,926
Total	-	291,026	291,026	274,679
Total ordinary annual services	A 305,272	1,344,540	1,649,812	1,593,305
Other services				
Departmental non-operating				
Equity injections ⁵		61,172	61,172	62,101
Total	-	61,172	61,172	62,101
Total other services	B -	61,172	61,172	62,101
Total available annual appropriations	305,272	1,405,712	1,710,984	1,655,406
Special appropriations				
Special appropriations limited by criteria/entitlement				
<i>FMA Act 1997 s.28</i>				
Passport Refunds	-	1,010	1,010	1,010
Total special appropriations	C -	1,010	1,010	1,010
Total appropriations excluding Special Accounts	305,272	1,406,722	1,711,994	1,656,416

Table to be continued on the following page.

Table 1.1: Department of Foreign Affairs and Trade Resource Statement — Budget Estimates for 2013-14 as at Budget May 2013 (continued)

	Estimate of prior year amounts available in 2013- 14 \$'000	Proposed at Budget = 2013- 14 \$'000	Total estimate 2013- 14 \$'000	Actual available appropriation 2012- 13 \$'000
Special Accounts				
Opening balance ⁶	404,722	-	404,722	441,338
Appropriation receipts ⁷	-	52,273	52,273	58,594
Appropriation receipts - other agencies ⁸	-	30,091	30,091	30,252
Non- appropriation receipts to Special Accounts	-	6,537	6,537	7,314
Total Special Account	D 404,722	88,901	493,623	537,498
Total resourcing				
A+B+C+D	709,994	1,495,623	2,205,617	2,193,914
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	(52,273)	(52,273)	(58,594)
	-	(3,860)	(3,860)	(4,926)
Total net resourcing for DFAT	709,994	1,439,490	2,149,484	2,130,394

¹ Appropriation Bill (No. 1) 2013- 14

² Estimated adjusted balance carried forward from previous year

³ Includes an amount of \$37.991m in 2013- 14 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

⁴ s31 Relevant Agency receipts - estimate

⁵ Appropriation Bill (No.2) 2013- 14

⁶ Estimated opening balance for special accounts (less 'Special Public Money' held in the following accounts: Administered Payments and Receipts for Other Entities Special Account, Services for Other Entities and Trust Moneys (SOETM), and Consular Services Special Account (CSSA)).
For further information on special accounts see Table 3.1.2.

⁷ Appropriation receipts from DFAT annual and special appropriations for 2013- 14 included above

⁸ Appropriation receipts from other agencies credited to DFAT's special accounts

Reader note: All figures are GST exclusive.

Third party payments from and on behalf of other agencies

	2013- 14 \$'000	2012- 13 \$'000
Receipts received from other agencies for the provision of services (disclosed above within Departmental section 31)	81,599	81,599
Payments made to CAC Act bodies within the Portfolio Export Finance and Insurance Corporation Appropriation Act 1	3,860	4,926

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Department of Foreign Affairs and Trade are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2013-14 Budget measures

Part 1: Measures announced since the 2012-13 MYEFO

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Expense measures						
Combating People Smuggling - continuation of preventative initiatives	1.1	-	4,264	-	-	-
Departmental expenses		-	4,264	-	-	-
Total		-	4,264	-	-	-
Regional Assistance Mission to Solomon Islands - transition	1.1	-	3,654	3,312	3,421	3,400
Departmental expenses		-	3,654	3,312	3,421	3,400
Total		-	3,654	3,312	3,421	3,400
International Communications Network - upgrade	3.1	-	3,604	7,180	10,220	10,327
Departmental expenses		-	3,604	7,180	10,220	10,327
Total		-	3,604	7,180	10,220	10,327
Targeted savings - public service efficiencies	1.1, 2.1, 2.2, 3.1	-	(1,933)	(1,324)	(1,161)	(844)
Departmental expenses		-	(1,933)	(1,324)	(1,161)	(844)
Total		-	(1,933)	(1,324)	(1,161)	(844)
Department of Foreign Affairs and Trade - efficiencies	1.1, 2.1, 2.2, 3.1	-	(3,349)	(1,659)	(1,697)	(1,755)
Departmental expenses		-	(3,349)	(1,659)	(1,697)	(1,755)
Total		-	(3,349)	(1,659)	(1,697)	(1,755)
Total expense measures						
Departmental		-	6,240	7,509	10,783	11,128
Total		-	6,240	7,509	10,783	11,128

Table continued on the following page.

DFAT Budget Statements

Part 1: Measures announced since the 2012-13 MYEFO (continued)

Capital measures						
Afghanistan - Australian Embassy	3.1					
Departmental capital		-	9,474	26,613	16,475	-
Total		-	9,474	26,613	16,475	-
Regional Assistance Mission to Solomon Islands - transition	1.1					
Departmental capital		-	87	271	-	-
Total		-	87	271	-	-
International Communications Network - upgrade	3.1					
Departmental capital		-	10,237	13,545	8,510	4,688
Total		-	10,237	13,545	8,510	4,688
Nairobi Chancery - construction	3.1, 3.2					
Departmental capital		-	155	1,426	2,152	17,330
Total		-	155	1,426	2,152	17,330
Department of Foreign Affairs and Trade - efficiencies	3.1, 3.2					
Departmental capital		-	(8,727)	(8,904)	(17,749)	(25,219)
Total		-	(8,727)	(8,904)	(17,749)	(25,219)
Total capital measures						
Departmental		-	11,226	32,951	9,388	(3,201)
Total		-	11,226	32,951	9,388	(3,201)

Prepared on a Government Finance Statistics (fiscal) basis

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which Government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of 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

The department will assist the Government to meet its foreign, trade and economic, and security objectives over 2013-14 and forward years through:

- developing further Australia's relations with key international partners and countries of growing significance to Australia's national interests;
- working multilaterally to address global challenges relating to peace and security, climate change, sustainable growth and human rights and to advance Australia's interests through the United Nations, G20 and significant regional forums;
- promoting and strengthening regional and global cooperation and governance in countering terrorism, people smuggling and nuclear proliferation;
- contributing to national prosperity by maximising Australia's trade opportunities and market access gains through multilateral, regional and bilateral means; and
- developing and implementing programs and projects to enhance international awareness and understanding of Australia and Australian policies to advance our national interests.

