

**Portfolio Budget Statements 2015‑16**

**Budget Related Paper No. 1.9**

Foreign Affairs and Trade Portfolio

Budget Initiatives and Explanations of

Appropriations Specified by Outcomes

and Programmes by Entity

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Minister for Foreign Affairs

Minister for Trade and Investment

parliament House

canberra 2600

President of the Senate

Australian Senate

Parliament House

CANBERRA ACT 2600

Speaker

House of Representatives

Parliament House

CANBERRA ACT 2600

Dear Mr President

Dear Madam Speaker

We hereby submit Portfolio Budget Statements in support of the 2015-16 Budget for the Foreign Affairs and Trade portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

We present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

The Hon Julie Bishop MP The Hon Andrew Robb AO MP  
Minister for Foreign Affairs Minister for Trade and Investment

#### Abbreviations and conventions

The following notation may be used:

NEC/nec not elsewhere classified

- nil

.. not zero, but rounded to zero

na not applicable (unless otherwise specified)

nfp not for publication

$m $ million

$b $ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

#### Enquiries

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A copy of this document can be located on the Australian Government Budget website at: www.budget.gov.au.

User guide

to the

Portfolio Budget Statements

# User guide

The purpose of the 2015-16 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in *Appropriation Bills (No. 1 and No. 2) 2015-16* (or *Appropriation (Parliamentary Departments) Bill (No. 1) 2015-16* for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be ‘relevant documents’ to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non‑general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.

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Portfolio overview

# Foreign Affairs and Trade portfolio overview

## Ministers and portfolio responsibilities

The portfolio ministers are the Minister for Foreign Affairs, the Hon Julie Bishop MP, and the Minister for Trade and Investment, the Hon Andrew Robb AO MP. They are supported by the Parliamentary Secretary to the Minister for Foreign Affairs and the Minister for Trade and Investment, the Hon Steven Ciobo MP.

The portfolio consists of the Department of Foreign Affairs and Trade (DFAT), the Australian Trade Commission (Austrade), Tourism Australia, the Export Finance and Insurance Corporation (EFIC), the Australian Centre for International Agricultural Research (ACIAR) and the Australian Secret Intelligence Service (ASIS).

DFAT’s purpose is to help make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to global stability and economic growth, particularly in the Indo-Pacific region.

The department leads the Government’s efforts to shape the regional and international environment and strengthen global cooperation in ways that advance Australia’s interests. It advances Australia’s security interests internationally and works to open up new markets and create conditions for increased trade and investment to strengthen Australia’s economy and create jobs. Strengthening Australia’s key regional partnerships is a priority for the department.

The Government’s economic diplomacy agenda – led by DFAT with support from Austrade, Tourism Australia, EFIC and ACIAR – is key to advancing Australia’s prosperity. DFAT will support the implementation of the new free trade agreements with the Republic of Korea, Japan and China and other existing agreements. The department will negotiate other priority bilateral and regional trade agreements, and step up efforts to make progress in plurilateral and multilateral trade negotiations.

As an open trading economy, Australia’s economic success is closely tied to the transparency and openness of international markets. DFAT, working with Austrade, will focus on expanding access to markets for Australian exporters and lowering the cost of doing business into Australia. DFAT will also encourage two-way flows of investment that are in the national interest and help to ensure trade and investment reform is tied to the broader domestic economic policy agenda.

Australia’s aid program will acknowledge the different development trajectories across the region. It will maintain a strong commitment to development in the Pacific and focus on building economic partnerships in growing Asia. DFAT will strengthen the aid program’s engagement with the private sector and its promotion of the empowerment of women and girls. The *innovationXchange*, based in DFAT, will aim to significantly increase innovation in the delivery of the aid program, to be more cost-effective, have greater impact, and to leverage additional development finance in the region.

By supporting Australian undergraduates to study and undertake internships in the region, the New Colombo Plan will continue to increase knowledge of the Indo-Pacific in Australia and strengthen people to people links. In 2015-16, the program will expand, offering more opportunities for young Australian students.

With more Australians travelling overseas than ever before, DFAT will continue to provide high quality consular services, responsive travel advice and a secure and efficient passport service. The department will implement a new Consular Strategy, which will change consular policy and practices to respond to current demands while maintaining Australia’s consular service at the forefront of world’s best practice. Austrade will also deliver consular and passport services in specific locations overseas.

The effectiveness and security of Australia’s network of overseas diplomatic missions will remain a high priority. The department will continue to maintain and protect Australia’s secure government communications system. DFAT will provide high-quality protocol services to diplomatic and consular missions and international organisations accredited to Australia.

Austrade will contribute to Australia’s economic prosperity by promoting Australia’s international trade, investment and education interests, and providing advice to Government on tourism policy. Austrade has a particular focus on growth and emerging markets, including those in Asia that offer commercial potential, and provide opportunities aligned with Australia’s comparative advantage. Within these markets there is a clear role for Austrade, as a government agency, to support Australian businesses and education institutions. Austrade will also promote the opportunities created by the three recently-concluded free trade agreements with the Republic of Korea, Japan and China.

Austrade will partner with state and territory governments and other Commonwealth Government agencies to attract productive foreign direct investment in priority sectors from established and other emerging markets. Austrade will also promote Australia as a preferred education destination and provider of education services, and continue to administer several grant programs.

Austrade will also implement the Government’s tourism policy, *Tourism 2020*, working on tourism policy, projects, programs and research to strengthen Australia's tourism industry, and grow Australia's tourism market share. The international tourism engagement function, including bilateral tourism relations with other governments and international bodies, is led by DFAT.

Tourism Australia is responsible for promoting Australia as a compelling tourism destination for international leisure and business events visitors. Tourism Australia undertakes marketing that targets consumers in key international markets, working in partnership with state and territory tourism organisations, industry and commercial partners to increase the economic benefits of tourism to Australia by building demand and increasing visitation and visitor spending.

DFAT will continue to strengthen bilateral tourism relationships with major source countries and increase participation in key multilateral tourism forums.

ACIAR works in Australia’s national interest by contributing to economic growth and poverty reduction in the Indo-Pacific region. ACIAR will continue to improve the productivity and profitability of agricultural systems, through international agricultural research partnerships. In 2015-16, ACIAR’s research partnerships will have a stronger focus on developing market opportunities for smallholder farmers. Projects will tackle gender inequality in their design, delivery and impact. ACIAR will maintain its core mandate of producing excellent research, and will work through others to achieve up-scaling and broader development outcomes. The strong emphasis on impact, and on capacity building, will remain. ACIAR will also continue to administer and manage Australia’s investment in multilateral innovation through the CGIAR (formerly ‘the Consultative Group on International Agricultural Research’).

Through ASIS, the portfolio will continue to enhance government understanding of the overseas environment affecting Australia’s vital interests and take appropriate action, consistent with applicable legislation, to protect identified interests.

EFIC helps Australian exporters and companies investing in projects overseas to gain access to finance and insurance services. EFIC provides financial facilities for exporters, including loans, guarantees, medium-term credit insurance, bonds and political risk insurance, with a focus on small and medium enterprises (SMEs) and those seeking to do business in new and emerging markets. EFIC will continue to work closely with DFAT and Austrade in the delivery of these services. It will also manage the National Interest Account on behalf of the Commonwealth.

Figure 1: Foreign Affairs and Trade Portfolio Structure and Outcomes

### Portfolio resources

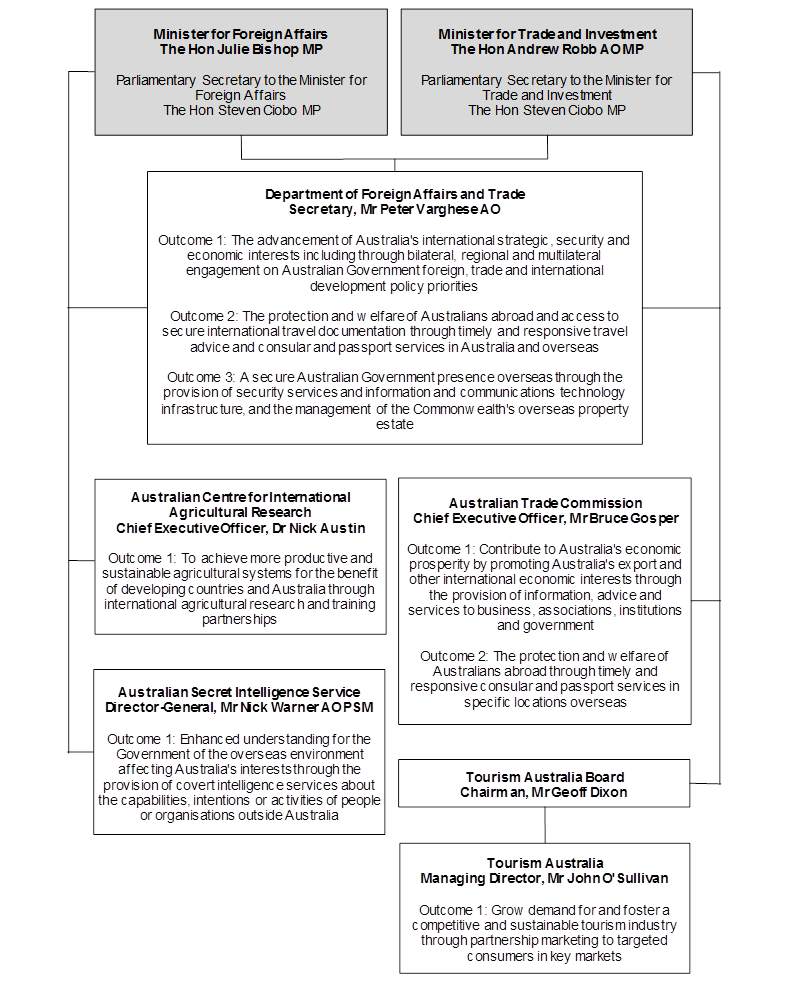


Table 1 shows the total new resources provided to the portfolio in the 2015-16 Budget year by entity.

Table 1: Portfolio resources 2015-16



Entity resources and  
planned performance

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Department of Foreign Affairs and Trade (DFAT)

Entity resources and planned performance

Department of Foreign Affairs and Trade  
(DFAT)

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# Department of Foreign Affairs and Trade (DFAT)

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Department of Foreign Affairs and Trade (DFAT) supports Ministers in the delivery of Australia’s foreign, trade and investment, development and international security policy priorities. In 2015-16, the department will work to make Australia stronger, safer and more prosperous by promoting and protecting our interests internationally and contributing to global stability and economic growth, particularly in the Indo-Pacific region.

Australia has global interests, with a strong focus on the Indo-Pacific region. Strengthening Australia’s key regional partnerships will be a priority for the department. The engagement of the United States in the Indo-Pacific provides major security and economic benefits to the region, and to Australia. Through Australia’s alliance with the United States, and extensive economic ties, the department will work to strengthen the relationship and support the US contribution to regional and global security and prosperity.

The department will work to strengthen Australia’s partnerships with Japan, China and the Republic of Korea, building on shared strategic perspectives and implementing the new free trade agreements. The department has worked with Indonesian agencies across a range of issues, including on regional security, trade and investment, economic growth and development challenges. Following the successful reciprocal Prime Ministerial visits in 2014, the department will continue to enhance Australia’s strategic and economic relationship with India, including by working to conclude the Comprehensive Economic Cooperation Agreement (CECA).

It is in Australia’s interest to have secure, stable and prosperous neighbours, including in the Pacific. The department will drive Australia’s comprehensive engagement with Papua New Guinea (PNG) to strengthen the bilateral strategic, economic and business partnership. The Pacific Leadership and Governance Precinct initiative to strengthen PNG public sector leadership will be a priority. Australia will promote continued peace and development in PNG’s Bougainville.

Australia will continue to normalise bilateral relations with Fiji and strengthen relations with other Pacific island countries. As the drawdown of the Regional Assistance Mission to Solomon Islands (RAMSI) continues out to mid-2017, the department will work to enhance Australia’s engagement with the Solomon Islands. Further deepening of Australia’s close relationship with New Zealand and our cooperation in the Pacific will be a priority.

Australia will continue to strengthen partnerships bilaterally with the nations of Southeast Asia and regionally through the Association of Southeast Asian Nations (ASEAN). The department will leverage new economic partnerships in the region through the aid program, including with Indonesia, the Philippines and Vietnam. DFAT will continue efforts to strengthen the East Asia Summit (EAS) and build support for increased regional cooperation on maritime issues and countering violent extremism. The department will work closely with the Philippines, the 2015 Asia-Pacific Economic Cooperation (APEC) host, and Peru, the 2016 host, to support APEC in promoting economic growth and prosperity in the region.

The New Colombo Plan is deepening Australia’s relationships in the Indo-Pacific by offering undergraduate students opportunities for scholarships and grants for study and internships/mentorships in the region. Operating in 38 locations, more than 4,800 grants will be offered in 2016 as the program expands to enable more students to live, study and work in the Indo-Pacific.

