

BUDGET

2015-16

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

A handwritten signature in blue ink, reading 'Julie Bishop'.

The Hon Julie Bishop MP
Minister for Foreign Affairs

A handwritten signature in blue ink, reading 'Andrew Robb'.

The Hon Andrew Robb AO MP
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nfp	not for publication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

Portfolio overview

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.

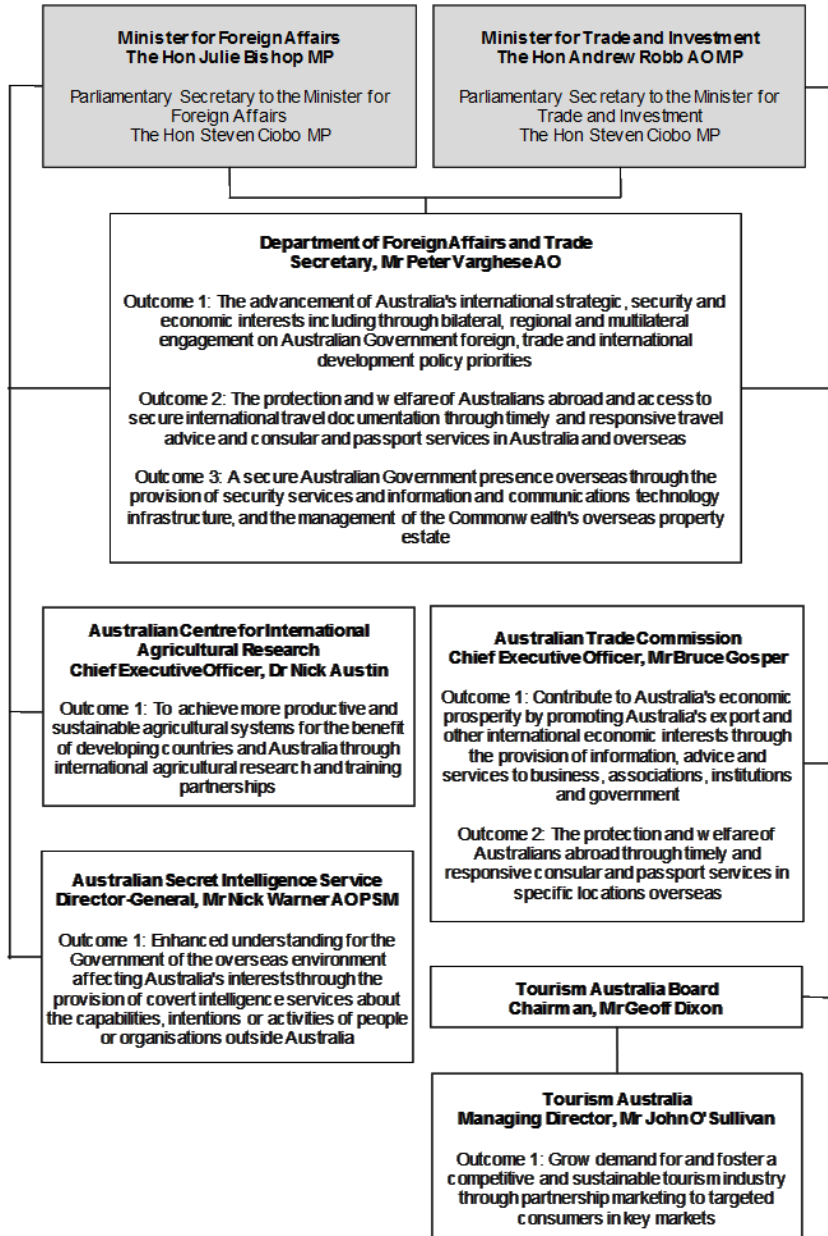
DFAT will continue to strengthen bilateral tourism relationships with major source countries and increase participation in key multilateral tourism forums.

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

	Appropriation Bill No. 1 (\$m)	Appropriation Bill No. 2 (\$m)	Special appropriation (\$m)	Receipts (\$m)	Total (\$m)
Department of Foreign Affairs and Trade					
Administered appropriations	3,579.9	13.5	1.0	-	3,594.4
Departmental appropriations	1,400.0	205.2	-	81.6	1,686.8
Total:					5,281.3
Australian Trade Commission					
Administered appropriations	145.3	-	-	-	145.3
Departmental appropriations	221.2	2.7	-	20.0	243.9
Total:					389.2
Australian Centre for International Agricultural Research					
Administered appropriations	90.0	-	-	-	90.0
Departmental appropriations	9.9	0.2	-	1.9	12.0
Total:					102.0
Australian Secret Intelligence Service					
Administered appropriations	-	-	-	-	-
Departmental appropriations	256.9	11.0	-	54.5	322.4
Total:					322.4
Tourism Australia					
Administered appropriations	-	-	-	-	-
Departmental appropriations	137.3	-	-	-	137.3
Total:					137.3
Portfolio total	5,576.0	222.0	1.0	104.0	6,232.2
Resources available within portfolio:					6,232.2

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

DFAT Budget Statements

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 *Australia'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.

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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.