As the lead agency managing Australia's external affairs, the department will also continue to provide leadership at Australia's diplomatic missions overseas, manage and maintain Australia's diplomatic network, including the provision of services to

DFAT Budget Statements

other agencies represented overseas, and deliver services to diplomatic and consular representatives in Australia.

Outcome Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

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	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.1: Foreign Affairs and Trade Operations		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	6,525	6,403
Departmental expenses		
Departmental appropriation ^{1 & 2}	499,695	530,690
Expenses not requiring appropriation in the Budget year ^{3 & 4}	46,549	46,809
Total for Program 1.1	552,769	583,902
Program 1.2: Payments to International Organisations		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	235,975	258,027
Total for Program 1.2	235,975	258,027
Program 1.3: Public Information Services and Public Diplomacy		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	24,928	25,846
Special Accounts	1,500	-
Total for Program 1.3	26,428	25,846
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	267,428	290,276
Special Accounts	1,500	-
Departmental expenses		
Departmental appropriation ^{1 & 2}	499,695	530,690
Expenses not requiring appropriation in the Budget year ^{3 & 4}	46,549	46,809
Total expenses for Outcome 1	815,172	867,775
Average Staffing Level (number) ⁵	2,148	2,170

¹ Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

² These expenses include a portion of an intra- entity amount of \$52.007 million (2012- 13: \$56.833 million) representing rent paid by DFAT to the DFAT Overseas Property Special Account which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2.1).

³ Expenses not requiring appropriation in the Budget year include Depreciation and Amortisation expenses, Makegood Expense and Audit Fees.

⁴ Includes expenses for a Debt- to- Health Swap with the Government of Indonesia of \$8.0 million in 2012- 13 and \$8.64 million in 2013- 14.

⁵ ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 2 and Outcome 3

Contributions to Outcome 1

Program 1.1: Foreign Affairs and Trade Operations

Program Objective

- To protect and advance the national interest through engaging in effective advocacy in Australia and overseas that promotes Australia's foreign, trade and economic, and international security interests.
- To deliver accurate and timely policy advice to Ministers and other high-level clients that addresses the challenges of an evolving international environment.
- To promote a whole-of-government approach in pursuit of Australia's interests abroad, including through leadership at overseas missions and coordination of 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.

Program Expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Administered items					
Export Finance and Insurance (EFIC) - National Interest Account	3,987	3,860	3,079	2,154	1,300
Personal Benefits - Locally Engaged Staff pension schemes	2,044	2,039	2,119	2,136	2,106
Other Administered Items	494	504	512	521	531
Annual departmental expenses:					
Foreign Affairs and Trade Operations	499,695	530,690	552,949	552,379	557,593
Expenses not requiring appropriation in the Budget year ¹	38,549	38,169	38,570	38,561	38,561
Overseas development assistance - Debt-to-Health Swap with Government of Indonesia ²	8,000	8,640	9,500	10,520	11,420
Total program expenses	552,769	583,902	606,729	606,271	611,511

¹ Expenses not requiring appropriation in the Budget year include Depreciation and Amortisation expenses, Makegood Expense and Audit Fees.

² The Department was appropriated \$75.0 million in *Appropriation Act (No.4) 2009-10* for a Debt-to-Health Swap with the Government of Indonesia. This appropriation is to be expensed over a period of 6 years in accordance with an EFIC loan repayment schedule.

Program 1.1 Deliverables

- Australia's foreign and trade policy interests and international standing are advanced through:
 - strengthened key international relationships, including a strong alliance with the United States, high-level political and economic engagement with Japan, China, India, Republic of Korea, Indonesia and other countries of South-East Asia, a stronger partnership with the European Union and its members, and continued close ties with New Zealand and Canada;
 - sustained engagement with Pacific island countries, the Middle East, Africa, Latin America and the Caribbean, Russia and Turkey to meet shared challenges and to promote global and regional stability, security and prosperity;
 - strong participation in the United Nations and other multilateral forums, including through Australia's 2013-14 term on the UN Security Council, advocacy of human rights and promotion of sustainable development and effective international action on climate change and other environmental outcomes, including oceans;
 - contribution to enhanced regional architecture through the East Asia Summit (EAS), the Asia-Pacific Economic Cooperation (APEC) forum and dialogue with the Association of Southeast Asian Nations (ASEAN); and
 - promotion of high-quality public diplomacy, international media and cultural visit programs which improve understanding of Australia and Australian Government foreign and trade policies.
- Australia's trade and economic opportunities are maximised, including through:
 - effective participation in the World Trade Organization (WTO), including through the Doha Round, leadership of the Cairns Group of agricultural exporting countries and G20 processes, and to promote and defend Australia's interests through existing means such as WTO dispute settlement; and
 - effective leadership in advancing our interests through sectoral initiatives as well as Australia's Free Trade Agreement (FTA) agenda, including negotiating and implementing FTAs, and exploring opportunities where appropriate for new FTAs.
- An enhanced environment for security and development, including through:
 - effective whole-of-government efforts to promote stability and development

in Afghanistan;

- promotion of nuclear non-proliferation and disarmament, and counter-proliferation and arms control efforts, including as chair of the Australia Group;
 - participation in counter-terrorism programs and activities, including in South Asia, South-East Asia, the Middle East, eastern Africa, and in the Global Terrorism Forum; and
 - contribution to whole-of-government efforts bilaterally and regionally to counter people smuggling, in particular through the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime.
- Australia’s international and portfolio responsibilities are met through:
 - effective coordination and sound advice to Ministers, members of parliament, government agencies, state and territory governments, business, non-governmental organisations, media and members of the public;
 - sound advice on compliance with international legal obligations and contribution to the development of a strong international legal framework;
 - 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 to the diplomatic and consular corps serving in Australia, including facilitation of accreditation and diplomatic visas, and the security and protection of dignity of diplomatic missions and their personnel, upholding Australia’s obligations under the Vienna Conventions; and
 - administration of the EFIC National Interest Account.