The department will continue to support whole-of-government efforts to prevent people‑smuggling, and engage with key countries on related returns and resettlement initiatives in support of Operation Sovereign Borders.

The department will support cooperation in the Indian Ocean region through the Indian Ocean Rim Association (IORA), which Australia chairs until October 2015. As part of the MIKTA grouping (Mexico, Indonesia, Korea, Turkey and Australia), Australia will discuss global issues of common interest, and strategies to enhance bilateral and plurilateral ties.

The department will work to strengthen Australia’s political and economic relations with Europe, including by sustaining momentum in Australia-UK Ministerial (AUKMIN) meetings and the strategic partnerships with France and Germany. Following the conclusion of negotiations for a Framework Agreement with the European Union, the department will further enhance relations, including exploration of a possible free trade agreement (FTA). The department will facilitate continued cooperation with Ukraine, including on the international investigations on the downing of Malaysia Airlines Flight MH17.

The department will also continue to drive Australia’s growing economic, strategic and security interests in South Asia, the Americas, the Middle East and Africa, including by identifying further opportunities for trade and investment.

Through the measure *Australia’s embassy in Baghdad – continuation,* the department will maintain Australia’s diplomatic presence in Iraq to pursue bilateral engagement and support Australia’s participation in the international coalition to assist Iraq to combat the terrorist group, Daesh. The department will also support Australian Government efforts to stop Australians joining terrorist networks and travelling overseas to become foreign fighters.

Through the measure A*ustralia’s diplomatic engagement in Afghanistan – continuation,* the department will support Australia’s continuing engagement with Afghanistan, including as part of the NATO-led ‘Resolute Support’ mission.

Australia depends on open and transparent international markets for jobs and economic growth. DFAT is leading the economic diplomacy agenda which is driven by the core objectives of trade, growth, investment and business. It applies across the department’s work, drawing together foreign, trade, investment, tourism and development policies and leveraging our international networks and diplomatic assets.

The department will continue to support the implementation of recently concluded FTAs with the Republic of Korea, Japan and China. Through the measure *Free Trade Agreement Promotion*, the department and Austrade will communicate the practical commercial opportunities and other benefits of these FTAs to Australian businesses. The department will continue to leverage the benefits of existing FTAs with countries in South-East Asia, New Zealand, the United States and Chile.

The department will work towards the timely conclusion of the CECA with India, and to progress closer economic relations with Indonesia. It will also work to conclude the Trans Pacific Partnership (involving twelve Pacific-rim members), and to progress negotiations with the Gulf Cooperation Council, the Regional Comprehensive Economic Partnership (involving ASEAN, China, India, Japan, the Republic of Korea and New Zealand), and the Pacific island countries and New Zealand through the Pacific Agreement on Closer Economic Relations – PACER Plus. The department will also explore opportunities for new FTAs.

Australia is committed to the pursuit of global trade reform. The department will work to progress negotiations in the Doha Round, including through participation at the Tenth World Trade Organisation (WTO) Ministerial Conference (MC10) in December 2015. DFAT will support a stronger, more competitive Australian agriculture and agribusiness sector by pushing for agricultural trade reform in the WTO, including through the Cairns Group and seek to unlock new opportunities for exports of manufactures, services, and mineral and energy products. Australia will also provide leadership in major plurilateral negotiations, including the Trade in Services Agreement that Australia co-chairs, which will further liberalise global services trade and the Environmental Goods Agreement, which Australia also chairs.

DFAT will continue to implement the Government’s development policy *Australian aid: promoting prosperity, reducing poverty, enhancing stability*. The aid program’s purpose is to promote Australia’s national interests by contributing to sustainable economic growth and poverty reduction. The program is focused on supporting private sector development and strengthening human development.

The department will work to make Australian aid more innovative and catalytic, by leveraging other drivers for development such as private sector investment and domestic finance. A new development hub, the *innovationXchange,* based in DFAT, is engaging creative thinkers from inside and outside the public sector, from Australia and overseas, to look at new ways to deliver aid.

Australia will continue to support its developing country partners, but will adopt an approach that acknowledges the different development trajectories of the Pacific and growing Asia. Australia will maintain a leadership role through our aid program to the Pacific and respond to the needs identified in each country. In most of Asia, where economic growth and poverty reduction have continued apace, Australian aid will be targeted primarily toward leveraging domestic capacity and resources.

Gender equality and women and girls' empowerment will be addressed across the aid program. Expenditure on aid for trade will be increased to 20 per cent of official development assistance (ODA) by 2020 and will include investments in economic infrastructure, agriculture, fisheries and other productive capacity.

The department will continue to support countries that have been affected by natural disasters, including Vanuatu in the wake of Cyclone Pam and Nepal after the earthquake. We will also work to reduce risks from, prepare for and respond to crises, particularly within the Indo-Pacific region.

The department will apply the new aid program performance framework, *Making Performance Count,* to strengthen the link between funding and performance at all levels of the program and ensure a stronger focus on results and value for money.

Australia has finished its term on the United Nations Security Council but the department will remain actively involved in the United Nations system to pursue Australia’s interests. DFAT will work for Australia’s election to the Human Rights Council for the 2018-20 term. As well as promoting Australia’s interests in advancing global environmental sustainability in multilateral forums, the department will work to maintain Australia’s economic competitiveness and seek broad-based international action and agreement in the UN climate negotiations, other international climate forums, and through bilateral climate change engagement with major economies.

Australia will work within the Group of Twenty (G20) to deliver substantial actions agreed during its 2014 presidency including, lifting global growth and job opportunities and making the global economy more resilient. Australia will remain in the G20 troika of immediate past, present and future hosts, alongside Turkey and China (2016 host) until 1 December 2015.

The department will continue to work to counter the proliferation of nuclear weapons, constrain the illicit arms trade, and counter terrorism. It will pursue non-proliferation and disarmament objectives related to Iran and the Democratic People's Republic of Korea. The department will expand our network of bilateral cyber policy dialogues to include India as well as China, Japan and the Republic of Korea, contribute to the Government’s review of cyber security, and support work to elaborate how international law applies to state behaviour in cyberspace. The department will also contribute to EU-initiated efforts to finalise and promote adherence to the proposed International Code of Conduct for Outer Space Activities.

Through public diplomacy, the department will advance initiatives that promote Australia’s economic, artistic and cultural, sporting, scientific and education assets and underline Australia’s credentials as a destination for business, investment, tourism and study, and emphasise Australia’s engagement with the Indo-Pacific region. A new sports diplomacy strategy will capitalise on Australia’s sporting assets and expertise to promote Australia’s diplomatic, development and economic interests.

The delivery of high quality consular services is one of the department’s foreign policy priorities. A new three-year Consular Strategy will drive improved effectiveness in the delivery of consular services and enhanced public messaging. The department will also promote safe travel messages through accurate and timely travel advice, including through the Smartraveller campaign. The department will sustain its development and testing of strong contingency plans across its network of overseas posts.

The department will continue to deliver an efficient passport service for Australian citizens. The new ‘P-series’ passport, introduced in 2014, includes enhanced security measures. The department is also working to develop a new Australian travel document issuance system which will deliver increased processing capability, improved client services and enhanced fraud and investigation controls.

Australia’s diplomatic footprint will expand through the measure *Expanding Australia’s Diplomatic Footprint*. The department will establish five new posts in Makassar (Indonesia), Phuket (Thailand), Buka (Papua New Guinea), Doha (Qatar) and Ulaanbaatar (Mongolia). New posts in Makassar, Doha and Ulaanbaatar will advance trade and investment opportunities for Australia. A consulate in Phuket will help manage Australia’s significant consular load while a new post in Buka will provide greater focus for Australia’s development assistance to Bougainville.

The security and safety of Australian Government personnel and their dependants overseas, together with the security of its missions, will remain a high priority for the department in an increasingly unpredictable, and often worsening, international security environment. This will require the implementation and maintenance of comprehensive and effective strategic risk mitigation strategies and operational security measures.

The department will continue its efforts to build a more resilient, flexible and cohesive organisation that can better deliver the Government’s agenda. The department will implement its first workforce plan as a tool to improve its capabilities to meet Australia’s foreign, trade and economic, international security, development and consular challenges. The department will continue to implement changes required by the Public Governance, Performance and Accountability (PGPA) Act, including enhancements to the Commonwealth performance framework. The department will implement a new approach to risk management which will encourage staff to engage with risk in a positive way to improve policy development and service delivery. The department will also continue to support the Government’s deregulation agenda through streamlining, where possible, its engagement with Australian individuals, business and the not-for-profit sector.

### 1.2 Entity 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 2015‑16 as at Budget May 2015



*Table continued on the following page.*

Table 1.1: Department of Foreign Affairs and Trade resource statement — Budget estimates for 2015‑16 as at Budget May 2015 (continued)



1. *Appropriation Bill (No. 1) 2015-16*.
2. Estimated adjusted balance carried forward from previous year.
3. Includes an amount of $52.171m 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. Estimated retained revenue receipts under section 74 of the PGPA Act.
5. Includes an amount of $2.325m for the Administered Capital Budget (refer to Table 3.2.10 for further details). For accounting purposes this amount has been designated as ‘contributions by owners’.
6. ‘Corporate entities’ are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act 2013.
7. *Appropriation Bill (No. 2) 2015-16*.
8. Repayments not provided for under other appropriations. Amounts received on or before 30 June 2014 were repaid under section 28 of the *Financial Management and Accountability Act 1997*.
9. Estimated opening balance for special accounts (less ‘Special Public Money’ held in accounts like *Other Trust Monies* accounts (OTM), *Services for other Government and Non-agency Bodies* accounts (SOG), or *Services for Other Entities and Trust Moneys* accounts (SOETM)). For further information on special accounts, see Table 3.1.2.
10. Appropriation receipts from DFAT’s annual and special appropriations for 2015-16 included above.
11. Appropriation receipts from other entities credited to DFAT’s special accounts.

Reader note: All figures are GST exclusive.

Third party payments from and on behalf of other entities



### 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: Entity 2015‑16 Budget measures

Part 1: Measures announced since the 2014‑15 Mid-Year Economic and Fiscal Outlook (MYEFO)



*Table continued on the following page.*

Part 1: Measures announced since the 2014‑15 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)



*Table continued on the following page.***Part 1: Measures announced since the 2014‑15 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**



1. Measure includes payments to Overseas Property Office of $0.462m which does not impact on fiscal or underlying cash balance.

nfp – not for publication.

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 programmes are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programmes which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of 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, trade and international development priorities |

#### Outcome 1 strategy

The department will assist the Government to meet its foreign, trade and investment, development and international security policy priorities over 2015-16 and forward years through:

* strengthening further Australia’s relations with key international partners and countries of growing significance to Australia’s national interests;
* driving the economic diplomacy agenda through trade, growth, investment and business to encourage Australian prosperity and global prosperity;
* contributing to national prosperity by maximising Australia’s trade opportunities and market access gains through multilateral, regional and bilateral means;
* assisting developing countries by contributing to sustainable economic growth and poverty reduction, particularly in the Indo-Pacific region, through support to private sector development and strengthening human development;
* 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 fora;
* promoting and strengthening regional and global cooperation and governance in countering terrorism, people smuggling, human trafficking and nuclear proliferation; 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 other agencies represented overseas, and deliver services to diplomatic and consular representatives in Australia.

##### Table 2: Changes to the outcome and programme structures since the last portfolio statement



##### Outcome expense statement

Table 2.1.1 provides an overview of the total expenses for Outcome 1,by programme.

##### Table 2.1.1: Budgeted expenses for Outcome 1



*Table continued on the following page.*Table 2.1.1: Budgeted expenses for Outcome 1 (continued)



*Table continued on the following page.*

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)



1. Includes payments for the Debt-to-Health Swap with the Government of Indonesia of $12.0 million in 2014-15 and $13.4 million in 2015-16.
2. This reflects the amount of funding to be disbursed on a cash basis, not an expense basis.
3. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.
4. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses, audit fees.
5. Expenses not requiring appropriation in the Budget year relates to the concessional investment discount for the discounting of the investment component for the International Development Association and Asian Development Fund.
6. A new programme (Programme 1.2: Official Development Assistance) has been created effective from 01 July 2015 which combines the forward estimates of these programmes.

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

#### Contributions to Outcome 1

|  |
| --- |
| Programme 1.1: Foreign Affairs and Trade Operations |

|  |
| --- |
| Programme objective   * To protect and advance the national interest through engaging in effective advocacy in Australia and overseas that promotes Australia’s foreign, trade and investment, tourism, development and international security interests. * To deliver accurate and timely policy advice to Ministers and other key 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. |

|  |
| --- |
| Programme expenses |



1. Includes previous Programme 1.4: International Climate Change Engagement Programme published in Portfolio Additional Estimates Statements 2014-15.
2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make-good expenses, and audit fees.