DFAT Budget Statements

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

	<i>Actual Available Appropriation 2014-15</i>	Estimate of prior year amounts available in 2015-16	Proposed at 2015-16 Budget	Total 2015-16 estimate
	\$'000	\$'000	\$'000	\$'000
Ordinary annual services (a)				
Departmental appropriation				
Prior year appropriations (b)	433,050	369,384	-	369,384
Departmental appropriation (c)	1,377,316	-	1,399,990	1,399,990
s74 Retained revenue receipts (d)	81,599	-	81,599	81,599
Total	1,891,965	369,384	1,481,589	1,850,973
Administered expenses				
Outcome 1 (e)	4,530,015	392,637	3,579,158	3,971,795
Outcome 2	750	-	750	750
Payments to corporate entities (f)	138,865	-	137,290	137,290
Total	4,669,630	392,637	3,717,198	4,109,835
Total ordinary annual services [A]	6,561,595	762,021	5,198,787	5,960,808
Departmental non-operating				
Prior year appropriations (b)	84,497	170,997	-	170,997
Equity injections (g)	120,920	-	205,241	205,241
Total	205,417	170,997	205,241	376,238
Administered non-operating				
Prior year appropriations (b)	2,530,391	2,207,765	-	2,207,765
Administered assets and liabilities	212,698	-	13,527	13,527
Total	2,743,089	2,207,765	13,527	2,221,292
Total other services [B]	2,948,506	2,378,762	218,768	2,597,530
Total available annual appropriations [A+B]	9,510,101	3,140,783	5,417,555	8,558,338

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)

	<i>Actual Available Appropriation 2014-15</i>	<i>Estimate of prior year amounts available in 2015-16</i>	<i>Proposed at 2015-16 Budget</i>	<i>Total 2015-16 estimate</i>
	\$'000	\$'000	\$'000	\$'000
Special appropriations				
Special appropriations limited by criteria/entitlement				
Public Governance, Performance and Accountability Act 2013 - s77 (h) Passport Refunds	1,010	-	1,010	1,010
Total special appropriations [C]	1,010	-	1,010	1,010
Total appropriations excluding special accounts	9,511,111	3,140,783	5,418,565	8,559,348
Special accounts				
Opening balance (i)	281,327	153,078	949	154,027
Appropriation receipts (j)	61,728	-	65,765	65,765
Appropriation receipts - other entities (k)	23,780	-	24,271	24,271
Non-appropriation receipts to Special Accounts	6,456	-	5,540	5,540
Total special accounts [D]	373,291	153,078	96,525	249,603
Total resourcing [A+B+C+D]	9,884,402	3,293,861	5,515,090	8,808,951
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or payments to corporate entities through annual appropriations	(61,728)	-	(65,765)	(65,765)
	(138,865)	-	(137,290)	(137,290)
Total net resourcing for DFAT	9,683,809	3,293,861	5,312,035	8,605,896

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

(b) Estimated adjusted balance carried forward from previous year.

(c) 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'.

(d) Estimated retained revenue receipts under section 74 of the PGPA Act.

(e) 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'.

(f) 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act 2013.

(g) *Appropriation Bill (No. 2) 2015-16.*

(h) 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*.

(i) 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.

(j) Appropriation receipts from DFAT's annual and special appropriations for 2015-16 included above.

(k) 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

	2014-15 \$'000	2015-16 \$'000
Receipts received from other entities for the provision of services (disclosed above in s74 Retained revenue receipts section above)	81,599	81,599
Payments made to corporate entities within the Portfolio Tourism Australia Appropriation	138,865	137,290

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)

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Revenue measures						
Passport Fees and Charges - reforms	2.2					
Administered		-	1,716	4,959	5,025	5,430
Total		-	1,716	4,959	5,025	5,430
Total revenue measures						
Administered		-	1,716	4,959	5,025	5,430
Departmental		-	-	-	-	-
Total		-	1,716	4,959	5,025	5,430
Expense measures						
Expanding Australia's Diplomatic Footprint (a)	1.1, 2.1, 3.1					
Departmental expenses		-	10,705	16,329	17,771	16,938
Total		-	10,705	16,329	17,771	16,938
Australian embassy in Baghdad - continuation	1.1, 2.1, 3.1					
Departmental expenses		-	46,431	48,342	-	-
Total		-	46,431	48,342	-	-
Australia's diplomatic engagement in Afghanistan - continuation	1.1, 2.1, 3.1					
Departmental expenses		-	64,134	68,005	-	-
Total		-	64,134	68,005	-	-
Passport Fees and Charges - reforms	2.2					
Departmental expenses		-	-	-	10	42
Total		-	-	-	10	42
Free Trade Agreement Promotion	1.1					
Departmental expenses		-	1,239	1,419	-	-
Total		-	1,239	1,419	-	-

Table continued on the following page.