Program 1.1 Key Performance Indicators

- High level of satisfaction of Ministers and high-level clients with the quality and timeliness of advice, briefing and support in relation to Australia’s foreign, trade and economic, and international security interests.
- The department’s advocacy, negotiation and liaison on Australia’s foreign, trade and economic, and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians.

- Government agencies at overseas missions are satisfied with service provided in accordance with the Prime Minister's Directive on the Guidelines for the Management of the Australian Government Presence Overseas and service level agreements in place.
- The diplomatic and consular corps posted or accredited to Australia are satisfied with the level of service provided, including in terms of responsiveness and timeliness in meeting Australia's obligations under the Vienna Conventions.

Program 1.2: Payments to International Organisations

Program objective

- To advance Australia's foreign, trade and economic, and security interests through participation in international organisations.

Program expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual administered expenses:					
Administered item					
Payments to International Organisations	235,975	258,027	258,036	260,203	262,655
Total program expenses	235,975	258,027	258,036	260,203	262,655

Program 1.2 Deliverables

- Current membership of international organisations through payments of assessed and voluntary Australian Government contributions.

Program 1.2 Key Performance Indicators

- The department's payments to international organisations are timely and within budget.

Program 1.3: Public Information Services and Public Diplomacy

Program objective

- To project a positive and contemporary image of Australia and promote a clear understanding of government policies and objectives through the department's public diplomacy, cultural and media activities.

Program Expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Administered items					
International Relations Grants Program	4,594	4,594	4,594	4,594	4,594
Australia Network	20,334	20,802	21,176	21,621	22,074
Bali Peace Park	-	450	-	-	-
Special Account Expenses:					
Expositions Special Account	1,500	-	-	-	-
Expenses not requiring appropriation in the Budget year	-	-	-	-	-
Total program expenses	26,428	25,846	25,770	26,215	26,668

Program 1.3 Deliverables

- An independent, credible and reliable voice and image in the region through effective management of the Australia Network.
- Promotion of people-to-people links and a contemporary and positive image of Australia and support for the government's international policy goals, including through grants and other support to bilateral foundations, councils and institutes.

Program 1.3 Key Performance Indicators

- An accurate and contemporary image of Australia, an understanding of the government's foreign and trade policies, and strengthened people-to-people links and trade and economic ties.

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

With more Australians travelling overseas each year, the department will continue to give high priority to delivery of effective consular services. The department will help Australians make informed decisions about their security, safety and wellbeing by maintaining its comprehensive system of travel advisories. The department's consular outreach program will continue 2013-14, promoting safe travel messages and delivering accurate and timely travel advice, including through the *Smartraveller* campaign.

Practical planning for contingency and rapid crisis response will remain a focus through 2013-14. The department will work to enhance its ability to respond quickly to consular incidents, particularly in remote locations or where consular representation is less concentrated. It will also continue to lead whole-of-government responses to future consular crises and serious incidents overseas, activating the department's Crisis Centre as needed.

The department will continue to deliver an efficient passport service for Australian citizens. In 2013-14, work will continue on the new 'P-series' passport to provide a contemporary, secure travel document to Australian citizens. We will also continue work on development of the next generation Australian travel document issuance system.

Outcome Expense Statement

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

Table 2.1.1 Budgeted Expenses for Outcome 2

	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas		
Program 2.1: Consular Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	200	200
Departmental expenses		
Departmental appropriation ^{1 & 2}	66,857	70,404
Expenses not requiring appropriation in the Budget year ³	5,513	5,587
Total for Program 2.1	72,570	76,191
Program 2.2: Passport Services		
Administered expenses		
Special appropriations	1,010	1,010
Departmental expenses		
Departmental appropriation ^{1 & 2}	223,801	233,271
Expenses not requiring appropriation in the Budget year ³	16,034	16,196
Total for Program 2.2	240,845	250,477
Outcome 2 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	200	200
Special appropriations	1,010	1,010
Departmental expenses		
Departmental appropriation ^{1 & 2}	290,658	303,675
Expenses not requiring appropriation in the Budget year ³	21,547	21,783
Total expenses for Outcome 2	313,415	326,668
	2012-13	2013-14
Average Staffing Level (number) ⁴	1,052	1,069

¹ Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

² These expenses include a portion of an intra- entity amount of \$52.007 million (2012- 13: \$56.833 million) representing rent paid by DFAT to the DFAT Overseas Property Special Account which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2.1).

³ Expenses not requiring appropriation in the Budget year include Depreciation and Amortisation expenses, Makegood Expense and Audit Fees.

⁴ ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 2.

Contributions to Outcome 2

Program 2.1: Consular Services

Program objective

- To support and assist Australian travellers and Australians overseas through high-quality consular services, including accurate and timely travel advice, practical contingency planning and rapid crisis response.