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| --- |
| Programme 1.1 deliverables   * Australia’s foreign, trade and investment, tourism, development, and international security policy interests and international standing are advanced through:   + strengthened key international relationships, including a strong alliance and economic ties with the United States, and high-level political and economic engagement with Japan, China, India, the Republic of Korea, Indonesia and other countries of South-East Asia;   + enhanced engagement with Pacific island countries, including deepening our partnership with Papua New Guinea, supporting normalisation of relations with Fiji and supporting capacity building in the Solomon Islands;   + a stronger partnership with the European Union and key European countries, and continued close ties with New Zealand, the United Kingdom and Canada;   + sustained engagement with South Asia, the Middle East, Africa, the Americas, 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 fora, advocacy of human rights, gender equality and promotion of sustainable development and effective international action on climate change and other environmental outcomes;   + contribution to enhanced regional architecture through the East Asia Summit (EAS), dialogue with the Association of Southeast Asian Nations (ASEAN), the Asia-Pacific Economic Cooperation (APEC) forum, the Indian Ocean Rim Association (IORA) and MIKTA (Mexico, Indonesia, Korea, Turkey and Australia);   + promotion of high-quality public diplomacy, international media and cultural visit programs which improve understanding of Australia and Australian Government foreign and trade policies; and   + measurable influence on the agenda of key multilateral tourism fora to align with the Australian Government’s priorities under *Tourism 2020* and strengthen bilateral tourism relationships with important tourist markets such as China and India. * Australia’s trade and investment opportunities are maximised, including through:   + negotiating, finalising and implementing Australia’s free trade agreement (FTA) agenda and exploring opportunities for FTAs with other trading partners;   + enhancing Australia’s commitment to regional trade negotiations, including the Trans Pacific Partnership, Regional Comprehensive Economic Partnership and PACER Plus;   + effective participation in the World Trade Organization (WTO), including working with other WTO Members to conclude the negotiations of the Doha Round, leadership of the Cairns Group of agricultural exporting countries, and to promote and defend Australia’s interests through means such as WTO dispute settlement; and   + implementing the WTO Agreement on Trade Facilitation, negotiating the Trade in Services Agreement, and negotiating the Environmental Goods Agreement. * An enhanced environment for security and development, including through:   + effective whole of government efforts to promote international stability and development;   + 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 and West Africa, and in the Global Counter Terrorism Forum; and   + contribution to whole of government efforts bilaterally and regionally to counter people smuggling and human trafficking, including 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-government 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 to the diplomatic and consular corps in Australia, including the processing of agrément, visas and accreditation; provision of airport facilitation, tax concessions, and reciprocal working agreements; consideration of mission, post and office establishment; and management of privileges and immunities in accordance with the Vienna Conventions; and   + administration of the Export Finance and Insurance Corporation National Interest Account. |

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| Programme 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, development and international security interests. * The department’s advocacy, negotiation and liaison on Australia’s foreign, trade and economic, development 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. |

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| Programme 1.2: Official Development Assistance |

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| Programme Objective   * To promote Australia’s national interests by contributing to sustainable economic growth and poverty reduction. |

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| Programme expenses |



1. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make-good expenses, and audit fees.

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| Programme 1.2 Deliverables   * The Australian Government’s new development policy *Australian aid: promoting prosperity, reducing poverty, enhancing stability* is shaping the way we deliver our overseas development assistance. It focuses on two development outcomes: supporting private sector development and strengthening human development. * Investments will be focused on priority areas:   + infrastructure, trade facilitation and international competitiveness;   + agriculture, fisheries and water;   + effective governance through policies, institutions and functioning economies;   + education and health;   + building resilience through humanitarian assistance, disaster risk reduction and social protection; and   + gender equality and empowering women and girls. |

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| Programme 1.2 Key Performance Indicators   * Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program’s performance framework, *Making Performance Count.* * Detailed reporting against the performance framework, including individual program and investment performance, will be published annually in the *Performance of Australian Aid* report. |

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| Programme 1.3: Official Development Assistance – Multilateral Replenishments |

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| Programme objective   * To assist developing countries by contributing to sustainable economic growth and poverty reduction through contributions to multilateral organisations. |

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| Programme expenses |



1. Expenses not requiring appropriation in the Budget year relate to the concessional investment discount for the discounting of the investment components for International Development Association and Asian Development Fund.

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| Programme 1.3 Deliverables   * Australia’s aid program objectives will be advanced through our work with multilateral organisations. Their reach, leverage, specialisation and other strengths play a critical role in helping Australia to meet its international development objectives. |

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| Programme 1.3 Key Performance Indicators   * Australia assesses the performance of its multilateral partners to inform our engagement with them and to ensure value for money from our multilateral funding. * Australia is strengthening its approach to the assessment of performance of multilateral organisations in line with the aid performance framework, *Making Performance Count*. * Strengthened systems for assessing the performance of multilateral aid delivery partners will be in place by July 2015. |

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| Programme 1.4: Official Development Assistance – East Asia AIPRD |

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| Programme Objective and Deliverables   * To continue to assist Indonesia in reconstruction and development in the aftermath of the 2004 Indian Ocean Tsunami. |

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| Programme expenses |



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

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| Programme 1.4 Key Performance Indicators   * Achievement of significant development results, including progress towards aid performance benchmarks, which provide a rigorous approach to achieving value for money and results. * Demonstrated organisational effectiveness, including against relevant strategic targets under the *Making Performance Count* performance framework. |

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| Programme 1.5: Payments to International Organisations |

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| Programme objective   * To advance Australia’s foreign, trade and investment, development and international security interests through participation in international organisations. |

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| Programme expenses |



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| Programme 1.5 Deliverables   * Australian membership of international organisations and international treaty secretariats through payments of assessed and voluntary contributions. * Effective participation in the United Nations and its Specialised Agencies, the World Trade Organization and other multilateral fora in support of Australia’s foreign, trade and economic, development and international security interests. * To assist developing countries reduce poverty and lift living standards through sustainable economic growth, by providing contributions to UN and other international organisations. |

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| Programme 1.5 Key Performance Indicators   * Payments to international organisations are timely and within budget. * The department’s contributions influence multilateral outcomes which enhance Australia’s security and prosperity, maximise the impact of Australia’s aid program and represent value for money. |

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| Programme 1.6: New Colombo Plan – Transforming Regional Relationships |

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| Programme objective   * Australia’s interests and bilateral relationships are enhanced through enduring people to people, institutional and business links with the Indo-Pacific region. |

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| Programme expenses |



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| Programme 1.6 Deliverables   * Full implementation of the New Colombo Plan (NCP) in 38 Indo-Pacific locations, fostering closer people to people and institutional links and contributing to an overall increase in the number of Australian undergraduate students undertaking study and internships in the region. |

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| Programme 1.6 Key Performance Indicators   * More Australian undergraduates supported to study and intern in the  Indo-Pacific region. * NCP participants build relationships in the region and promote the value of the NCP experience. * Universities, the private sector and partner governments support the implementation of the NCP. * Alumni are engaged through networks that foster professional development and ongoing connections with the region. |

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| Programme 1.7: Public Information Services and Public Diplomacy |

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| Programme objective   * To project a positive and contemporary image of Australia and promote a clear understanding of government policies and objectives and engagement with the Indo-Pacific region through the department’s public diplomacy, cultural and media activities. |

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| Programme expenses |



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| Programme 1.7 Deliverables   * Promotion of people to people links and a contemporary and positive image of Australia as a destination for business, investment, tourism and study and support for the Government’s international policy goals. * Advancement of Australia’s national interests through new approaches which engage audiences on contemporary Australia and facilitate networks, collaboration and connections between people and institutions to build understanding, trust and influence. |

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| Programme 1.7 Key Performance Indicators   * An understanding of contemporary Australia and the government’s foreign, trade, investment and development credentials, and strengthened people to people and institutional links and trade, economic and cultural ties. |

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| Programme 1.8: Programmes to Promote Australia’s International Tourism Interests |

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| Programme expenses  The functions captured by this table are the responsibility of other portfolio agencies.  The Tourism Industry Regional Development Fund, Tasmanian Regional Tourism Package and T-Qual Grants annual administered expenses have been transferred to Austrade. Refer to the Austrade Agency Resource and Planned Performance section for 2015-16 objectives, deliverables and key performance indicators.  Refer to Tourism Australia, Outcome 1, for objectives, deliverables and key performance indicators relating to Tourism Australia-Asia Marketing Fund and Tourism Australia-Corporate Commonwealth Entity. |



1. The balance of this program has been transferred to Austrade. Refer to Austrade Table 3.1.1.
2. There was no successful tenderer for the T-Qual accreditation program and the Minister for Trade and Investment has approved the reallocation of these funds to activities consistent with achieving quality tourism outcomes.

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| 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 the delivery of effective consular services and helping Australians to help themselves, including through the implementation of the new three-year Consular Strategy. 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 in 2015‑16, promoting safe travel messages and delivering accurate and timely travel advice, including through the *Smartraveller* campaign and targeted outreach.

Practical planning for contingency and rapid crisis response will remain a focus through 2015-16. 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. The new ‘P-series’ passport, introduced in 2014, includes enhanced security measures, making it one of the most secure and trustworthy passport documents in the world. In 2015-16, we will continue work on development of the next generation Australian travel document issuance system.

##### Outcome expense statement

Table 2.1.2 provides an overview of the total expenses for Outcome 2, by programme.

##### Table 2.1.2: Budgeted expenses for Outcome 2



1. This reflects actual cash disbursements from the property account.
2. Departmental appropriation combines ‘Ordinary annual services (*Appropriation Bill No. 1*)’ and ‘Revenue from independent sources (s 74)’.
3. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses, and audit fees.

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

##### Contributions to Outcome 2

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| Programme 2.1: Consular Services |

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| Programme 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. |

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| Programme expenses |



1. This expense does not include $0.55m 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 are made up of depreciation expenses, amortisation expenses, makegood expenses, and audit fees.

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| Programme 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 the 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. |

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| Programme 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. * Travel advisories are accurate and timely and provide clear guidance to a broad audience of potential risks and the extent of Australian Government assistance; public use of the *Smartraveller* website and the online registration service continues to grow. * 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. |

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| Programme 2.2: Passport Services |

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

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| Programme expenses |



1. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses, and audit fees.

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| Programme 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, while effectively managing an increasing workload. * Ongoing implementation of the *National Security – Improved Passport Integrity and Strengthened Issuance Systems* program. |

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| Programme 2.2 Key Performance Indicators   * Public and travel industry clients are satisfied with the department’s efficiency and effectiveness in delivering passport services, with 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. * Prevention, detection and prosecution of passport fraud. |

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

#### Outcome 3 strategy

The department continues to prioritise the security and safety of Australian Government personnel overseas and their dependants, the security of its diplomatic and consular posts and the safeguarding of Government information commensurate with an environment of increasing security risk. This will require the implementation and maintenance of comprehensive and effective strategic risk mitigation strategies and operational 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. The department will more efficiently manage the overseas estate by examining where co-location of overseas missions with likeminded countries may be both practical and in our national interest. In managing the estate, the department will remain focused on providing an appropriate level of protective security, and capability to respond promptly when new or unforeseen security-related challenges arise.

##### Outcome expense statement

Table 2.1.3 provides an overview of the total expenses for Outcome 3, by programme.

**Table 2.1.3: Budgeted expenses for Outcome 3**



1. Departmental appropriation combines ‘Ordinary annual services (*Appropriation Bill No. 1*)’ and ‘Revenue from independent sources (s 74)’.
2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses, and audit fees.
3. This reflects actual cash disbursement from the property account.

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

#### Contributions to Outcome 3

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| Programme 3.1: Foreign Affairs and Trade Security and IT |

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| Programme objective   * To ensure a secure Australian Government presence overseas for personnel, assets and information by sustaining and improving physical and operational security. * To strengthen information and communications technology (ICT) capability at Australia’s missions overseas and DFAT offices in Australia. |

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| Programme expenses |



1. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses, and audit fees.

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| Programme 3.1 Deliverables   * Strengthened physical and operational security mitigation measures commensurate with the evolving international security environment. * Protection of official information through effective management of ICT systems, security vetting processes, and security training to ensure high standards of security 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. * Ongoing implementation of the International Communications Network – upgrade program. |

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| Programme 3.1 Key Performance Indicators   * Effective threat analysis, risk assessments and mitigation strategies appropriate to increased security risks, including timely and effective responses to security incidents. * Reduced security risks to official information, through a strengthened security culture, evidenced by fewer security breaches. * Client satisfaction with the accessibility, reliability and effectiveness of the secure cable network (Official Diplomatic Information Network) and the global secure telecommunications infrastructure. * Staged delivery of the International Communications Network – upgrade program within budget and against timelines. |

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| Programme 3.2: Overseas Property |

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| Programme 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. |

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| Programme expenses |



1. This reflects actual cash disbursements from the property account.
2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, makegood expenses, and audit fees.

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| Programme 3.2 Deliverables   * Efficient and effective management and delivery of a substantial construction and refurbishment program in the overseas property estate, including: * completion of the Jakarta chancery; and * commencement of planning to construct a new chancery in Washington. * 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. |

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| Programme 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 entity finances for the 2015-16 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

### 3.1 Explanatory tables

#### 3.1.1 Movement of administered funds between years(a)

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

Table 3.1.1: Movement of administered funds between years



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 section 78 of the PGPA Actor under separate enabling legislation (section 80 of the PGPA Act refers). 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



*Table continued on the following page.*

Table 3.1.2: Estimates of special account flows and balances (continued)



(A) = Administered

(D) = Departmental

1. Note that this account was closed in April 2015 and replaced with the Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account - s78 PGPA Act Determination 2015/01.