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

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Digital Transformation Agenda - portfolio contributions	1.1					
Departmental expenses		-	(581)	(581)	(581)	(582)
Total		-	(581)	(581)	(581)	(582)
Cadbury - redirection of grant funding	1.8					
Administered expenses		(4,000)	(8,000)	(4,000)	-	-
Total		(4,000)	(8,000)	(4,000)	-	-
Total expense measures						
Administered		(4,000)	(8,000)	(4,000)	-	-
Departmental		-	121,928	133,514	17,200	16,398
Total		(4,000)	113,928	129,514	17,200	16,398
Capital measures						
Expanding Australia's Diplomatic Footprint	3.1, 3.2					
Departmental capital		-	20,681	15,498	203	202
Total		-	20,681	15,498	203	202
Australian embassy in Baghdad - continuation	3.1					
Departmental capital		-	10,979	205	-	-
Total		-	10,979	205	-	-
Australia's diplomatic engagement in Afghanistan - continuation	3.1					
Departmental capital		-	5,011	1,286	-	-
Total		-	5,011	1,286	-	-
Washington Chancery - construction	3.2					
Capital expenses from the Overseas Property Special Account		-	696	9,425	30,789	36,214
Total		-	696	9,425	30,789	36,214

Table continued on the following page.

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

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Bangkok and Jakarta Chanceries - divestment	3.2					
Overseas Property Special Account		-	nfp	nfp	nfp	nfp
Total		-	nfp	nfp	nfp	nfp
Total capital measures						
Departmental		-	36,671	16,989	203	202
Overseas Property Special Account		-	696	9,425	30,789	36,214
Total		-	37,367	26,414	30,992	36,416

(a) 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;

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- 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

Programme No.	Programme title	Description of change
1.1	Foreign Affairs and Trade Operations	Includes Programme 1.4: International Climate Change Engagement Programme published in 2014-15 PBS
1.2	Official Development Assistance	New programme (Programme 1.2: ODA) created effective from 01 July 2015 which combines Programmes 1.9 to 1.14 as listed below
1.3	Official Development Assistance - Multilateral Replenishments	2014-15 PBS programme reference amended from 1.11
1.4	Official Development Assistance - East Asia AIPRD	2014-15 PBS programme reference amended from 1.8
1.5	Payments to International Organisations	2014-15 PBS programme reference amended from 1.2
1.6	New Colombo Plan - Transforming Regional Relationships	2014-15 PBS programme reference amended from 1.5
1.7	Public Information Services and Public Diplomacy	2014-15 PBS programme reference amended from 1.3
1.8	Programmes to Promote Australia's International Tourism Interests	2014-15 PBS programme reference amended from 1.14
1.9	Official Development Assistance - PNG & Pacific	New programme (Programme 1.2: ODA) has been created effective 01 July 2015 which combines the forward estimates of this programme. 2014-15 PBS programme reference is 1.6
1.10	Official Development Assistance - East Asia	New programme (Programme 1.2: ODA) has been created effective 01 July 2015 which combines the forward estimates of this programme. 2014-15 PBS programme reference is 1.7
1.11	Official Development Assistance - Africa, South and Central Asia, Middle East and Other	New programme (Programme 1.2: ODA) has been created effective 01 July 2015 which combines the forward estimates of this programme. 2014-15 PBS programme reference is 1.9
1.12	Official Development Assistance - Emergency, Humanitarian and Refugee Programme	New programme (Programme 1.2: ODA) has been created effective 01 July 2015 which combines the forward estimates of this programme. 2014-15 PBS programme reference is 1.10
1.13	Official Development Assistance - UN Commonwealth and Other International Organisations	New programme (Programme 1.2: ODA) has been created effective 01 July 2015 which combines the forward estimates of this programme. 2014-15 PBS programme reference is 1.12
1.14	Official Development Assistance - NGO, Volunteer and Community Programmes	New programme (Programme 1.2: ODA) has been created effective 01 July 2015 which combines the forward estimates of this programme. 2014-15 PBS programme reference is 1.13

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

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 policy priorities	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.1: Foreign Affairs and Trade Operations		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	9,194	8,539
Other services (Appropriation Bill No. 2) (a)	212,033	13,452
Special accounts (b)	257,000	257,000
Departmental expenses		
Departmental appropriation (c)	616,464	665,161
Expenses not requiring appropriation in the Budget year (d)	38,857	38,855
Total for programme 1.1	1,133,548	983,007
Programme 1.2: Official Development Assistance		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	3,105,723
Expenses not requiring appropriation in the Budget year	-	1,507
Other services (Appropriation Bill No. 2)	-	-
Departmental expenses		
Departmental appropriation (c)	231,898	230,823
Expenses not requiring appropriation in the Budget year (d)	17,168	16,612
Total for programme 1.2	249,066	3,354,665
Programme 1.3: Official Development Assistance - Multilateral Replenishments		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	106,868	-
Other services (Appropriation Bill No. 2)	-	-
Expenses not requiring appropriation in the Budget year (e)	-	-
Total for Programme 1.3	106,868	-
Programme 1.4: Official Development Assistance - East Asia AIPRD		
Administered expenses		
AIPRD Loans Special Account (b)	19,282	-
AIPRD Loans Special Account 2015 (b)	18,775	-
Total for Programme 1.4	38,057	-
Programme 1.5: Payments to International Organisations		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	328,421	415,804
Total for Programme 1.5	328,421	415,804

Table continued on the following page.