Linked to: Austrade Program 2.1: Consular and passport services

Program expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Administered items					
Consular Emergency Services ¹	200	200	200	200	200
Annual departmental expenses:					
Foreign Affairs and Trade Operations	66,857	70,404	75,771	76,442	77,105
Expenses not requiring appropriation in the Budget year ²	5,513	5,587	5,626	5,627	5,627
Total program expenses	72,570	76,191	81,597	82,269	82,932

¹ This expense does not include \$550,000 for Traveller's Emergency Loans, as these are treated as receivables and form part of the receivable balance in Table 3.2.8

² Expenses not requiring appropriation in the Budget year include Depreciation and Amortisation expenses, Makegood Expense and Audit Fees.

Program 2.1 Deliverables

- 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, medical emergencies and payment of travellers emergency loans to Australians in need.
- High-quality travel advisory services, including issuing accurate and timely travel information on travel destinations, promoting this information through continuation of the *Smartraveller* campaign and effectively managing an online travel registration service.
- Effective consular contingency planning for major events or high-risk scenarios, including through regular reviews of procedures and available resources, training of staff, and coordination with other government agencies and foreign

governments.

- Coordination of whole-of-government responses to large-scale crises involving conflict, civil unrest, natural disasters or terrorist incidents.

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.
- Accurate and timely travel advisories which provide clear guidance to a broad audience of potential risks and the extent of Australian Government assistance, and continued growth of public use of the *Smartertraveller* website and the online registration service.
- Consular contingency planning accurately anticipates high-risk events and scenarios, necessary resources for response are readily available, procedures and networks remain valid and viable, and plans are tested and reviewed regularly.
- Timely and effective consular support to Australians through well-coordinated implementation of whole-of-government responses to large-scale crises.

Program 2.2: Passport Services

Program objective

- To provide Australians access to secure international travel documentation through the delivery of high-quality passport services.

Linked to: Austrade Program 2.1: Consular and passport services

Program expenses

- The department's business forecasting model projects passport demand to grow by around 20 per cent over the next three years.

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual administered expenses:					
Special Appropriations:					
<i>FMA Act 1997 s.28</i>					
Passport Refunds	1,010	1,010	1,010	1,010	1,010
Annual departmental expenses:					
Foreign Affairs and Trade Operations	223,801	233,271	241,448	252,028	250,331
Expenses not requiring appropriation in the Budget year ¹	16,034	16,196	15,672	15,674	15,674
Total program expenses	240,845	250,477	258,130	268,712	267,015

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.
- Maintenance of security standards, promotion of web-enabled services, and adherence to the client service commitment of passport issue within ten working days, while effectively managing an increasing workload.
- Ongoing implementation of the *National Security – Improved Passport Integrity and Strengthened Issuance Systems* program.
- Finalisation and production of the new 'P-series' Australian travel document.

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.

- Staged delivery of the *National Security – Improved Passport Integrity and Strengthened Issuance Systems* program within budget and against timelines.
- Introduction of the new P-series Australian travel document in mid-2014.

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

Outcome 3 Strategy

The department continues to place priority on the safety of Australian Government personnel overseas, the security of its diplomatic and consular posts and the safeguarding of government information in line with an environment of increasing security risk. Its activities in this area will be underpinned by thorough assessments of security threats and the preparation and implementation of appropriate risk mitigation strategies and security measures.

The department will work to enhance information and communications technology (ICT) capabilities, at home and at Australia's overseas missions. It will continue to respond to emerging influences on its ICT operating environment, including the increasing use of the internet, a greater focus on whole-of-government programs and solutions, and a continuing increase in the number of staff from other agencies using departmental ICT systems and a challenging cyber-threat environment.

The department will continue to manage the Government's overseas property estate in an efficient and effective manner. The department's forward plan for maintaining, upgrading and refurbishing the overseas property estate will continue with the objective of meeting the Government's accommodation needs and enhancing the estate's value. In managing the estate, the department will remain focused on providing the best possible protective security, and capability to respond promptly when new or unforeseen security-related challenges arise.

Outcome Expenses Statement

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

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	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 3.1: Other (Departmental)		
Departmental expenses		
Departmental appropriation ^{1 & 2}	174,493	181,158
Expenses not requiring appropriation in the Budget year ³	9,793	9,937
Total for Program 3.1	184,286	191,095
Program 3.2: Overseas Property		
Departmental expenses		
Special Accounts	70,349	72,205
Total for Program 3.2	70,349	72,205
Outcome 3 Totals by appropriation type		
Departmental expenses		
Departmental appropriation ^{1 & 2}	174,493	181,158
Special Accounts	70,349	72,205
Expenses not requiring appropriation in the Budget year ³	9,793	9,937
Total expenses for Outcome 3	254,635	263,300
	2012-13	2013-14
Average Staffing Level (number) ⁴	723	742

¹ Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue independent sources (s31)".

² These expenses include a portion of an intra- entity amount of \$52.007 million (2012- 13: \$56.833 million) representing rent paid by DFAT to the DFAT Overseas Property Special Account which is eliminated upon consolidation in the Comprehensive Income Statement (Table 3.2.1).

³ Expenses not requiring appropriation in the Budget year include Depreciation and Amortisation expenses, Makegood Expense and Audit Fees..

⁴ ASL figures are estimates only. ASL allocated to Outcome 1 may also, at times, contribute to Outcome 3.

Contributions to Outcome 3

Program 3.1: Foreign Affairs and Trade Operations

Program objective

- 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

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual departmental expenses:					
Foreign Affairs and Trade Operations	174,493	181,158	129,077	131,699	132,215
Expenses not requiring appropriation in the Budget year ¹	9,793	9,937	10,023	10,026	10,026
Total program expenses	184,286	191,095	139,100	141,725	142,241

¹ Expenses not requiring appropriation in the Budget year include Depreciation and Amortisation expenses, Makegood Expense and Audit Fees.