#### 3.1.3 Australian Government Indigenous expenditure

Table 3.1.3: Australian Government Indigenous expenditure (AGIE)



### 3.2 Budgeted financial statements

#### 3.2.1 Differences in entity resourcing and financial statements

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

* Asian Development Fund replenishments – investment component; and
* International Development Association replenishments – investment component.

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

#### 3.2.2 Analysis of budgeted financial statements

##### Budgeted Departmental Income Statement

The total budgeted appropriation in 2015-16 is $1,347.8 million, which represents an increase of $61.9 million in appropriations from 2014-15 as shown in Table 3.2.1. The increase is primarily attributable to:

* funding for new measures;
* parameter adjustments for overseas inflation; and
* foreign exchange movements.

This is partially offset by:

* savings measures agreed in the 2013-14 Mid-Year Economic and Fiscal Outlook;
* parameter adjustments for domestic inflation;
* re-classification of operating funding to capital funding; and
* offsets for new measures.

The Income Statement shows a budgeted deficit in 2015-16 of $77.2 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 $40.4 million in 2015-16, all of which relates to the Overseas Property Special Account (OPSA).

##### Budgeted Departmental Balance Sheet

The department will receive an equity injection of $205.2 million in 2015-16 for the purchase or construction of new assets. The department will also receive $52.2 million through its Departmental Capital Budget to fund the replacement of existing assets.

For 2015-16, the department’s non-financial asset position is budgeted to be $3,175.2 million at year-end. The major asset component is $2,548.6 million for Land and Buildings which includes $2,372.0 million managed in the OPSA.

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

In 2015-16 DFAT will receive administered appropriation of $3,579.9 million (excluding capital funding) for programs administered on behalf of the Government. The significant decrease in appropriations of $950.9 million from 2014-15 is due primarily to the reduction in expenditure on the Australian Aid Program.

Administered expenses for ‘International Development Assistance’ are budgeted at   
$3,105.4 million, a decrease of $374.1 million from the 2014-15 estimated actual.

Administered expenses for ‘Other – International Development Assistance program’ is budgeted at $0.0 million, a decrease of $659.6 million from the 2014–15 estimated actual. This is due to the restructure of the aid program where from 1 July 2015, with the exception of new pledges to multilateral replenishments, all future estimates have been merged into the ‘International Development Assistance’ line.

This reduction has been partially offset by forecast increases in estimated payments to International Organisations and United Nations Peacekeeping Operations of $87.3 million and an increase of $16.8 million for the New Colombo Plan – Transforming Regional Relationships.

Expenses under ‘Concessional loan discount’ relate to the discounting of the Australia Indonesia Partnerships for Reconstruction and Development (AIPRD) loans.

Expenses under ‘Concessional investment discount’ relate to the discounting of the investment components of the replenishments for the International Development Association (IDA) and the Asian Development Fund (ADF).

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

Administered assets and liabilities administered on behalf of the Government are budgeted at $4,154.2 million and $1,947.2 million respectively for the year ending 30 June 2016.

Administered assets are expected to decrease in 2015-16 by $226.2 million. This is due primarily to no new multilateral replenishments being entered into in 2015-16.

Administered liabilities are expected to decrease in 2015-16 by $313.4 million. This is due primarily to reduced liabilities for existing multilateral replenishments.

**Schedule of Budgeted Administered Cash Flows**

Administered cash receipts is primarily comprised of receipts from passport and consular services and is budgeted at $517.8 million, an increase of $41.9 million.

Administered cash used in 2015-16 is estimated to decrease by $985.4 million compared to 2014-15. This is due primarily to the reduction in expenditure on the Australian Aid Program.

#### 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



*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)



1. From 2010-11, the Government introduced net cash arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) 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)



\* ‘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 2015-16)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement (for the period ended 30 June)



1. Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years’ Departmental Capital Budgets (DCBs).
3. Includes the following sources of funding:

* current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
* internally developed assets;
* s74 Retained revenue receipts; and
* proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements (Budget year 2015‑16)



1. ‘Appropriation equity’ refers to equity injections appropriations provided through *Appropriation Bill (No. 2) 2015-16*.
2. ‘Appropriation ordinary annual services’ refers to funding provided through *Appropriation Bill (No. 1) 2015-16* for depreciation/amortisation expenses, or other operational expenses.

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)



1. International Development Association (IDA) and Asian Development Fund (ADF).

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)



1. International Development Association (IDA) and Asian Development Fund (ADF).

Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

Table 3.2.10: Administered capital budget statement (for the period ended 30 June)



(a) Includes purchases from current and previous years' administered capital budgets (ACBs).

Table 3.2.11: Statement of administered asset movements (Budget year 2015-16)



1. ‘Appropriation ordinary annual services’ refers to funding provided through *Appropriation Bill (No. 1) 2015-16* for depreciation/amortisation expenses, ACBs or other operational expenses.

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 programmes;
* 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 programmes; 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 $436.5 million as at 30 June 2016. 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.

Australian Trade Commission (Austrade)

Entity resources and planned performance

Australian Trade Commission   
(Austrade)

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# Australian Trade Commission (Austrade)

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Australian Trade Commission (Austrade) is the Australian Government’s international trade, investment and education promotion agency. Austrade also has responsibility for policies and programs to strengthen Australia’s tourism sector.

Austrade’s outcomes are:

* contribute to Australia’s economic prosperity by promoting Australia’s export and other international economic interests through the provision of information, advice and services to business, associations, institutions and governments; and
* the protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas.

Austrade’s trade, investment, education and tourism activities play a central role in helping to secure Australia’s future prosperity, advancing the Government’s ‘Open for Business’ activities around the world, and promoting opportunities for Australian businesses and institutions overseas, including those which will flow from the recent completion of three significant trade agreements with the Republic of Korea, Japan and China.

Drawing on its commercial knowledge, its international network, and its relationships and connections (with international customers, investors and decision makers), Austrade will continue to identify valuable international business opportunities for Australian businesses and institutions, and provide them with practical advice and services. Austrade’s unique perspective, gained from its international market presence and its firm-level interactions, will continue to inform businesses and institutions as well as inform policy advice to Government, including supporting the Government’s vision for developing Northern Australia.

Austrade will continue to take the lead role in coordinating international business missions led by ministers and the Prime Minister. The Government has provided   
$9.2 million over four years to Austrade to continue the successful program of *Australia Week* events in China, India, USA and ASEAN countries. Austrade will also provide information to Australian firms on the new market access offered by recently concluded free trade agreements, and the Government has provided $21.6 million to Austrade (and $2.7 million to DFAT) over two years to support this activity.

Austrade will, through its trade promotion and investment attraction activities, continue to contribute to the Government’s economic diplomacy agenda. This work will be closely coordinated with other agencies in the Foreign Affairs and Trade portfolio.

Austrade’s overseas network is weighted towards growth and emerging markets that have high commercial potential, and where Austrade’s assistance can have the most impact. Austrade’s trade promotion work will continue to focus on markets where it is more difficult for companies acting alone to access commercial opportunities, where there are language, business and cultural barriers, where regulatory frameworks and business processes are less open or transparent and where the ‘badge of government’ helps to secure commercial outcomes. In established markets, such as North America and Europe, Austrade will continue to use partners, referrals and online services to support Australian businesses’ trade development activities. Austrade will continue to focus on those sectors with high growth potential and where Australia has a comparative advantage.

Austrade will support the Government’s reinvigorated investment agenda with the resources of its international network and its offshore and onshore investment specialists. While Austrade’s investment promotion and attraction activities will continue to be concentrated in North America, Western Europe and Japan, as those markets represent Australia’s largest sources of foreign investment, Austrade will also pursue foreign investors in other regions, including China, India, Singapore and the Republic of Korea. The Government has provided $30.0 million to Austrade over four years to significantly enhance Australia’s ability to attract foreign investment in the Government’s five priority areas: food and agribusiness, resources and energy, economic infrastructure, tourism infrastructure, and advanced manufacturing, services and technologies sectors. This will be complemented by $5.2 million for Austrade’s Match Australia program, which uses the occasion of major sporting events to engage global business leaders and introduce them to opportunities in Australia. The Government has also provided Austrade with $8.5 million to target tropical medicine commercialisation activities (to be provided in partnership with the Department of Industry and Science) to improve Australian researchers’ position with foreign investors.

Austrade’s activities in key student-source markets will continue to contribute to the growth in demand for Australian education services. Its activities will help to position Australia as a provider of high quality education services, and contribute to the development of a sustainable international education sector. In 2015-16, Austrade will develop, along with the education sector, a long-term plan titled *Australian International Education 2025*, for development of international markets. This plan will support the vision of the Government’s new *National Strategy for International Education*, which recognises Australian international education as a core element of Australia’s economic prosperity, social advancement and international standing.

Within Australia, Austrade operates in 11 locations. Its reach is extended through its TradeStart network, managed in partnership with state, territory and local governments and industry bodies in locations across regional and metropolitan Australia.

Austrade’s Tourism Division will continue to have responsibility for policies to improve the competitiveness of Australia’s tourism industry, and will continue to implement the national long-term tourism strategy, *Tourism 2020*, to strengthen Australia’s tourism industry and help grow Australia’s tourism market share. Austrade will also continue to administer various tourism programmes to support the Australian tourism sector.

Austrade will continue to administer the Export Market Development Grants (EMDG) scheme, which helps small and medium-sized Australian businesses meet the challenges associated with undertaking promotion in export markets. The EMDG scheme is undergoing its legislated, periodic review, with the report of this review being tabled in the second half of 2015. While Austrade will continue to administer existing funding agreements for Asian Business Engagement (ABE) plan grants, no new grants will be awarded.

Austrade will continue to deliver timely consular and passport services to Australians in 17 overseas locations (at 1 July 2015).

To support the delivery of all of Austrade’s outcomes, Austrade will continue to invest in developing the capabilities and language skills of both Australian and locally-engaged staff.

### 1.2 Entity 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: Austrade resource statement — Budget estimates for 2015‑16 as at Budget May 2015



1. *Appropriation Bill (No. 1) 2015-16*.
2. Estimated adjusted balance carried forward from previous year.
3. Includes an amount of $14.2m 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. Estimated retained revenue receipts under section 74 of the PGPA Act.
5. Appropriation relating to Tourism grants programs for 2014-15 is reflected in the Department of Foreign Affairs and Trade resource statement.
6. *Appropriation Bill (No. 2) 2015-16.*

Reader note: All figures are GST exclusive.

### 1.3 Budget measures

Budget measures in Part 1 relating to Austrade are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Entity 2015‑16 Budget measures

Part 1: Measures announced since the 2014‑15 Mid-Year Economic and Fiscal Outlook (MYEFO)



1. The continuation and expansion of Match Australia is offset by the savings achieved from the termination of Asian Business Engagement plan grants program. The net impact on cash is nil.

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 programmes are the primary vehicle by which Government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of Austrade in achieving Government outcomes.

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| Outcome 1: Contribute to Australia’s economic prosperity by promoting Australia’s export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government |

#### Outcome 1 strategy

Austrade will promote Australia’s export and other international economic interests by providing information, advice and services to businesses, associations, institutions and government.

Regarding trade promotion, Australian businesses and institutions face a range of barriers in different markets that impede successful market entry and identification of relevant commercial opportunities. Austrade can provide the most value to Australian businesses and institutions by focussing on markets where those barriers are strongest. This includes where different language and business cultures can be challenging, where there is less openness of regulatory frameworks and transparency of business processes, where there are difficulties accessing distribution channels and commercial connections, and where the value of the ‘badge of government’ is highest. Austrade will therefore direct more of its resources to Asian and other growth and emerging markets that offer commercial potential and that provide opportunities aligned with Australia’s comparative advantage.

Australia’s international education sector is highly competitive, but faces new challenges, including from the increasing spread of digital education platforms and emerging technologies. During the year, Austrade will be working with the international education sector to develop *Australian International Education (AIE) 2025*, a long-term market development plan for the next decade.

Currently, education and training is one of Australia’s largest service export industries. The number of international students is forecast to grow globally by nearly 100 per cent from 4.3 million in 2011 to 8 million by 2025,[[1]](#footnote-1) and the market is highly competitive. Austrade, through the use of the *Future Unlimited* brand, provides a single, focused message and a coordinated national approach to the international marketing and promotion of the Australian education and training sector. This helps to maximise international student enrolments and position Australia’s education system as world-class and globally connected. Through Austrade’s international network, quality commercial opportunities are identified and timely market intelligence is provided to the Australian education sector to assist it to make informed decisions, shape strategies, and develop international relationships and business. As a key priority, Austrade will work to increase diversification within the education sector, focusing on opportunities in Asia and other growth and emerging markets especially in the delivery of education, training and skills offshore.