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

Outcome 1:	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.6: New Colombo Plan - Transforming Regional Relationships		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	10,958	27,742
Other services (Appropriation Bill No. 2)	665	75
Total for Programme 1.6	11,623	27,817
Programme 1.7: Public Information Services and Public Diplomacy		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	15,182	5,044
Total for Programme 1.7	15,182	5,044
Programme 1.8: Programmes to Promote Australia's International Tourism Interests		
Administered expenses		
Tourism Australia - Corporate Commonwealth Entity	138,865	137,290
Ordinary annual services (Appropriation Bill No. 1)	22,590	14,000
Total for Programme 1.8	161,455	151,290
Programme 1.9: Official Development Assistance - PNG & Pacific (f)		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	918,607	-
Total for Programme 1.9	918,607	-
Programme 1.10: Official Development Assistance - East Asia (f)		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,053,144	-
Total for Programme 1.10	1,053,144	-
Programme 1.11: Official Development Assistance - Africa, South and Central Asia, Middle East and Other (f)		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,011,039	-
Expenses not requiring appropriation in the Budget year	1,507	-
Total for Programme 1.11	1,012,546	-
Programme 1.12: Official Development Assistance - Emergency, Humanitarian and Refugee Programme (f)		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	292,886	-
Total for Programme 1.12	292,886	-
Programme 1.13: Official Development Assistance - UN Commonwealth and Other International Organisations (f)		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	552,600	-
Total for Programme 1.13	552,600	-

Table continued on the following page.

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

Outcome 1:	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.14: Official Development Assistance - NGO, Volunteer and Community Programmes (f)		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	203,972	-
Total for Programme 1.14	203,972	-
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	4,525,461	3,576,852
Corporate Commonwealth Entity	138,865	137,290
Other services (Appropriation Bill No. 2)	212,698	13,527
Special Accounts	295,057	257,000
Expenses not requiring appropriation in the Budget year	1,507	1,507
Departmental expenses		
Departmental appropriation (a)	848,362	895,984
Expenses not requiring appropriation in the Budget year (c)	56,025	55,467
Total expenses for Outcome 1	6,077,975	4,937,627
	2014-15	2015-16
Average staffing level (number)	3,762	3,772

(a) 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.

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

(c) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

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

(e) 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.

(f) 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.

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Programme expenses					
	2014-15	2015-16	2016-17	2017-18	2018-19
	Estimated	Budget	Forward	Forward	Forward
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Annual administered expenses:					
Foreign Affairs and Trade Operations					
Export Finance and Insurance Corporation (EFIC) - National Interest Account Expenses	3,116	2,076	1,300	1,300	1,300
International Climate Change Engagement (a)	3,000	3,000	3,000	3,000	3,000
Personal Benefits - Locally Engaged Staff pension schemes	2,512	2,872	2,801	2,903	2,908
Other Administered Items	566	591	618	647	647
Other services (Appropriation Bill No. 2)					
Capital Injection for EFIC	200,000	-	-	-	-
Special Account Expenses					
Administered Payments and Receipts for Other Entities	250,000	250,000	250,000	250,000	250,000
Services for Other Entities and Trust Moneys - Foreign Affairs and Trade Expositions	7,000	7,000	7,000	7,000	7,000
	-	-	-	-	-
Annual departmental expenses:					
Foreign Affairs and Trade Operations	616,464	665,161	663,923	606,134	606,508
Expenses not requiring appropriation in the Budget year (b)					
Debt-to-Health Swap with Government of Indonesia	38,857	38,855	38,844	38,851	40,732
	12,033	13,452	15,027	-	-
Total programme expenses	1,133,548	983,007	982,513	909,835	912,095

(a) Includes previous Programme 1.4: International Climate Change Engagement Programme published in Portfolio Additional Estimates Statements 2014-15.

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

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.

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.

Programme 1.2: Official Development Assistance

Programme Objective

- To promote Australia’s national interests by contributing to sustainable economic growth and poverty reduction.

Programme expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Official Development Assistance	-	3,105,723	2,935,547	3,308,173	3,360,130
Expenses not requiring appropriation in the Budget year (a)	-	1,507	1,489	1,489	2,440
Annual departmental expenses:					
Official Development Assistance	231,898	230,823	245,466	254,532	263,523
Expenses not requiring appropriation in the Budget year (a)	17,168	16,612	16,612	16,612	9,914
Total programme expenses	249,066	3,354,665	3,199,114	3,580,806	3,636,007

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

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.

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.

Programme 1.3: Official Development Assistance – Multilateral Replenishments

Programme objective

- To assist developing countries by contributing to sustainable economic growth and poverty reduction through contributions to multilateral organisations.

Programme expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Administered item					
Administered item (Appropriation Bill No. 1)	106,868	-	377,274	12,622	105,000
Administered item (Appropriation Bill No. 2)	-	-	1,103,505	-	-
Expenses not requiring appropriation in the Budget year (a)	-	-	953,505	-	-
Total programme expenses	106,868	-	2,434,284	12,622	105,000

(a) 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.

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.

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.

Programme 1.4: Official Development Assistance – East Asia AIPRD
Programme Objective and Deliverables

- To continue to assist Indonesia in reconstruction and development in the aftermath of the 2004 Indian Ocean Tsunami.

Programme expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Special Account Expenses					
AIPRD Loans Special Account (a)	19,282	-	-	-	-
AIPRD Loans Special Account 2015 (a)	18,775	-	-	-	-
Total programme expenses	38,057	-	-	-	-

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

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.

Programme 1.5: Payments to International Organisations

Programme objective

- To advance Australia’s foreign, trade and investment, development and international security interests through participation in international organisations.