Program 3.1 Deliverables

- Enhanced protection through strengthened security measures in line with the evolving security environment, particularly in high-threat locations.
- Protection of classified information and ICT services through effective management of ICT systems and security vetting processes, as well as through staff security training to ensure high standards of awareness and vigilance.
- Continued progress in moving the department's ICT systems infrastructure to a common platform that can be more efficiently integrated and supported, and implementation of key elements of the Government's ICT Reform Program and ICT elements of the Government's national security policy and objectives.
- High-quality overseas ICT services to other government agencies.

Program 3.1 Key Performance Indicators

- Security risks relating to classified information are minimised, as evidenced by a

low number of sensitive security breaches.

- Effective risk-mitigation strategies appropriate to increased security risks.
- Client satisfaction with the accessibility, reliability and effectiveness of the secure cable network (Official Diplomatic Information Network) and the global 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 and of the contracts for the leased estate.

Program expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special Account Expenses:					
Overseas Property Special Account - <i>Finance Determination 2002-01 (D)</i>	70,349	72,205	75,083	79,046	83,356
Total program expenses	70,349	72,205	75,083	79,046	83,356

Program 3.2 Deliverables

- Efficient and effective management and delivery of a substantial construction and refurbishment program in the overseas property estate, including:
 - relocation of the chancery in Nairobi to secure, purpose-built accommodation; construction of consolidated, secure, purpose-built residential accommodation in Kabul; construction of a new chancery, residential accommodation and a Head of Mission residence in Jakarta; construction of a new chancery and Head of Mission residence in Bangkok; and a services upgrade of the chancery in Paris.
- Efficient and effective management of the overseas property estate to meet the Government's requirements and maintain conditions and service capabilities.
- Effective management of outsourced property contract arrangements.

Program 3.2 Key Performance Indicators

- Completion of construction and refurbishment projects within an agreed timeframe and budget.
- Effective and accountable management of the property services contract and construction project contracts.

- Achieve a portfolio condition and utility rating of good or better.
- The majority of tenants rate the performance of the service provider and the Overseas Property Office as good or better.
- Asset management plans are in place for all owned properties in the estate.
- Achieve a management expense ratio appropriate to the unique nature of the Commonwealth's overseas owned 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 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of Administered Funds Between Years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in a specified period with the agreement of the Finance Minister may be moved to the future year.

The Department received \$0.45 million in administered funding for Australia's Contribution to the Bali Peace Park in 2011-12. The contribution is contingent on the land in Bali being offered for sale to the Bali Peace Park Association. Negotiations on this matter are progressing and it is anticipated that the funds will now be spent in 2013-14.

Table 3.1.1: Movement of Administered Funds Between Years¹

	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Outcome 1:					
Public Information Services and Public Diplomacy	(450)	450	-	-	-
Total Movement of Administered Funds	(450)	450	-	-	-

¹ Figures displayed as a negative (-) represent a decrease in funds and a positive reflect an increase in funds.

3.1.2 Special Accounts

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

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2013-14 2012-13	Receipts 2013-14 2012-13	Payments 2013-14 2012-13	Adjustments 2013-14 2012-13	Closing balance 2013-14 2012-13
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Payments and Receipts for Other Entities Special Account - FMA Act 1997 s20 (A)	1	5,000	200,000	(200,000)		5,000
		5,000	200,000	(200,000)		5,000
Consular Services Special Account - FMA Act 1997 s20 (A)	2	44	100	(100)		44
		44	100	(100)		44
Expositions Special Accounts - FMA Act 1997 s20 (A)	1	748	-	-		748
		748	1,500	(1,500)		748
Services for Other Entities and Trust Moneys - Foreign Affairs and Trade Special Account (A)	1	672	2,000	(2,000)		672
		672	2,000	(2,000)		672
Overseas Property Special Account - DFAT - s20 FMA Act Det 2002/01 (D)	3	403,974	88,901	(286,458)		206,417
		440,590	94,660	(131,276)		403,974
Total Special Accounts 2013-14 Budget estimate		410,438	291,001	(488,558)		- 212,881
<i>Total Special Accounts 2012-13 estimated actual</i>		<i>447,054</i>	<i>298,260</i>	<i>(334,876)</i>		<i>- 410,438</i>

(A) = Administered

(D) = Departmental

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

Outcome	Appropriations				Other \$'000 (E)	Total \$'000 (F)=(D)+(E)	Program (G)
	Bill	Bill	Special	Total			
	No. 1	No. 2	approp	approp			
	\$'000 (A)	\$'000 (B)	\$'000 (C)	\$'000 (D)			
Department of Foreign and Trade							
Outcome 1							
Departmental 2013-14	987	-	-	987	-	987	1.1
Departmental 2012-13	883	-	-	883	-	883	1.1
Total outcome 2013-14	987	-	-	987	-	987	
Total outcome 2012-13	883	-	-	883	-	883	
Total AGIE 2013-14	987	-	-	987	-	987	
Total AGIE 2012-13	883	-	-	883	-	883	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of Budgeted Financial Statements

Budgeted Departmental Income Statement

Total budgeted appropriation in 2013-14 is \$933.9 million, which represents an increase of \$55.4 million in appropriations from 2012-13 as shown in Table 3.2.1. The increase is primarily a result of:

- funding for new measures;
- parameter adjustments for overseas inflation
- foreign exchange movements; and
- additional funding for passports reflecting expected increase in demand.

This is partially offset by:

- savings measures agreed in the 2012-13 Mid-Year Economic and Fiscal Outlook; and
- savings measures agreed in the 2013-14 Budget.

The Income Statement shows a budgeted deficit in 2013-14 of \$54.9 million, due to the removal of appropriation funding for depreciation and amortisation under the Net Cash funding arrangements. Adjusting for the changed funding arrangements, the operating result attributable to the Department is a surplus of \$14.5 million in 2013-14, all of which relates to the Overseas Property Special Account (OPSA). Surpluses are necessary in the OPSA to fund capital investment projects.