To attract productive foreign direct investment into Australia, Austrade works in partnership with Australian government departments and state and territory governments to provide a coordinated national approach to promoting, attracting and facilitating investment. Recently appointed senior investment specialists have provided Austrade with additional capability to work with potential investors to finalise investments and identify investor-ready projects in Australia, in conjunction with state and territory governments. This activity draws on Austrade’s broad network of in-market contacts, and is centred on markets which have significant investment stock in Australia, such as Europe, Japan and North America; or show increasing outward foreign direct investment flows, such as China, India, Singapore and the Republic of Korea.

Working across government, Austrade will ensure tourism interests are taken into account in broader government policy development and implementation, including in labour and skills, infrastructure development, and regulatory issues. Austrade will continue to progress agreed *Tourism 2020* priorities for 2015, including implementing policy reforms and encouraging industry to make use of the tools and programs *Tourism 2020* has delivered. Key actions in the *Tourism 2020* *Strategic Plan (2015-2020)* will be progressed in 2015. Austrade will also support policy development and the tourism sector by providing economic research, analysis and forecasting.

##### Outcome expense statement

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

Table 2.1: Budgeted expenses for Outcome 1



1. Departmental appropriation combines ‘Ordinary annual services (Appropriation Bill No. 1)’ and ‘Revenue from independent sources (s 74)’.
2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

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

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#### Contributions to Outcome 1

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| Programme 1.1: Promotion of Australia’s export and other international economic interests |

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| Programme objectives  **Develop international markets, and promote international education**   1. Build linkages and networks with key decision-makers, buyers or institutions, and facilitate access for Australian businesses or institutions in international markets. 2. Identify international commercial opportunities matching Australia’s comparative advantage, particularly in food and agribusiness; advanced manufacturing (with a focus on marine, aerospace and automotive industry transformation); resources and energy; international education; international health services and technologies; infrastructure and services (with a specific focus on ICT, major sporting events, financial services and professional services); plus knowledge-based and innovative industries in general. 3. Contribute to the growth in demand, both onshore and offshore, for Australian education and training, the repositioning of Australia as a provider of high quality services to international students, and the building of a sustainable Australian international education sector.   **Win productive foreign direct investment**   1. Build linkages and networks with key investors and decision-makers. 2. Working in partnership with Commonwealth Government departments and state and territory governments, effectively influence foreign companies to make productive foreign investment into Australia, particularly in the priority areas of food and agribusiness, resources and energy, economic infrastructure, tourism infrastructure, and advanced manufacturing, services and technologies.   **Strengthen Australia’s tourism industry**   1. Lead the development and implementation of tourism policy to maintain and promote a competitive tourism sector and facilitate the growth of domestic and international tourism. 2. Provide tourism research and statistics to guide policy development and support business marketing and decision making. 3. Effectively co-ordinate with other Commonwealth Government agencies, and the state and territory governments. |

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| Programme expenses |



1. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

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| Programme 1.1 deliverables  **Develop international markets, and promote international education**   1. Provide access to in-market networks and decision makers, and access in-market opportunities identified by Austrade and others through the provision of relevant and commercially useful information and market-related services and advice. 2. Take the lead role in coordinating ministerial-led overseas business missions, including delivery of the second Australia Week in China event in 2016, and inaugural Australia Week events in ASEAN and the US. 3. Assist and facilitate Australian businesses’ and institutions’ participation at international business events. 4. Assist Australian firms and institutions with ‘behind the border’ barriers to trade and outwards investment, consistent with legal obligations, including anti-bribery and corruption laws, in Australia and overseas. 5. Provide Australian businesses and education providers with quality referrals to third-party professional and business service providers to assist them in complex and unfamiliar international services markets. 6. Work with the education, business and government sectors to develop a long term market development plan for the Australian international education sector known as AIE 2025. 7. Help to increase demand for Australia’s education services, particularly transnational education, by positioning Australia as a provider of high-quality services to international students. 8. Manage the Study in Australia website, which promotes the benefits of studying in Australia to international students, provides information on courses that meet Australia's registration, accreditation and quality assurance standards in their own country, guidance on study costs, and information about living in Australia. 9. Assess applications for the income tax exemption available under Section 23AF of the Income Tax Assessment Act 1936, to assist the international competitiveness of Australian companies and government organisations competing to win international tenders.   **Win productive foreign direct investment**   1. Partnering with Australian, state and territory government agencies to implement productive, direct foreign investment strategies in agreed national investment priority areas. 2. Proactively target potential investors, promoting specific investment opportunities, promoting Australia’s economic credentials and detailing the regulatory environment. 3. Introducing potential foreign investors to state and territory governments. 4. From 1 July 2015, Austrade will become a nominating entity for the Significant Investment Visas (SIV) program, complementing the current state and territory governments’ role as nominators; and be the sole nominating entity for the Premium Investment Visas (PIV) program. All nominations will be provided to the Department of Immigration and Border Protection for final assessment.   **Strengthen Australia’s tourism industry**   1. Continue to implement Tourism 2020 to improve the productive capacity of Australia’s tourism industry, including contributing to the delivery of policy priorities agreed by tourism ministers, and implementation of the Tourism 2015-2020 Strategic Plan. 2. Work with state and territory governments to facilitate the transfer of funds from the Commonwealth Government for the Tourism Demand Driver Infrastructure Programme. 3. Work with the Tasmanian Government to facilitate transfer of funds from the Commonwealth Government for the Tasmanian Regional Tourism Package. 4. Deliver an enhanced China Approved Destination Status (ADS) Scheme, to ensure a quality tourism experience for Chinese group leisure tourists. 5. Produce and disseminate strategic tourism research and forecasts. 6. Administer and manage the Tourism Research Australia website, which provides information and research services that underpin tourism policy development and help improve the performance of the tourism industry for the benefit of the Australian community.   **Whole of Government**   1. Draw on Austrade’s global and commercial perspective to provide policy advice and economic insight to the Government.   **Austrade website**   1. Administer and manage the main Austrade website, which provides information and online services to Australian businesses and institutions, showcases Australia’s capability and potential to international buyers and investors, and provides a centralised point of contact and engagement between businesses, institutions and Austrade. |

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| Programme 1.1 key performance indicators  **Satisfaction**   * High level of satisfaction for ministers, Australian business community, institutions and key partners with Austrade’s services.   **Develop international markets, and promote international education**   * Proportion of Australian businesses which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities. * Proportion of Australian businesses which have engaged with Austrade, and say they achieved some form of commercial outcome as a result of working with Austrade. * Proportion of Australian education institutions which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities. * Proportion of Australian education institutions which have engaged with Austrade, and say they achieved some form of commercial outcome as a result of working with Austrade.   **Win productive foreign direct investment**  Austrade has a shared set of key performance indicators with the states and territories:   * the number of investment outcomes facilitated; the amount of capital expenditure associated with foreign direct investment outcomes facilitated; * the number of new jobs created/retained (ongoing full time equivalents) as a direct result of investment outcomes facilitated; and * the anticipated annual exports from investment outcomes facilitated.   Noting that investments can have gestation times that span multiple years, from the initial investor contact to actual investment commitment, results will not be fully realised in the short-term. Therefore, in accordance with the protocols developed with the states and territories, Austrade is responsible for proactively promoting Australia as an attractive investment destination, which is measured by:   * the number of information, project and visitation requests, and stakeholder introductions generated from potential investors.   **Strengthen Australia’s tourism industry**   * Priorities and outputs outlined in the *Tourism 2015-2020 Implementation Plan*, progressed in accordance with agreed timeframes. * Proportion of tourism operators which use Austrade’s tourism research and information and say it helped support their marketing and business decisions.   **Whole of Government**   * Effective contribution to whole of government policy development using Austrade’s commercial perspectives on export, investment, international education and tourism*.* |

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| Programme 1.2: Programmes to promote Australia’s export and other international economic interests |

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| Programme objective  Administer programs that support Australian businesses’ engagement in international business, provide an incentive for small-to-medium businesses to enter into export markets and grow to become sustainable exporters, or that strengthen and stimulate growth in the tourism industry. |

Programme expenses



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| Programme 1.2 deliverables  **Export Market Development Grants (EMDG) scheme**  Administration of the Export Market Development Grants (EMDG) scheme, providing partial reimbursement for expenditure on eligible export promotion activities.   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | Deliverables | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | |  | Estimated | Budget | Forward | Forward | Forward | |  | actual |  | estimate | estimate | estimate | |  |  | 3,000- | 3,100 | 3,200- | 3,300- | | Number of grant applications | 3,195 | 3,500 | 3,600 | 3,700 | 3,800 | |  |  | 2,800- | 2,900- | 3,000- | 3,100- | | Number of grant recipients | 3,000 | 3,300 | 3,400 | 3,500 | 3,600 | |

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| **Free Trade Agreement Promotion**  Funding has been provided over two years for both Austrade and DFAT to promote the awareness and usage of free trade agreements (FTAs) with China, Japan and the Republic of Korea; and improve the awareness of FTAs more generally. Specific deliverables will consist of a national series of roadshows, a grants program for businesses and industry groups, and regional training for business chambers, local councils and other third parties. These grants and training programs would increase businesses’ access to FTA information; and targeted advertising will also be undertaken in digital and mass media. |
| Linked to: Free Trade Agreement Promotion linked to DFAT Programme 1.1. |

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| **Tasmanian Regional Tourism Package (TRTP)**  Administration of the Tasmanian Regional Tourism Package – comprised of the Tasmanian Whisky and Cider Trails project and the Regional Tourism Infrastructure and Innovation Fund - to fund projects which align with state and national tourism priorities. |

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| **Tourism Demand Driver Infrastructure (TDDI) program**  Administration of the Tourism Demand Driver Infrastructure program, providing funding to the state and territory governments, which are responsible for implementing projects that create and encourage quality tourism infrastructure. |
| Linked to: Tourism Demand Driver Infrastructure payments made through the National Partnership Payments arrangements – Programme code SPP666. |

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| **Asian Business Engagement (ABE) plan**  Funding for this grant program has concluded, and no new applications will be considered. However, as previous grants were awarded under multi-year agreements, residual payments to previous recipients will continue in 2015-16. Residual payments will be made to recipients that continue to meet their obligations subject to the ABE plan and the Commonwealth Grant Guidelines. |

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| **Developing Northern Australia - positioning the north as a leader in tropical health**  Administration of a component of the Global Leader in Tropical Health program, providing funding to the Department of Industry and Science under a Memorandum of Understanding. Austrade will support the program by providing sectoral expertise and advice to support decision making by the Department of Industry and Science in relation to commercialising tropical medicine research. |
| Programme 1.2 key performance indicators  **Export Market Development Grants (EMDG) scheme**   1. Proportion of EMDG scheme recipients reporting that the receipt of a grant supported their business to become a more sustainable exporter. 2. Proportion of EMDG scheme recipients reporting that the receipt of a grant enabled them to grow their international revenue.   **Free Trade Agreement Promotion**   1. Proportion of seminar and roadshow attendees reporting an increased awareness of FTAs. 2. Proportion of seminar and roadshow attendees reporting an increased understanding of how to use and benefit from FTAs.   **Tasmanian Regional Tourism Package (TRTP)**   1. TRTP funding distributed to projects identified by the Tasmanian Government in the National Partnership Agreement, consistent with agreed principles.   **Tourism Demand Driver Infrastructure (TDDI) program**   1. Budgeted TDDI funding distributed to state and territory governments. 2. TDDI funding distributed to projects identified by state and territory governments in National Partnership Agreements, consistent with funding principles agreed by tourism ministers.   **Asian Business Engagement (ABE) plan**   1. Proportion of grant recipients reporting that the receipt of a grant helped to expand the capability of their organisation to assist members’ in-market access to business networks; and to develop new business relationships in Asia.   **Developing Northern Australia - positioning the north as a leader in tropical health**   1. Funds and advice provided to the Department of Industry and Science, consistent with agreed principles, to increase foreign investment in the commercialisation of Australian Tropical Medicine research and development. |

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| Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas |

#### Outcome 2 strategy

In overseas locations where Austrade has designated consular management responsibilities, Austrade will continue to place a high priority on helping Australians through the delivery of effective consular services, efficient passport services and practical contingency planning, in accordance with DFAT’s Consular Services and Passports Client Services charters.

##### Outcome expense statement

Table 2.2 provides an overview of the total expenses for Outcome 2 by programme.

Table 2.2: Budgeted expenses for Outcome 2



1. Appropriation combines ‘Ordinary annual services (Appropriation Bill No. 1)’ and ‘Revenue from independent sources (s 74)’.