Programme expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Administered item					
Payments to International Organisations	328,421	415,804	436,595	460,595	484,251
Total programme expenses	328,421	415,804	436,595	460,595	484,251

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.

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.

Programme 1.6: New Colombo Plan – Transforming Regional Relationships

Programme objective

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

Programme expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Administered item					
New Colombo Plan - Transforming Regional Relationships	10,958	27,742	27,790	50,933	50,933
Administered item (Appropriation Bill No. 2)	665	75	425	150	-
Total programme expenses	11,623	27,817	28,215	51,083	50,933

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.

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.

Programme 1.7: Public Information Services and Public Diplomacy

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.

Programme expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
International Relations Grants Programme	4,594	4,594	4,594	4,594	4,594
Australia Netw ork	10,588	-	-	-	-
Bali Peace Park	-	450	-	-	-
Total programme expenses	15,182	5,044	4,594	4,594	4,594

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.

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.

Programme 1.8: Programmes to Promote Australia's International Tourism Interests

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.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Tourism Industry Regional Development Fund	3,896	-	-	-	-
Tasmanian Regional Tourism Package	120	-	-	-	-
T-Qual Grants (a)	4,474	-	-	-	-
Transfer of T-Qual Accreditation to Industry(b)	600	-	-	-	-
Tourism Australia -Asia Marketing Fund	13,500	14,000	14,000	14,000	14,000
Tourism Australia - Corporate Commonwealth Entity	138,865	137,290	136,760	138,438	140,059
Total programme expenses	161,455	151,290	150,760	152,438	154,059

(a) The balance of this program has been transferred to Austrade. Refer to Austrade Table 3.1.1.

(b) 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.

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

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Outcome 2: The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas		
Programme 2.1: Consular Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	200	200
Special accounts (a)	100	100
Departmental expenses (b)		
Consular Services	83,651	101,680
Expenses not requiring appropriation in the Budget year (c)	5,626	5,627
Total for programme 2.1	89,577	107,607
Programme 2.2: Passport Services		
Administered expenses		
Special appropriations	1,010	1,010
Departmental expenses (b)		
Passport Services	236,986	238,411
Expenses not requiring appropriation in the Budget year (c)	15,672	15,674
Total for programme 2.2	253,668	255,095
Outcome 2 Totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	200	200
Special appropriations	1,010	1,010
Special accounts	100	100
Departmental expenses		
Departmental appropriation (b)	320,637	340,091
Expenses not requiring appropriation in the Budget year (c)	21,298	21,301
Total expenses for Outcome 2	343,245	362,702
	2014-15	2015-16
Average staffing level (number)	1,088	1,088

(a) This reflects actual cash disbursements from the property account.

(b) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

(c) 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

Programme 2.1: Consular Services

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.

Programme expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Administered item					
Consular Emergency Services (a)	200	200	200	200	200
Special account expenses:					
Consular Services Special Account	100	100	100	100	100
Annual departmental expenses:					
Consular Services	83,651	101,680	101,664	92,850	92,930
Expenses not requiring appropriation in the Budget year (b)	5,626	5,627	5,627	5,627	5,900
Total programme expenses	89,577	107,607	107,591	98,777	99,130

(a) 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.

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

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.

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.

Programme 2.2: Passport Services

Programme objective

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

Programme expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Special appropriations:					
<i>PGPA Act s77</i> - Passport Refunds	1,010	1,010	1,010	1,010	1,010
Annual departmental expenses:					
Passport Services	236,986	238,411	238,590	238,898	238,673
Expenses not requiring appropriation in the Budget year (a)	15,672	15,674	15,674	15,674	16,436
Total programme expenses	253,668	255,095	255,274	255,582	256,119

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

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.

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.

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

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Outcome 3: A secure Australian presence overseas through the provision of security services and information and communication technology infrastructure, and the management of the Commonwealth's overseas owned estate		
Programme 3.1: Foreign Affairs and Trade Security and IT		
Departmental expenses		
Foreign Affairs and Trade Security and IT (a)	198,526	193,343
Expenses not requiring appropriation in the Budget year (b)	10,023	10,026
Total for programme 3.1	208,549	203,369
Programme 3.2: Overseas Property		
Departmental expenses		
Special Accounts (c)	219,264	158,785
Expenses not requiring appropriation in the Budget year (b)	28,503	31,472
Total for programme 3.2	247,767	190,257
Outcome 3 Totals by appropriation type		
Departmental expenses		
Departmental appropriation (a)	198,526	193,343
Special accounts	219,264	158,785
Expenses not requiring appropriation in the Budget year (b)	38,526	41,498
Total expenses for Outcome 3	456,316	393,626
	2014-15	2015-16
Average staffing level (number)	872	874

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

Programme 3.1: Foreign Affairs and Trade Security and IT

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.

Programme expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual departmental expenses:					
Foreign Affairs and Trade Security and IT	198,526	193,343	196,705	146,362	146,634
Expenses not requiring appropriation in the Budget year (a)	10,023	10,026	10,026	10,026	10,512
Total programme expenses	208,549	203,369	206,731	156,388	157,146

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

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.

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.

Programme 3.2: Overseas Property

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.