Budgeted Departmental Balance Sheet

The Department will receive an equity injection of \$61.2 million in 2013-14 for the purchase or construction of new assets. The Department will also receive \$38.0 million through its Departmental Capital Budget to fund the replacement of existing assets.

For 2013-14, the Department's non-financial asset position is budgeted to be \$2,457.9 million at year-end. The major asset component is \$1,947.8 million for Land and Buildings which includes \$1,669.9 million managed in the Overseas Property Special Account.

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

Administered income has been budgeted at \$449.5 million in 2013-14. The decrease of \$174.5 million from 2012-13 is due primarily to a one-off special dividend payment of \$200 million from the Export Finance and Insurance Corporation (EFIC) in 2012-13. This is offset by a forecast increase in passport revenue (\$27.5 million) resulting from an increase in the passport fee and the projected volume of passport issues.

DFAT Budget Statements

Budgeted administered expenses are projected to increase by \$22 million compared to 2012-13. This is primarily due to an increase in estimated payments to international organisations (\$13.2 million) and United Nations Peacekeeping Operations (\$8.8 million).

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

Asset and liabilities administered on behalf of the Government are budgeted at \$426.2 million and \$50.3 million respectively for the year ending 30 June 2014. The assets mainly represent the investment in EFIC (\$418.1 million) and receivables (\$4.6 million). Liabilities comprise primarily amounts relating to Locally Engaged Staff Pension Schemes.

Schedule of Budgeted Administered Cash Flows

Administered cash received generally moves in line with administered revenue, with the exception of Australian Accounting Standards related fair value revenue which has no cash impact. All administered cash is returned to the Consolidated Revenue Fund.

The 2013-14 forecast of administered cash receipts of \$446.7 million primarily comprises receipts from passport and consular services, and a dividend payment from the administered investments in EFIC.

Administered cash used is estimated to increase by \$21.8 million compared to 2012-13. This is primarily due to the forecast increase in payments to international organisations (\$13.2 million) and United Nations Peacekeeping Operations (\$8.8 million).

3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	441,692	477,760	517,823	527,189	531,936
Suppliers	508,583	529,377	471,995	472,232	475,840
Grants	5,000	5,000	5,000	5,000	4,930
Depreciation and amortisation	92,766	93,079	95,616	99,966	98,023
Losses from asset sales	93	36	-	-	894
Other expenses	103	103	103	103	102
Total expenses	1,048,237	1,105,355	1,090,537	1,104,490	1,111,725
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	73,299	73,299	73,299	73,299	73,299
Rental income	35,967	34,481	35,359	36,711	39,241
Other	8,300	8,300	8,300	8,300	8,300
Total own-source revenue	117,566	116,080	116,958	118,310	120,840
Gains					
Other	411	411	411	411	411
Total gains	411	411	411	411	411
Total own-source income	117,977	116,491	117,369	118,721	121,251
Net cost of (contribution by) services	930,260	988,864	973,168	985,769	990,474
Revenue from Government	883,247	933,924	917,646	930,949	935,645
Surplus (Deficit) attributable to the Australian Government	(47,013)	(54,940)	(55,522)	(54,820)	(54,829)
Total comprehensive income (loss) attributable to the Australian Government	(47,013)	(54,940)	(55,522)	(54,820)	(54,829)

Table continued on the following page.

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

Note: Impact of Net Cash Appropriation Arrangements					
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income					
(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	22,465	14,538	13,958	14,657	14,648
plus depreciation/amortisation expenses previously funded through revenue appropriations ¹	(69,478)	(69,478)	(69,480)	(69,477)	(69,477)
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(47,013)	(54,940)	(55,522)	(54,820)	(54,829)

¹ From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards Basis

**Table 3.2.2: Budgeted Departmental Balance Sheet
(as at 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	59,003	60,613	60,613	60,613	60,613
Trade and other receivables	948,035	673,235	524,385	392,584	398,414
Total financial assets	1,007,038	733,848	584,998	453,197	459,027
Non-financial assets					
Land and buildings	1,781,161	1,947,763	1,976,792	2,287,046	2,423,679
Property, plant and equipment	134,680	154,093	218,651	356,856	365,265
Intangibles	20,123	17,827	19,404	22,852	19,877
Inventories	41,976	41,976	41,976	41,976	41,976
Other non-financial assets	174,138	296,280	441,686	256,083	123,756
Total non-financial assets	2,152,078	2,457,939	2,698,509	2,964,813	2,974,553
Assets held for sale	-	-	-	-	-
Total assets	3,159,116	3,191,787	3,283,507	3,418,010	3,433,580
LIABILITIES					
Payables					
Suppliers	76,099	76,099	76,099	76,099	76,099
Other payables	21,123	21,123	21,123	21,123	21,123
Total payables	97,222	97,222	97,222	97,222	97,222
Provisions					
Employee provisions	146,217	146,217	146,217	146,217	146,217
Other provisions	26,679	26,679	26,679	26,679	26,679
Total provisions	172,896	172,896	172,896	172,896	172,896
Total liabilities	270,118	270,118	270,118	270,118	270,118
Net assets	2,888,998	2,921,669	3,013,389	3,147,892	3,163,462
EQUITY					
Parent entity interest					
Contributed equity	1,966,989	2,066,152	2,196,488	2,344,667	2,429,078
Reserves	393,044	382,062	398,968	440,112	440,112
Retained surplus (accumulated deficit)	528,965	473,455	417,933	363,113	294,272
Total parent entity interest	2,888,998	2,921,669	3,013,389	3,147,892	3,163,462
Total Equity	2,888,998	2,921,669	3,013,389	3,147,892	3,163,462