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

#### Contributions to Outcome 2

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| Programme 2.1: Consular and Passport Services |

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| Programme objective  To assist Australians travelling and working overseas through the delivery of effective consular services, efficient passport services, access to travel advice and preparations for high–risk scenarios through practical contingency planning in locations overseas where Austrade has consular management responsibilities. |

Programme expenses



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| Programme 2.1 deliverables   1. Comprehensive, responsive, and high-quality consular services are delivered to an increasing number of Australian travellers and citizens living overseas, including notarial services and assistance with welfare issues, whereabouts enquiries, arrest or detention matters, deaths and medical emergencies. 2. High-quality passport services are provided to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud. 3. Consular contingency planning is reviewed and updated annually, and effective contingency planning for major events or high-risk scenarios is undertaken, through regular reviews of procedures and available resources, training of staff and coordination with other government agencies and foreign governments.  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | Deliverables | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | |  | Estimated | Budget | Forward | Forward | Forward | |  | actual |  | estimate | estimate | estimate | | Number of passport applications |  |  |  |  |  | | received | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | | Number of notarial acts | 12,750 | 14,500 | 14,500 | 14,500 | 14,500 | |  |  |  |  |  |  | |

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| Programme 2.1 key performance indicators  In accordance with the Department of Foreign Affairs Passport Client Services Charter:   1. normal passport applications are scanned within 24 hours – three per cent tolerance; 2. routine passports are issued in a timely and responsive manner; and 3. urgent passport issues are dealt with in a timely responsive manner. Where a priority processing fee is paid, the passport is to be provided within two working days.   In accordance with the Department of Foreign Affairs Consular Services Charter:   1. notarial services are to be delivered within three working days of the lodgement of documents from a client. |

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

### 3.1 Explanatory tables

#### 3.1.1 Movement of administered funds between years

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

Table 3.1.1: Movement of administered funds between years(a)



1. Figures displayed as a negative (-) represent a decrease in funds and a positive represent an increase in funds.
2. The administered funds relating to 2014-15 are reflected in the Department of Foreign Affairs and Trade resource statement.

#### 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 section 78 of the PGPA Actor under separate enabling legislation (section 80 of the PGPA Act refers). Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by Austrade.

Table 3.1.2: Estimates of special account flows and balances



1. *s20 Financial Management and Accountability Act, 1997 Determination 2006/15*
2. *s20 Financial Management and Accountability Act, 1997 Determination 2008/05*

(A) = Administered

(D) = Departmental

#### 3.1.3 Australian Government Indigenous expenditure

Table 3.1.3: Australian Government Indigenous expenditure (AGIE)



### 3.2 Budgeted financial statements

#### 3.2.1 Differences in entity resourcing and financial statements

There has been no difference between the resource information presented in the Budget Papers and in Austrade’s Portfolio Budget Statements.

#### 3.2.2 Analysis of budgeted financial statements

An analysis of Austrade’s budgeted financial statements, as reflected in the departmental financial statements and administered schedules, is provided below.

**Departmental financial statements**

The departmental financial statements represent the assets, liabilities, revenues and expenses which are controlled by Austrade. Departmental expenses include employee and supplier expenses and other administrative costs which are incurred by Austrade in undertaking its operations.

**Budgeted departmental comprehensive income statement**

This statement provides estimated actual financial results for 2014-15 and the estimated revenue and expenses for 2015-16 and forward years.

Total income in 2015-16 is estimated to be $227.3 million, which represents an increase of $26.8 million in appropriations from the 2014-15 estimated actual shown at Table 3.2.1. The increase is a result of:

* Free Trade Agreement Promotion – an increase of $12.0 million;
* Strengthening Australia’s ability to attract foreign investment – an increase of   
  $5.9 million;
* Match Australia – continuation and expansion – an increase of $1.1 million;
* Australia Week Events – an increase of $0.8 million;
* Developing Northern Australia - positioning the north as a leader in tropical health – an increase of $0.4 million;
* foreign exchange variation – an increase of $4.9 million;
* indexation adjustment – an increase of $0.3 million; and
* measures and parameters adjustments in prior budget rounds – an increase of $1.9 million.

Offset by:

* one-off severance funding in 2014-15 – a decrease of $0.4 million.

Austrade is receiving funding of $16.9 million to fund the department’s capital expenditure which is treated as an equity injection.

Total estimated expenses for 2015-16 have increased by $27.6 million to reflect the increase in income.

**Budgeted departmental balance sheet**

This statement discloses the estimated end of year financial position for Austrade. Austrade’s budgeted net asset position at the end of 2015-16 of $60.6 million represents an increase of $0.3 million from the 2014-15 estimated actual in table 3.2.2 due to the variation among capital program funding ($16.9 million), estimated depreciation expense ($17.5 million) and estimated revaluation surplus ($0.9 million).

**Departmental statement of changes in equity — summary of movement**

This statement shows changes in equity resulting from the net impact of movements in accumulated results, assets revaluation and other reserves, and contributed equity.

Total equity at the end of 2015-16 is estimated to be $60.6 million, an increase of   
$0.3 million due to the variation among capital program funding ($16.9 million), estimated depreciation expense ($17.5 million) and estimated revaluation surplus   
($0.9 million).

**Budgeted departmental statement of cash flows**

This statement shows the extent and nature of cash flows as a result of Austrade’s operating, investing and financing activities. Austrade’s cash balance at the end of 2015-16 is estimated to be $5.5 million.

**Departmental capital budget statement**

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

**Departmental statement of asset movements**

This statement shows budgeted acquisitions and disposals of non-financial assets during the budget year.

**Schedule of administered activity**

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

**Schedule of budgeted income and expenses administered on behalf of Government**

This schedule discloses revenue and expenses administered on behalf of the Government.

Administered expenses of $145.3 million for 2015-16 relate to the EMDG scheme ($137.9 million), ABE plan ($0.6 million), FTA Promotion ($1.4 million), Developing Northern Australia - positioning the north as a leader in tropical health ($1.0 million) and TRTP grants ($4.4 million). The EMDG scheme is comprised of $131.0 million in grant expenditure and $6.9 million in expenditure for the costs of administration on behalf of the Government. The ABE plan, FTA Promotion, Developing Northern Australia - positioning the north as a leader in tropical health and TRTP are comprised of grants expenditure only.

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

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

Total administered assets and liabilities for 2015-16 are estimated at $0.1 million and $9.0 million respectively.

**Schedule of budgeted administered cash flows**

#### This schedule shows cash flows administered on behalf of the Government. All cash received is expected to be expended on the relevant programs.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



*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)



1. From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of Commonwealth entities (and select corporate Commonwealth entities) 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)



\*‘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 2015-16)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement (for the period ended 30 June)



1. Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.
2. Includes purchases from current and previous years’ Departmental Capital Budgets (DCBs).
3. Includes $3.0m reallocated from departmental to DCB.

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements (Budget year 2015‑16)



1. ‘Appropriation equity’ refers to equity injections appropriations provided through *Appropriation Bill (No. 2) 2015-16*.
2. ‘Appropriation ordinary annual services’ refers to funding provided through *Appropriation Bill (No. 1) 2015-16* for depreciation/amortisation expenses, DCBs or other operational expenses.
3. Revaluation/fair movements.

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)



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)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

#### 3.2.3 Notes to the Financial Statements

Austrade’s budgeted statements are prepared on an Australian Equivalents to International Financial Reporting Standards (AEIFRS) basis.

Under the Government’s budgeting framework, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions that agencies do not have control over (administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

**Departmental**

Departmental assets, liabilities, revenues and expenses in relation to an agency or authority are those which 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**

Administered items are revenues, expenses, assets and liabilities which 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.

Australian Centre for International Agricultural Research (ACIAR)

Entity resources and planned performance

Australian Centre for International Agricultural Research (ACIAR)

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# Australian Centre for International Agricultural Research (ACIAR)

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

ACIAR works to improve the productivity and profitability of agricultural systems in countries of the Asia–Pacific region and Indian Ocean rim, through international agricultural research partnerships. In a whole of government context, ACIAR’s research agenda underpins the Government’s overarching development policy, *Australian aid: promoting prosperity, reducing poverty, enhancing stability* and aligns with key sectoral priorities outlined in the *Strategy for Australia’s aid investments in agriculture, fisheries and water*.

ACIAR will generate new technologies, new knowledge, greater capability and better decision-making through these research partnerships. By focusing on impact pathways, ACIAR will deliver benefits to farmers and consumers in developing countries and Australia.

ACIAR puts Australia’s agricultural innovation system to work to reduce poverty and contribute to the long-term economic prosperity of developing countries. This work contributes to stronger economies and to poverty alleviation, and is central to Australia’s aid agenda. ACIAR contributes to economic diplomacy through improving agricultural competitiveness and sustainability, increasing value chain efficiency and effectiveness, and overcoming regulatory impediments in relation to both domestic and international markets.

Stronger economies in our region assist Australian exporters and investors to access and profit from foreign markets. Support for more-productive, market-led agricultural systems, that engage smallholder farmers, encourages developing countries to effectively tap into new market opportunities. In these ways, ACIAR works towards a future of shared prosperity. Importantly, ACIAR’s support to international research partnerships increases the numbers of skilled professionals at research, extension and farm levels which then builds the potential for sustained agricultural innovation in the region, an essential element for economic growth and development.

ACIAR will continue to focus research on four areas: crops; livestock and fisheries; natural resources and forestry; and socioeconomics and policy, with a stronger focus across all four on developing market opportunities for smallholder farmers. ACIAR will implement interdisciplinary research approaches between these focal areas and address key issues, such as gender inequality, that cut across these focal areas. The research will tackle gender inequality in the design, delivery and impacts of our projects. We will maintain our core mandate of producing excellent research, and work through others to achieve up-scaling (institutional development) and out-scaling (broader development).

ACIAR will continue to deepen the existing partnerships and explore new and more diverse partnerships. Australian aid will become more innovative and catalytic, particularly through leveraging private sector partnerships and investment, and ACIAR will continue a greater emphasis on the private sector, and new, innovative partnerships with emerging economies. In Australia, ACIAR will move towards more strategic institutional partnerships, and a more programmatic approach in delivery. ACIAR’s partnership model will also adapt to the increasing skills and expertise in some of our partner countries. In Australia, ACIAR will seek to increase our partnership base and support efforts to increase the involvement of young professionals in international agricultural research. In developing countries, ACIAR will continue to develop new partnership models increasing regional collaborations and approaches and developing greater collaboration with the commercial sector.

In 2015-16 in line with the refocusing of the Australian aid program, ACIAR will increase funding to the Pacific region, particularly PNG. In Fiji, strengthened development cooperation with Australia will open opportunities for ACIAR to broaden collaboration aimed at sustainable economic development.

ACIAR will also increase funding to East Asia, working with DFAT to take advantage of emerging opportunities to develop agricultural programs in the region. In Timor Leste, ACIAR will continue to work with DFAT to identify ways of building on the successes of Seeds of Life to further increase the opportunity for economic growth and linkages with the private sector.

In West and South Asia, we will reduce slightly our engagement and monitor the security situation in Afghanistan that will define the future of our engagement in that country. We will continue our engagement in Africa in line with both the priorities of the Australian aid program and the targets established in ACIAR’s Strategic Plan but in that process consolidate our work with regional research organisations.

On a global level, ACIAR will monitor the development of the ASEAN zone economic cooperation by 2015, which will see pressures for cooperation on cross border issues which intersect with ACIAR’s interests, such as biosecurity, agrifood chains and food safety. ACIAR will continue to engage in the CGIAR (formerly ‘the Consultative Group on International Agricultural Research’) reform and positively influence its future directions.

### 1.2 Entity 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: ACIAR resource statement — Budget estimates for 2015‑16 as at Budget May 2015



1. *Appropriation Bill (No. 1) 2015-16*.
2. Estimated adjusted balance carried forward from previous year.
3. Includes an amount of $0.248 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. Estimated Retained revenue receipts under section 74 of the PGPA Act.
5. *Appropriation Bill (No. 2) 2015-16*.
6. Estimated opening balance for special accounts (less ‘Special Public Money’ held in accounts like *Other Trust Monies* accounts (OTM), *Services for other Government and Non-agency Bodies* accounts (SOG), or *Services for Other Entities and Trust Moneys* accounts (SOETM)). For further information on special accounts, see Table 3.1.2.

Reader note: All figures are GST exclusive.

### 1.3 Budget measures

ACIAR has no new budget measures.

## Section 2: Outcomes and planned performance

### 2.1 Outcomes and performance information

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

ACIAR’s outcome is described below together with its related programme, specifying the performance indicators and targets used to assess and monitor the performance of ACIAR in achieving government outcomes.

|  |
| --- |
| Outcome 1: To achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through international agricultural research and training partnerships |

#### Outcome 1 strategy

To achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through international agricultural research and training partnerships ACIAR will:

* concentrate efforts in developing countries of Asia and the Pacific, while also engaging in high-payoff partnerships in other regions in support of Australia’s foreign policy objectives;
* work through bilateral (at least 70%) and multilateral (up to 30%) modalities;
* generate new technologies, new knowledge, greater capability and better decision-making from our research partnerships;
* focus research on four areas: crops; livestock and fisheries; natural resources and forestry; and socioeconomics and policy;
* develop a stronger focus on developing market opportunities for smallholder farmers;
* implement cross-disciplinary and interdisciplinary research approaches;
* tackle gender inequality, in the design, delivery and impacts of projects;
* maintain our core mandate of producing excellent research, and work through others to achieve up-scaling and broader development;
* deepen our existing partnerships and explore new and more diverse partnerships, with greater emphasis on the private sector and non-government organisations, and new, innovative partnerships with emerging economies; and
* move towards more-strategic institutional partnerships, and a more programmatic approach in delivery.