Programme expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual departmental expenses:					
Overseas Property Special Account (a)	219,264	158,785	141,362	162,073	131,541
Expenses not requiring appropriation in the Budget year (b)	28,503	31,472	33,934	38,685	43,415
Total programme expenses	247,767	190,257	175,296	200,758	174,956

(a) This reflects actual cash disbursements from the property account.

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

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.

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

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1, Programme 1.7: Public Information Services and Public Diplomacy					
Public Information Services and Public Diplomacy- Bali Peace Park (a)	(450)	450	-	-	-
Total movement of administered funds	(450)	450	-	-	-

(a) 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 Act or 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

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
Administered Payments and Receipts for Other Entities Special Account - s20 FMA Act Det 2000/13 (A) - 2015-16	1	5,000	250,000	(250,000)	-	5,000
<i>Administered Payments and Receipts for Other Entities Special Account - s20 FMA Act Det 2000/13 (A) - 2015-16</i>	1	5,000	250,000	(250,000)	-	5,000
Consular Services Special Account - s20 FMA Act Det 2005/38 (A) - 2015-16	2	34	100	(100)	-	34
<i>Consular Services Special Account - s20 FMA Act Det 2005/38 (A) - 2014-15</i>	2	34	100	(100)	-	34
Expositions Special Accounts - s20 FMA Act Det 2007/14 (A) 2015-16 (A) - 2015-16	1	994	-	-	-	994
<i>Expositions Special Accounts - s20 FMA Act Det 2007/14 (A) - 2014-15</i>	1	994	-	-	-	994
<i>Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account - s20 FMA Act Det 2005/03 (A) - 2014-15 (a)</i>	1	38,057	-	(19,282)	(18,775)	-
Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account - s78 PGPA Act Determination 2015/01 (A) - 2015-16	1	-	-	-	-	-
<i>Australia-Indonesia Partnership for Reconstruction and Development (Loans) Special Account - s78 PGPA Act Determination 2015/01 (A) - 2014-15</i>	1	-	18,775	(18,775)	-	-

Table continued on the following page.

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

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
Services for Other Entities and Trust Monies - s20 FMA Act Det 2009/25 (A) - 2015-16	1	6,977	7,000	(7,000)		6,977
<i>Services for Other Entities and Trust Monies - s20 FMA Act Det 2009/25 (A) - 2014-15</i>	1	6,977	7,000	(7,000)		6,977
Overseas Property Special Account - DFAT - s20 FMA Act Det 2002/01 (D) - 2015-16	3	154,027	95,576	(158,785)		90,818
<i>Overseas Property Special Account - DFAT - s20 FMA Act Det 2002/01 (D) - 2014-15</i>	3	281,327	91,964	(219,264)		154,027
Total Special Accounts						
2015-16 Budget estimate		167,032	352,676	(415,885)		103,823
<i>Total Special Accounts 2014-15 estimated actual</i>		332,389	367,839	(514,421)	(18,775)	167,032

(A) = Administered

(D) = Departmental

(a) 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)**

Outcome	Approp Bill No. 1 \$'000 (A)	Approp Bill No. 2 \$'000 (B)	Special approp \$'000 (C)	Total approp \$'000 (D)	Other \$'000 (E)	Total \$'000 (F)= (D)+(E)	Programme (G)
Department of Foreign Affairs and Trade							
Outcome 1							
Departmental 2015-16	1,000	-	-	1,000	-	1,000	1.1
<i>Departmental 2014-15</i>	995	-	-	995	-	995	1.1
Total outcome 1 2015-16	1,000	-	-	1,000	-	1,000	
<i>Total outcome 1 2014-15</i>	995	-	-	995	-	995	
Total Departmental 2015-16	1,000	-	-	1,000	-	1,000	
<i>Total Departmental 2014-15</i>	995	-	-	995	-	995	
Total AGIE 2015-16	1,000	-	-	1,000	-	1,000	
<i>Total AGIE 2014-15</i>	995	-	-	995	-	995	

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
EXPENSES					
Employee benefits	714,888	730,089	735,281	719,059	721,884
Suppliers	635,433	682,736	688,710	601,945	606,691
Grants	5,000	5,000	4,930	4,930	4,930
Depreciation and amortisation	115,169	117,579	120,023	124,774	126,201
Other expenses	103	103	102	102	102
Total expenses	1,470,593	1,535,507	1,549,046	1,450,810	1,459,808
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	73,299	73,299	73,299	73,299	73,299
Rental income	27,980	28,240	32,803	34,213	35,270
Other	8,300	8,300	8,300	8,300	8,300
Total own-source revenue	109,579	109,839	114,402	115,812	116,869
Gains					
Other	680	687	694	701	708
Gain on sale of asset	-	-	21,345	102,698	-
Total gains	680	687	22,039	103,399	708
Total own-source income	110,259	110,526	136,441	219,211	117,577
Net cost of/(contribution by) services	1,360,334	1,424,981	1,412,605	1,231,599	1,342,231
Revenue from Government	1,285,926	1,347,819	1,364,749	1,257,177	1,266,669
Deficit attributable to the Australian Government	(74,408)	(77,162)	(47,856)	25,578	(75,562)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive loss	(74,408)	(77,162)	(47,856)	25,578	(75,562)
Total comprehensive loss attributable to the Australian Government	(74,408)	(77,162)	(47,856)	25,578	(75,562)