* 'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2013-14)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2013					
Balance carried forward from previous period	528,965	393,044	-	1,966,989	2,888,998
Adjusted opening balance	528,965	393,044	-	1,966,989	2,888,998
Comprehensive income					
Other comprehensive income	-	(10,982)	-	-	(10,982)
Surplus (deficit) for the period	(54,940)	-	-	-	(54,940)
Total comprehensive income	(54,940)	(10,982)	-	-	(65,922)
of which:					
Attributable to the Australian Government	(54,940)	(10,982)	-	-	(65,922)
Transactions with owners					
Distributions to owners					
Returns of capital:					
Cash transfers to the OPA	(570)	-	-	-	(570)
Contributions by owners					
Equity Injection - Appropriation	-	-	-	61,172	61,172
Departmental Capital Budget (DCBs)	-	-	-	37,991	37,991
Sub-total transactions with owners	(570)	-	-	99,163	98,593
Estimated closing balance as at 30 June 2014	473,455	382,062	-	2,066,152	2,921,669
Closing balance attributable to the Australian Government	473,455	382,062	-	2,066,152	2,921,669

Prepared on Australian Accounting Standards Basis

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	866,649	1,002,813	960,291	985,475	940,754
Sale of goods and rendering of services	109,266	107,780	108,658	109,740	112,540
Net GST received	31,375	31,375	31,375	31,375	31,375
Other	8,300	8,300	8,300	8,300	8,300
Total cash received	1,015,590	1,150,268	1,108,624	1,134,890	1,092,969
Cash used					
Employees	431,164	445,208	439,100	445,860	447,357
Suppliers	556,344	599,804	588,678	585,107	597,356
Section 31 receipts transferred to OPA	14,164	-	-	-	-
Other	5,103	5,103	5,103	5,103	5,032
Total cash used	1,006,775	1,050,115	1,032,881	1,036,070	1,049,745
Net cash from (used by) operating activities	8,815	100,153	75,743	98,820	43,224
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant, equipment and intangibles	1,599	606	-	-	14,906
Total cash received	1,599	606	-	-	14,906
Cash used					
Purchase of property, plant, equipment and intangibles	172,776	395,005	311,459	322,164	122,094
Total cash used	172,776	395,005	311,459	322,164	122,094
Net cash from (used by) investing activities	(171,177)	(394,399)	(311,459)	(322,164)	(107,188)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	168,025	296,426	236,114	223,134	78,006
Total cash received	168,025	296,426	236,114	223,134	78,006
Cash used					
Repayments of contributed equity	1,506	570	-	-	14,012
Total cash used	1,506	570	-	-	14,012
Net cash from (used by) financing activities	166,519	295,856	236,114	223,134	63,994
Net increase (decrease) in cash held	4,157	1,610	398	(210)	30
Cash and cash equivalents at the beginning of the reporting period	54,787	58,944	60,554	60,952	60,742
Effect of exchange rate movements on cash and cash equivalents at the beginning of reporting period	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	58,944	60,554	60,952	60,742	60,772

Prepared on Australian Accounting Standards Basis

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	63,256	37,991	43,781	43,889	44,338
Equity injections - Bill 2	62,101	61,172	86,555	104,290	40,073
Total new capital appropriations	125,357	99,163	130,336	148,179	84,411
Provided for:					
Purchase of non-financial assets	125,357	99,163	130,336	148,179	84,411
Total Items	125,357	99,163	130,336	148,179	84,411
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	125,002	112,553	121,156	158,174	40,073
Funded by capital appropriation - DCB ²	54,111	47,014	44,781	43,889	44,338
Funded internally from departmental resources ³	11,794	128,819	18,585	308,666	170,585
TOTAL	190,907	288,386	184,522	510,729	254,996
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	190,907	288,386	184,522	510,729	254,996
Total cash used to acquire assets	190,907	288,386	184,522	510,729	254,996

¹ Includes both current Bill 2 and prior Act 2 & 4 appropriations.

² Does not include annual finance lease costs. Includes purchase from current and previous years' Departmental Capital Budgets (DCBs).

³ Includes the following sources of funding:

- purchases from the DFAT Overseas Property Special Account
- current Bill 1 and prior year Act 1 & 3 appropriations (excluding amounts from the DCB).
- donations and contributions
- s31 relevant agency receipts
- proceeds from the sale of assets

Prepared on Australian Accounting Standards Basis

Table 3.2.6: Statement of Asset Movements (2013-14)

	Asset Category (as appropriate)					Total
	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	L&B, IP&E held for sale	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2013						
Gross book value	923,115	1,010,059	229,587	65,359	2,867	2,230,987
Accumulated depreciation/amortisation and impairment	-	(152,013)	(94,907)	(45,236)	(2,867)	(295,023)
Opening net book balance	923,115	858,046	134,680	20,123	-	1,935,964
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase - appropriation equity ¹ appropriation ordinary annual services ²	79,447	152,138	54,341	2,460	-	288,386
Total additions	79,447	152,138	54,341	2,460	-	288,386
Other movements						
Depreciation/amortisation expense	-	(53,092)	(35,231)	(4,756)	-	(93,079)
Disposals ³	(606)	-	-	-	-	(606)
Other	8,592	(19,877)	303	-	-	(10,982)
Total other movements	7,986	(72,969)	(34,928)	(4,756)	-	(104,667)
As at 30 June 2014						
Gross book value	1,010,548	1,142,320	284,231	67,819	2,867	2,507,785
Accumulated depreciation/amortisation and impairment	-	(205,105)	(130,138)	(49,992)	(2,867)	(388,102)
Closing net book balance	1,010,548	937,215	154,093	17,827	-	2,119,683

¹ "Appropriation equity" refers to equity injections provided through Appropriation Bill (No.2) 2013-14.