##### Outcome expense statement

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

Table 2.1: Budgeted expenses for Outcome 1



1. Departmental appropriation combines ‘Ordinary annual services (Appropriation Bill No. 1)’ and ‘Revenue from independent sources (s 74).
2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and audit fees.

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

#### Contributions to Outcome 1

|  |
| --- |
| Programme 1: International agricultural research for development for more productive and sustainable agriculture |

|  |
| --- |
| Programme objective  ACIAR has the single administered programme of international agricultural research for development for more productive and sustainable agriculture, delivered through a number of initiatives aligning closely with the Australian aid policy. The objective of the Programme is to contribute to economic diplomacy through improving agricultural competitiveness and sustainability, increasing value chain efficiency and effectiveness, and alleviating regulatory impediments in relation to both domestic and international markets. |

|  |
| --- |
| Programme expenses  Aligned to the broader aid program, ACIAR will refocus partnerships towards the Indo Pacific region, with modest increase in percentage allocations of budget made to Pacific and East Asia. The programme in Sub Saharan Africa will target countries in the continent’s east and south. |



1. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make-good expenses and audit fees.

|  |
| --- |
| Programme 1 deliverables  Through diverse research partnerships and both individual and institutional capacity building, ACIAR will deliver:   * increased availability of and access to meat, fish, milk, grains, fruits and vegetables; * reduced postharvest losses; * improved nutritional quality and diversity of diets; * increased productivity, quality and market access for smallholder agriculture, aquaculture and forestry products; * greater resilience and diversity of production systems; and * strengthened plant and animal biosecurity. |

|  |
| --- |
| Programme 1 key performance indicators  ACIAR will improve agricultural competitiveness and sustainability, increase value chain efficiency and effectiveness, and alleviate regulatory impediments in relation to both domestic and international markets. These performance indicators will be measured through monitoring and evaluation of project outputs, analysis of the adoption of project outcomes and through an ongoing impact assessment programme. These will be delivered by generating:   * new technologies that enhance agricultural productivity, food sufficiency, diversification and health and nutrition; * new knowledge that improves agricultural productivity and management systems and enhances market opportunities; * greater capability for scientific excellence, agricultural innovation and agribusiness development among researchers, research institutions, policy makers and development partners; and * better decision-making within research and policy institutions to support agricultural innovation and agribusiness development. |

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds and special accounts.

### 3.1 Explanatory tables

#### 3.1.1 Movement of administered funds between years

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

There has been no movement of administered funds between years for ACIAR since the 2014-15 Budget.

#### 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 section 78 of the PGPA Actor under separate enabling legislation (section 80 of the PGPA Act refers). Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for ACIAR’s special account.

Table 3.1.2: Estimates of special account flows and balances



(A) = Administered

### 3.2 Budgeted financial statements

### 3.2.1 Budgeted financial statements tables

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June



*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)



(a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) 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)



\*‘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 2015-16)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement (for the period ended 30 June)



1. Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years’ Departmental Capital Budgets (DCBs).

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements (Budget year 2015‑16)



1. ‘Appropriation equity’ refers to equity injections appropriations provided through *Appropriation Bill (No. 2) 2015-16*, including CDABs.
2. ‘Appropriation ordinary annual services’ refers to funding provided through *Appropriation Bill (No. 1)   
   2015-16* for depreciation/amortisation expenses, DCBs or other operational expenses.

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)



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)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

#### 3.2.2 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; and
* administered expense appropriations: for the estimated administered expenses relating to specific programs.

##### Asset valuation

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

Australian Secret Intelligence Service (ASIS)

Entity resources and planned performance

Australian Secret Intelligence Service  
(ASIS)

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# Australian Secret Intelligence Service (ASIS)

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

In 2015-16 the Australian Secret Intelligence Service (ASIS) will continue to enhance Government understanding of the overseas environment affecting Australia’s vital interests. ASIS will take appropriate action, consistent with applicable legislation, to protect and promote Australia’s vital interests through the provision of unique foreign intelligence services as directed by the Government.

The primary functions of ASIS are:

(a) to obtain, in accordance with the Government’s requirements, intelligence about the capabilities, intentions or activities of people or organisations outside Australia;

(b) to communicate, in accordance with the Government’s requirements, such intelligence;

(c) to conduct counter-intelligence activities;

(d) to liaise with intelligence or security services, or other authorities, of other countries; and

(e) to undertake such other activities as the responsible Minister directs relating to the capabilities, intentions or activities of people or organisations outside Australia.

### 1.2 Entity resource statement

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

Table 1.1: ASIS resource statement — Budget estimates for 2015‑16 as at Budget May 2015



1. *Appropriation Bill (No. 1) 2015-16*.
2. Estimated adjusted balance carried forward from previous year.
3. Includes an amount for the Departmental Capital Budget. For accounting purposes this amount has been designated as ‘contributions by owners’.
4. Estimated Retained revenue receipts under section 74 of the PGPA Act.
5. *Appropriation Bill (No. 2) 2015-16*.

Reader note: All figures are GST exclusive.

### 1.3 Budget measures

Budget measures in Part 1 relating to ASIS are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Entity 2015‑16 Budget measures

Part 1: Measures announced since the 2014‑15 Mid-Year Economic and Fiscal Outlook (MYEFO)



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 programmes are the primary vehicle by which Government entities achieve the intended results of their outcome statements. Entities are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of ASIS in achieving Government outcomes.

|  |
| --- |
| Outcome 1: Enhanced understanding for the Government of the overseas environment affecting Australia’s interests through the provision of covert intelligence services about the capabilities, intentions or activities of people or organisations outside Australia |

#### Outcome 1 strategy

* Enhanced understanding for the Government of the overseas environment affecting Australia’s interests through the provision of covert intelligence services about the capabilities, intentions or activities of people or organisations outside Australia.

##### Outcome expense statement

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

Table 2.1: Budgeted expenses for Outcome 1



1. Departmental Appropriation combines ‘Ordinary annual services (Appropriation Bill No. 1)’ and ‘Revenue from independent sources (s 74)’.
2. Expenses not requiring appropriation in the Budget year is made up of depreciation expense.

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

#### Contributions to Outcome 1

|  |
| --- |
| Programme 1.1: Secret Intelligence |

|  |
| --- |
| Programme objective   1. Secret Intelligence |

|  |
| --- |
| Programme expenses   1. All variations to programme 1.1 are a result of measures and other adjustments as provided by the Government. |



1. Expenses not requiring appropriation in the Budget year is made up of depreciation expense.

|  |
| --- |
| Programme 1.1 deliverables   1. Secret Intelligence |

|  |
| --- |
| Programme 1.1 key performance indicators   1. The overall achievement of the performance measures for this programme for ASIS is assessed by reference to the customers for ASIS services. This is done continuously and is also the subject of comprehensive annual internal and external assessment, the results of which are reported to the Government. The assessment of performance includes both qualitative and quantitative analysis. Details of this process are not divulged in the interests of national security. |

|  |
| --- |
| Programme 1.2: Other Services |

|  |
| --- |
| Programme objective   1. Other Services |

|  |
| --- |
| Programme expenses   1. All variations to programme 1.2 are a result of measures and other adjustments as provided by the Government. |

(a) Expenses not requiring appropriation in the Budget year is made up of depreciation expense.



|  |
| --- |
| Programme 1.2 deliverables   1. Other Services |

|  |
| --- |
| Programme 1.2 key performance indicators   1. The overall achievement of the performance measures for this programme for ASIS is assessed by reference to the customers for ASIS services. This is done continuously and is also the subject of comprehensive annual internal and external assessment, the results of which are reported to the Government. The assessment of performance includes both qualitative and quantitative analysis. Details of this process are not divulged in the interests of national security. |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses.

### 3.2 Budgeted financial statements

#### 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



1. From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations.

Prepared on Australian Accounting Standards basis.

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



\* ‘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 2015-16)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Under the Australian Government’s budgeting framework, and consistent with Australian Accounting Standards, ASIS controls all the entity’s transactions. ASIS is fully accountable for assets, liabilities, revenues and expenses in relation to the entity. ASIS has no administered transactions.

Tourism Australia

Entity resources and planned performance

Tourism Australia

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# Tourism Australia

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

As Australia’s national tourism marketing organisation, Tourism Australia’s key contribution to Australia’s economy in 2015-16 will be to increase international leisure and business events visitation by promoting Australia as a compelling tourism destination. This will be undertaken through partnership marketing that targets consumers in key international markets, and working with distribution partners to convert Australia’s appeal into more visits.

*Australian tourism industry outlook*

Tourism Australia anticipates a stable environment for inbound tourism in 2015-16, with global GDP growth forecast to trend at around 3 percent (Tourism Research Australia). Economic growth in Asia’s economies is expected to ease slightly, while economic conditions in the USA and Western Europe are expected to improve moderately.

Australia continues to be rated as one of the most desired tourism destinations in the world (Future Brand, 2014). Demand for travel to Australia is expected to grow during 2015-16, with international inbound visitors increasing by 5 percent to 7.3 million visitors (Tourism Forecasting Committee, 2014).

While Australia’s tourism brand is strong, competition is significant with more than 190 countries competing aggressively for the global tourism dollar. Tourism Australia will respond to this increasing competition by focusing on Australia’s competitive advantages – its spectacular natural beauty, pristine environment, friendly and welcoming people and world class food and wine.

*Tourism 2020*

*Tourism 2020* is a whole of government and industry long-term strategy to build the resilience and competitiveness of Australia’s tourism industry and grow its economic contribution to Australia’s economy. It focuses on improving the industry’s global performance and competitiveness by pursuing the strongest opportunities for growth and addressing supply-side factors.

Under *Tourism 2020*, Tourism Australia has primary carriage of international tourism marketing and distribution and works with other Australian government agencies to support aviation development and to attract investment.

*Objectives 2015-16*

Tourism Australia works with industry and all levels of government across Australia to maximise the economic contribution of Australian tourism. The industry has set a goal to increase overnight tourism expenditure from $70 billion in 2009 to more than $115 billion in 2020. To achieve this, Tourism Australia will focus on the following in 2015-16:

* continuing to reinforce Tourism Australia’s competitive focus to achieve   
  *Tourism 2020* goals;
* investing in markets that present the greatest potential for growth;
* driving conversion by engaging consumers and making it easier to choose and book a trip to Australia;
* growing and extending partnerships;
* driving yield by targeting high spending consumers, including increased focus on business events and major events; and
* heightening capability and productivity of the Tourism Australia team.

*Strategies 2015-16*

Two target customers will remain at the core of Tourism Australia’s marketing activities – the leisure traveller and the business events traveller.

Activity will continue to be implemented via three core strategies:

* **Customer Focus** – marketing activity centres on the target customer.
* **Partnership Focus** – partnerships engage target customers, drive bookings and yield and facilitate industry development.
* **Government Focused** – committed to a whole of government approach.

Tourism Australia will focus on markets that represent the greatest long-term expenditure growth potential to 2020. Criteria will be latent demand, current and short-term performance, expected changes in aviation capacity and the marketing emphasis of industry and state and territory tourism organisations. In 2015-16 markets will be categorised as:

* **worth over $5 billion by 2020** – Greater China (China1[[2]](#footnote-2)and Hong Kong), North America (USA1 and Canada), United Kingdom;
* **worth over $2.5 billion by 2020** – Singapore, Malaysia, the Republic of Korea, New Zealand1;
* **worth over $1 billion by 2020** – Continental Europe (Germany, Italy, France), India, Indonesia, Japan; and
* **rest of world –** Brazil.

Marketing communications will continue under the *There’s nothing like Australia* campaign umbrella and will lead with the best of Australia’s tourism experiences. Messaging will focus on extending Australia’s growing food and wine credentials through continued investment in *Restaurant Australia*; reclaiming Australia’s advantage around beaches, coastal and aquatic nature; and reinforcing the breadth of Australia’s Indigenous offering. The aim will be to raise the urgency to visit, increase knowledge and build a strong image of what Australia has to offer global travellers.

Research undertaken in 2014 found that Australia’s events and major events have significant potential to further differentiate Australia’s tourism offerings and drive visitation and increased spend by consumers. Tourism Australia will increase emphasis on events in its marketing activity during 2015-16.

Resources and effort will continue to increase in digital and content marketing, led by a revitalised australia.com (a new version of the site was launched in March 2015). Tourism Australia’s digital and social marketing emphasis will be to personalise, socialise and mobilise content to make it more relevant and timely by using insights from relevant data and analytics.

Tourism Australia’s business events activity will continue to focus on attracting high yielding visitors to Australia. Following a review in 2014, a new approach which concentrates on two sectors – associations and incentives – will be undertaken from 2015, including a differentiated marketing approach for each of these streams.