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)

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income excluding depreciation/amortisation expenses previously funded through revenue appropriations	40,761	40,417	72,167	150,352	50,639
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	115,169	117,579	120,023	124,774	126,201
Total comprehensive loss - as per the statement of comprehensive income	(74,408)	(77,162)	(47,856)	25,578	(75,562)

(a) 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)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	73,716	73,716	73,716	73,716	73,716
Trade and other receivables	933,817	834,902	844,694	883,009	880,521
Total financial assets	1,007,533	908,618	918,410	956,725	954,237
Non-financial assets					
Land and buildings	2,424,884	2,548,563	2,616,129	2,655,436	2,764,476
Property, plant and equipment	221,068	424,853	456,183	495,815	521,175
Intangibles	78,481	81,868	78,792	83,972	84,208
Inventories	35,326	28,326	28,326	28,326	28,326
Other non-financial assets	91,227	91,608	91,991	94,376	94,763
Total non-financial assets	2,850,986	3,175,218	3,271,421	3,357,925	3,492,948
Assets held for sale					
Total assets	3,858,519	4,083,836	4,189,831	4,314,650	4,447,185
LIABILITIES					
Payables					
Suppliers	107,306	115,943	118,583	79,226	79,872
Other payables	36,193	36,193	36,193	36,193	36,193
Total payables	143,499	152,136	154,776	115,419	116,065
Provisions					
Employee provisions	243,715	244,934	246,159	247,390	248,627
Other provisions	22,981	23,096	23,211	23,327	23,444
Total provisions	266,696	268,030	269,370	270,717	272,071
Total liabilities	410,195	420,166	424,146	386,136	388,136
Net assets	3,448,324	3,663,670	3,765,685	3,928,514	4,059,049
EQUITY*					
Parent entity interest					
Contributed equity	2,148,985	2,406,397	2,547,725	2,634,271	2,712,700
Reserves	777,915	813,011	821,554	872,259	999,927
Retained surplus	521,424	444,262	396,406	421,984	346,422
Total parent entity interest	3,448,324	3,663,670	3,765,685	3,928,514	4,059,049
Total Equity	3,448,324	3,663,670	3,765,685	3,928,514	4,059,049

* '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)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	521,424	777,915	2,148,985	3,448,324
Adjusted opening balance	521,424	777,915	2,148,985	3,448,324
Comprehensive income				
Other comprehensive income	-	35,096	-	35,096
Surplus/(deficit) for the period	(77,162)	-	-	(77,162)
Total comprehensive income	(77,162)	35,096	-	(42,066)
of which:				
Attributable to the Australian Government	(77,162)	35,096	-	(42,066)
Transactions with owners				
Distributions to owners				
Returns of capital:				
Cash transfer to the OPA	-	-	-	-
Contributions by owners				
Equity Injection - Appropriation	-	-	205,241	205,241
Departmental Capital Budget (DCB)	-	-	52,171	52,171
Sub-total transactions with owners	-	-	257,412	257,412
Estimated closing balance as at 30 June 2016	444,262	813,011	2,406,397	3,663,670
Closing balance attributable to the Australian Government	444,262	813,011	2,406,397	3,663,670

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	1,285,926	1,347,819	1,364,749	1,257,177	1,266,669
Sale of goods and rendering of services	109,579	109,839	114,402	115,812	116,869
Total cash received	1,395,505	1,457,658	1,479,151	1,372,989	1,383,538
Cash used					
Employees	714,888	728,870	734,056	717,828	720,647
Suppliers	674,856	723,685	743,869	689,563	657,859
Other	5,103	5,103	5,032	5,032	5,032
Total cash used	1,394,847	1,457,658	1,482,957	1,412,423	1,383,538
Net cash from/(used by) operating activities	658	-	(3,806)	(39,434)	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	21,345	102,698	-
Total cash received	-	-	21,345	102,698	-
Cash used					
Purchase of property, plant, equipment and intangibles	242,294	535,016	313,092	111,764	178,291
Total cash used	242,294	535,016	313,092	111,764	178,291
Net cash from/(used by) investing activities	(242,294)	(535,016)	(291,747)	(9,066)	(178,291)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	137,034	230,404	69,892	39,898	5,806
Other	105,260	304,612	243,200	71,866	172,485
Total cash received	242,294	535,016	313,092	111,764	178,291
Cash used					
Returns of equity	658	-	17,539	63,264	-
Total cash used	658	-	17,539	63,264	-
Net cash used by financing activities	241,636	535,016	295,553	48,500	178,291
Net increase in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	73,716	73,716	73,716	73,716	73,716
Cash and cash equivalents at the end of the reporting period	73,716	73,716	73,716	73,716	73,716

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	53,032	52,171	52,010	47,730	72,623
Equity injections - Bill 2	121,064	205,241	69,892	38,816	5,806
Total new capital appropriations	174,096	257,412	121,902	86,546	78,429
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	174,096	257,412	121,902	86,546	78,429
Total Items	174,096	257,412	121,902	86,546	78,429
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	137,034	230,404	69,892	39,898	5,806
Funded by capital appropriation - DCB (b)	53,032	52,171	52,010	47,730	72,623
Funded internally from departmental resources (c)	52,228	252,441	191,190	24,136	99,862
TOTAL	242,294	535,016	313,092	111,764	178,291
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	242,294	535,016	313,092	111,764	178,291
Total cash used to acquire assets	242,294	535,016	313,092	111,764	178,291