² "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2013-14 for depreciation / amortisation expenses, DCBs or other operational expenses.

³ Net Proceeds may be returned to the OPA.

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	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employee benefits	2,274	2,039	2,119	2,136	2,106
Suppliers	23,108	22,316	22,698	23,152	23,615
Grants and contributions	240,769	263,271	262,830	264,997	267,449
Write-down and impairment of assets	-	-	-	-	-
Other expenses	11,987	12,500	12,579	12,674	12,720
Foreign Exchange Losses	-	-	-	-	-
Total expenses administered on behalf of Government	278,138	300,126	300,226	302,959	305,890
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	370,543	398,349	432,055	469,233	509,531
Interest	3,928	3,112	2,150	1,052	116
Dividends	226,800	24,100	16,000	16,400	-
Other revenue	22,737	23,913	24,413	25,045	24,986
Total non-taxation revenue	624,008	449,474	474,618	511,730	534,633
Total own-source revenues administered on behalf of Government	624,008	449,474	474,618	511,730	534,633
Gains					
Foreign Exchange	-	-	-	-	-
Total gains administered on behalf of Government	-	-	-	-	-
Total own-sourced income administered on behalf of Government	624,008	449,474	474,618	511,730	534,633
Net Cost of (contribution by) services	345,870	149,348	174,392	208,771	228,743

Prepared on Australian Accounting Standards Basis

Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	191	191	191	191	191
Trade and other receivables	2,219	4,551	8,882	10,079	10,629
Investments accounted for using the equity method	418,063	418,063	418,063	418,063	418,063
Accrued Revenue	1,784	1,784	1,784	1,784	1,784
Total financial assets	422,257	424,589	428,920	430,117	430,667
Non-financial assets					
Other non-financial assets	1,650	1,650	1,650	1,650	1,650
Total non-financial assets	1,650	1,650	1,650	1,650	1,650
Total assets administered on behalf of Government	423,907	426,239	430,570	431,767	432,317
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	1,242	1,242	1,242	1,242	1,242
Other payables	13,016	8,749	8,749	8,749	8,749
Total payables	14,258	9,991	9,991	9,991	9,991
Provisions					
Employee provisions	40,272	40,272	40,272	40,272	40,272
Total provisions	40,272	40,272	40,272	40,272	40,272
Total liabilities administered on behalf of Government	54,530	50,263	50,263	50,263	50,263
Net assets/(liabilities)	369,377	375,976	380,307	381,504	382,054

Prepared on an Australian Accounting Standards Basis

Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June) (continued)

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	191	191	191	191	191
Trade and other receivables	2,219	4,551	8,882	10,079	10,629
Investments accounted for using the equity method	418,063	418,063	418,063	418,063	418,063
Accrued Revenue	1,784	1,784	1,784	1,784	1,784
Total financial assets	422,257	424,589	428,920	430,117	430,667
Non-financial assets					
Other non-financial assets	1,650	1,650	1,650	1,650	1,650
Total non-financial assets	1,650	1,650	1,650	1,650	1,650
Total assets administered on behalf of Government	423,907	426,239	430,570	431,767	432,317
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	1,242	1,242	1,242	1,242	1,242
Other payables	13,016	8,749	8,749	8,749	8,749
Total payables	14,258	9,991	9,991	9,991	9,991
Provisions					
Employee provisions	40,272	40,272	40,272	40,272	40,272
Total provisions	40,272	40,272	40,272	40,272	40,272
Total liabilities administered on behalf of Government	54,530	50,263	50,263	50,263	50,263
Net assets/(liabilities)	369,377	375,976	380,307	381,504	382,054

Prepared on an Australian Accounting Standards Basis

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	370,543	398,349	432,055	469,233	509,531
Interest	116	116	116	116	116
Dividends	257,000	24,100	16,000	16,400	-
Net GST received	2,030	2,080	2,120	2,170	2,210
Other	21,678	22,054	23,559	25,315	24,986
Total cash received	651,367	446,699	473,850	513,234	536,843
Cash used					
Grant and contributions	241,319	263,821	263,380	265,547	267,999
Employees	230	-	-	-	-
Personal benefits	2,044	2,039	2,119	2,136	2,106
Suppliers	23,108	22,316	22,698	23,152	23,615
Net GST paid	2,030	2,080	2,120	2,170	2,210
Borrowing costs	3,127	2,203	1,459	635	-
Other	9,400	10,640	11,200	12,020	12,720
Total cash used	281,258	303,099	302,976	305,660	308,650
Net cash from (used by) operating activities	370,109	143,600	170,874	207,574	228,193
Net increase (decrease) in cash held					
Cash and cash equivalents at beginning of reporting period	191	191	191	191	191
Cash from Official Public Account for:					
- Appropriations	278,876	300,760	299,350	303,490	306,440
Cash to Official Public Account for:					
- Appropriations	(648,985)	(444,360)	(470,224)	(511,064)	(534,633)
Cash and cash equivalents at end of reporting period	191	191	191	191	191

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 budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are budgeted for, and reported on, separately to transactions which agencies do not have control over (administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

- Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.
- Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments and administered revenues include taxes, fees, fines and excises.

Appropriations in the budgeting framework

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

- Departmental appropriations: representing the Government's funding for agency programs;
- Departmental capital budget appropriations: representing the Government's funding through additional equity for the replacement of existing agency assets as they reach the end of their useful life;
- Departmental capital appropriations: for new investments by the Government through additional equity;
- Administered expense appropriations: for the estimated administered expenses relating to specific programs; and
- Administered capital appropriations: for increases in administered equity through funding non-expense administered payments.

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 \$418.1 million as at 30 June 2012.

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.