### 1.2 Entity 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: Corporate Entity Tourism Australia resource statement — Budget estimates for 2015‑16 as at Budget May 2015



1. *Appropriation Bill (No. 1) 2015-16* and *Appropriation Bill (No*. 3); includes funding for prior year foreign exchange losses of $9.115 million.

### 1.3 Budget measures

Budget measures in Part 1 relating to Tourism Australia are detailed in Budget Paper No.2 and are summarised below.

Table 1.2: Entity 2015-16 Budget measures

Part 1: Measures announced since the 2014‑15 Mid-Year Economic and Fiscal Outlook (MYEFO)



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 programmes are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programmes which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of Tourism Australia in achieving government outcomes.

|  |
| --- |
| Outcome 1: Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers |

#### Outcome 1 strategy

**Programme Component 1.1.1 Grow demand**

Tourism Australia will build Australia’s reputation and profile as an exciting and desirable leisure and business events destination, driving demand, growth in visitor numbers and increased visitor expenditure by:

* targeting consumers who are predisposed to travel to Australia and who are likely to spend more, do more and disperse more widely beyond capital city gateways;
* from a business events perspective, focusing on attracting high yielding visitors who will also return as repeat visitors. Two sectors will be targeted – associations and incentives. Business Events Australia will continue to develop strong relationships with international buyers in key markets;
* using research insights to inform product development by governments and industry operators, match products and experiences relevant to the target customer (including product bundling to present the best of what Australia has to offer), refine marketing communications and drive the right messaging in the right channels;
* continuing marketing communications under the *There’s nothing like Australia* campaign umbrella, while strengthening competitive positioning through campaigns that highlight Australia’s food and wine credentials, its pristine beaches, coastal and aquatic nature, its major events and its Indigenous culture and experiences;
* actively collaborating and working in partnership with government and industry to create demand for travel to Australia. Working in partnership increases target customer reach and ‘share of voice’ in the competitive global tourism environment. It also demonstrates value by increasing investment in promoting Australia through industry contributions; and
* continuing to work with state and territory tourism organisations to ensure integration and alignment of activities to achieve efficiency and effectiveness.

##### Programme Component 1.1.2 Industry development

Tourism Australia will continue to work in partnership with industry and government stakeholders to promote growth and development of the Australian tourism industry. Activity that will be implemented in 2015-16 includes:

* supporting trade development by building the capability of the travel industry to confidently sell Australia. This will include training of travel agents through the Aussie Specialist Program (the program will be re-launched in late 2015-16 and include delivery of a superior online platform); providing Australian destination and product content to the distribution system and making direct connections with travel agents through familiarisation visits and trade events;
* managing and participating in a range of trade events in Australia and overseas that promote Australia as a destination for leisure and business events travel. This will include delivery of the Australian Tourism Exchange and Dreamtime, dedicated business events educational programs and industry missions;
* working in partnership with Austrade to attract tourism investment and development of better quality Australian tourism infrastructure;
* working with airline and airport partners to support profitable aviation capacity growth and ensure that Tourism Australia’s investment supports growth on viable routes;
* working with the Department of Immigration and Border Protection to highlight opportunities to improve competitiveness of Australia’s visa processes for prospective visitors. Government focus is expected to be on e-visas, streamlining visa requirements and multi-entry visas;
* providing government and industry stakeholders with strategic insights and research relevant to their needs to drive industry sustainability and strategy development; and
* continuing to build awareness and understanding of and alignment with Tourism Australia strategies across government and industry through formal industry briefings, workshops and conferences, as well as a dedicated relationship management approach with stakeholders and partners.

##### Outcome expense statement

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

Table 2.1: Budgeted expenses for Outcome 1



1. *Appropriation Bill (No.1) 2015-16.*

#### Contributions to Outcome 1

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| --- |
| Programme 1. Supporting Outcome 1 |

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| Programme objective  Refer to Outcome 1 Strategy and component objectives for further information. |

|  |
| --- |
| Programme expenses |

Table 2.2: Programme 1 Expenses by Component



#### Contributions to Programme 1

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| --- |
| Component 1.1.1 Grow demand |

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| --- |
| Component 1.1.1 objective  Identify and target best prospect consumers, and inspire them to travel to Australia. To focus activities and resources, utilise a dedicated market categorisation approach. |

|  |
| --- |
| Component 1.1.1 deliverables  *Leisure Consumer Marketing*   * Continued roll-out of the *There’s nothing like Australia* campaign across all major markets, incorporating the promotion of high impact events. * Further embedding *Restaurant Australia* into marketing activities in all markets. * Development and roll-out of initiatives to reinforce Australia’s coastal and aquatic nature positioning. * Launch of an Indigenous film to promote Australia’s Indigenous tourism experiences. * Cooperative campaigns and activities to leverage marketing opportunities that align with the Destination Australia brand and promote the best of what Australia has to offer. * Marketing activities to stimulate target markets, including brand advertising and promotions, digital programs, broadcasts, public relations, International Media Hosting Program, media content development, cooperative promotions, consumer events and advocacy programs. * Search engine marketing to lift australia.com and australia.cn ranking. * Australian story-telling content and applications, including social media. * Consumer behaviour research.   *Business Events Marketing*   * Activity to promote Australia as a business events destination targeting the Associations and Incentives segments, including trade events, buyer and agent familiarisation visits, direct marketing and public relations campaigns, advocacy, marketing toolkits and stakeholder relations. * Dedicated campaign implementation for the Incentives market in  New Zealand, USA and Greater China. * An improved digital offering via a segment specific website on australia.com * Driving visitation via expansion of the delegate boosting program and visitation extension marketing initiatives to drive pre/post travel. |

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| Component 1.1.1 key performance indicators |



2014-15 actuals based on year end September 2014.  
Budget and forward estimates based on year ended December.

#### Contributions to Programme 1

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| --- |
| Component 1.1.2 Industry development |

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| Component objective  An Australian tourism industry that is competitive and sustainable and delivers on the needs of the target customer. |

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| --- |
| Component 1.1.2 deliverables  *Dissemination of insights on the tourism industry and global target customer*   * Delivery of an annual conference, regular industry briefings and communications.   *Engagement of stakeholders*   * Continued implementation of a dedicated communications plan to deliver awareness and understanding of Tourism Australia strategies, and monitoring of stakeholder participation and satisfaction with Tourism Australia’s initiatives.   *Support attraction of investment in tourism infrastructure, products and services*   * Share research on the target customer to provide insight into investment and development required to meet the needs of the target customer. This work will be undertaken in partnership with Austrade and stakeholders and governments across Australia.   *Support access to Australia, by assisting existing and new route development and addressing visa access issues*   * Undertake analysis of industry and aviation conditions and provide insights to key stakeholders to assist strategic decision-making. * Work with airports and state and territory tourism organisations to support new route development. * Work to resolve high-level issues that are impediments to growth, including issues around visa access.   *Promotion of Indigenous Tourism*   * Promote Indigenous experiences through Tourism Australia’s consumer marketing activities.   *Trade Events*   * Coordinate and deliver trade events for Australian tourism businesses to showcase their products and do business with the global distribution network. * Manage and deliver premier trade events – the Australian Tourism Exchange (ATE) and Dreamtime – and profile Tourism Australia and industry partners.   *Trade Development*   * Re-launch the Aussie Specialist Program, including new online platform. * Recruit and train travel agents through the Aussie Specialist Program. * Deliver product information and events for the Aussie Specialist Program through coordination with state and territory tourism organisations.   *Best of Australia*   * Continue to work with industry, government agencies and state partners to promote Australia’s best products and experiences. * Supporting existing *Best of Australia* initiatives (Great Golf Courses of Australia, Great Walks of Australia, Ultimate Wineries of Australia and showcasing the best of Australia’s Indigenous experiences), and development of new programs to reinforce Australia’s food and wine credentials and strengths in coastal and aquatic nature. |

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| --- |
| Component 1.1.2 key performance indicators |



Key events include the Australian Tourism Exchange, the Destination Australia Conference and Industry Briefings.

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

### 3.1 Explanatory tables

#### 3.1.1 Movement of administered funds between years

This statement is not applicable, as Tourism Australia has no administered funds.

#### 3.1.2 Special accounts

This statement is not applicable, as Tourism Australia has no special accounts.

#### 3.1.3 Australian Government Indigenous expenditure

Table 3.1.3: Australian Government Indigenous expenditure (AGIE)



### 3.2 Budgeted financial statements

#### 3.2.1 Differences in entity resourcing and financial statements

Tourism Australia has no significant differences between the resource information presented in the Budget Papers and in the Portfolio Budget Statements as a result of differences between whole of government level reporting (under Australian Accounting Standard 1049) and entity level financial reporting.

#### 3.2.2 Analysis of budgeted financial statements

Total operating revenue for 2015-16 is estimated at $169.1 million and is made up of government appropriations of $138.7 million, Asian Marketing Fund from government of $14.0m and revenue from other sources of $17.9 million. The total revenue increases by $0.2 million from the 2014-15 estimated actual of $168.9 million.

The change includes:

* appropriation for 2015-16 reflects normal level of funding for Tourism Australia adjusted for the efficiency dividend;
* impact of wage cost index applied to appropriations; and
* Asian Marketing Fund receipts of $14.0 million.

Corresponding total expenses are also estimated to be $169.1 million, an increase of $9.3 million from the 2014-15 estimated actual of $159.8 million due to the funding of negative foreign exchange impacts for 2015-16.

##### Departmental – Balance Sheet

Tourism Australia is budgeting a net asset position of $25.4 million in 2015-16 which reflect the equity injection of $9.1 million for 2013-14 foreign exchange losses, in the 2014-15 estimated actual. Net assets are projected to remain the same beyond 2015-16.

#### 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



Prepared on Australian Accounting Standards basis.

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



\* ‘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 2015-16)



* + - * 1. *Appropriation Bill 4* *(2014-15)* for 2014-15 $9.115m.

Prepared on Australian Accounting Standards basis.

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



* + - * 1. Return of foreign exchange.

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement (for the period ended 30 June)



Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements (Budget year 2015‑16)



Prepared on Australian Accounting Standards basis.

#### 3.2.4 Notes to the financial statements

The financial statements have been prepared in accordance with:

        Finance Minister’s Orders; and

        Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board.

Assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets and liabilities can be reliably measured.

Revenues and expenses are recognised in the income statement when and only when the flow or consumption or loss of economic benefit has occurred and can be reliably measured.

The analysis of budgeted financial statements provides an overview of the key elements of Tourism Australia’s financial statements, including variations in major aggregates from actual of 2014-15 to budget estimate of 2015-16.

# Portfolio glossary

|  |  |
| --- | --- |
| Term | Meaning |
| Accrual accounting | System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid. |
| Accumulated depreciation | The aggregate depreciation recorded for a particular depreciating asset. |
| Additional Estimates | Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts. |
| Administered | Revenues, expenses, assets or liabilities managed by entities on behalf of the Commonwealth. Entities do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs. |
| Annual appropriation | Two appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations. |
| Appropriation | An authorisation by Parliament to spend monies from the Consolidated Revenue Fund for a particular purpose. |
| Capital expenditure | Expenditure by an entity on capital projects, for example purchasing a building. |
| Consolidated Revenue Fund | Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF). |
| Departmental | Revenue, expenses, assets and liabilities that are controlled by the entity in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by entities in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred. |
| Depreciation | Apportionment of an asset’s capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time. |
| Effectiveness indicators | Measure the joint or independent contribution of programmes to the achievement of their specified outcome. |
| Efficiency indicators | Measure the adequacy of an entity’s management of its programmes. Includes price, quality and quantity indicators. The interrelationship between the three efficiency indicators of any one programme should be considered when judging efficiency. |
| Equity or net assets | Residual interest in the assets of an entity after deduction of its liabilities. |
| Expense | Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity. |
| Fair value | Valuation methodology: the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm’s length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder. |
| Operating result | Equals revenue less expense. |
| Outcomes | The Government’s objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end results or impacts actually achieved. |
| Price | One of the three key efficiency indicators. The amount the government or the community pays for the delivery of programmes. |
| Programme | Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement. |
| Quality | One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between the user’s expectations and experiences. |
| Quantity | One of the three key efficiency indicators. Examples include: the size of a programme; count or volume measures; how many or how much. |
| Revenue | Total value of resources earned or received to cover the production of goods and services. |
| Special Account | Special Accounts allow money in the Consolidated Revenue Fund (CRF) to be acknowledged as set‑aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (section 78 of the *Public Governance, Performance and Accountability (PGPA)* *Act 2013*) or through an Act of Parliament (section 80 of the *PGPA Act 2013*). |
| Special Appropriations (including Standing Appropriations) | An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For Special Appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year. Standing Appropriations are a sub‑category consisting of ongoing Special Appropriations - the amount appropriated will depend on circumstances specified in the legislation. |

1. *OECD, Education at a Glance 2013,* and *Institute of International Education, Project Atlas Workshop, 2014.* [↑](#footnote-ref-1)
2. 1 Business events marketing will be undertaken in these markets, New Zealand will have a business events focus. [↑](#footnote-ref-2)