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

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

(c) 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)

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000			\$'000
As at 1 July 2015					
Gross book value	1,247,470	1,024,667	370,592	110,805	2,753,534
Accumulated depreciation/amortisation and impairment	-	(138,431)	(149,524)	(72,324)	(360,279)
Work in progress	-	291,178	-	40,000	331,178
Opening net book balance	1,247,470	1,177,414	221,068	78,481	2,724,433
Capital asset additions					
Estimated expenditure on new or					
By purchase - appropriation equity (a)	-	-	220,981	9,423	230,404
By purchase - appropriation ordinary annual services (b)	-	277,336	27,276	-	304,612
Total additions	-	277,336	248,257	9,423	535,016
Other movements					
Depreciation/amortisation expense	-	(67,071)	(44,472)	(6,036)	(117,579)
Other	9,749	25,347	-	-	35,096
Work in progress movements	-	(121,682)	-	-	(121,682)
Total other movements	9,749	(163,406)	(44,472)	(6,036)	(204,165)
As at 30 June 2016					
Gross book value	1,257,219	1,327,350	618,849	120,228	3,323,646
Accumulated depreciation/amortisation and impairment	-	(205,502)	(193,996)	(78,360)	(477,858)
Work in progress	-	169,496	-	40,000	209,496
Closing net book balance	1,257,219	1,291,344	424,853	81,868	3,055,284

(a) 'Appropriation equity' refers to equity injections appropriations provided through *Appropriation Bill (No. 2) 2015-16*.

(b) '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)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
EXPENSES					
Employee benefits	2,512	2,872	2,801	2,903	2,908
Suppliers	26,264	15,601	15,628	15,657	15,657
International Development Assistance	3,479,540	3,105,723	2,935,547	3,308,173	3,360,130
Other - International Development Assistance	659,576	-	128,510	12,622	105,000
IDA/ADF grants (a)	-	-	248,764	-	-
Finance costs	1,416	576	-	-	-
Concessional loan discount	14,991	-	-	-	-
Concessional investment discount	-	-	953,505	-	-
Grants and contributions	355,663	451,790	472,179	519,322	542,978
Depreciation and amortisation	1,507	1,507	1,489	1,489	2,440
Other expenses	13,733	14,952	16,327	1,300	1,300
Payments to Corporate entities	138,865	137,290	136,760	138,438	140,059
Total expenses administered on behalf of Government	4,694,067	3,730,311	4,911,510	3,999,904	4,170,472
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Sale of goods and rendering of services	416,346	455,127	489,322	498,020	508,447
Interest	9,637	1,109	96	96	96
Dividends	11,450	9,000	5,800	9,200	10,100
Other revenue	120	158	158	158	159
Returns of prior year administered expenses	38,355	52,414	57,845	58,066	86,722
Total non-taxation revenue	475,908	517,808	553,221	565,540	605,524
Gains					
Other gains	-	-	-	-	-
Total gains administered on behalf of Government	-	-	-	-	-
Total own-sourced income administered on behalf of Government	475,908	517,808	553,221	565,540	605,524
Net cost of/(contribution by) services	(4,218,159)	(3,212,503)	(4,358,289)	(3,434,364)	(3,564,948)
OTHER COMPREHENSIVE INCOME					
Total comprehensive income/(loss)	(4,218,159)	(3,212,503)	(4,358,289)	(3,434,364)	(3,564,948)

(a) 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)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	16,414	16,414	16,414	16,414	16,414
Trade and other receivables	16,033	16,709	16,709	16,709	16,709
Loans and receivables	124,984	125,151	125,701	126,251	126,801
Investments (IDA/ADF)(a)	1,544,835	1,544,835	1,694,835	1,694,835	1,694,835
Investment accounted for using the equity method	442,249	442,249	442,249	442,249	442,249
Appropriation receivable - other	2,212,723	1,984,820	3,102,979	2,750,258	2,596,545
Appropriation receivable - special accounts	13,005	13,005	13,005	13,005	13,005
Total financial assets	4,370,243	4,143,183	5,411,892	5,059,721	4,906,558
Non-financial assets					
Leasehold improvements	2,938	3,759	4,638	4,124	3,717
Infrastructure, plant and equipment	11	26	41	1,509	1,980
Intangibles	5,136	5,118	5,118	5,118	5,118
Other non-financial assets	2,089	2,089	2,089	2,089	2,089
Total non-financial assets	10,174	10,992	11,886	12,840	12,904
Total assets administered on behalf of Government	4,380,417	4,154,175	5,423,778	5,072,561	4,919,462
LIABILITIES					
Payables					
Suppliers	75,071	75,443	75,445	75,447	75,449
IDA/ADF grant component (a)	378,004	299,767	466,409	388,834	326,415
IDA/ADF concessional component (a)	1,280,336	1,022,377	1,850,047	1,590,742	1,385,998
Aid programme payable	372,872	392,467	489,342	473,345	586,788
Other payables	134,243	136,723	138,992	138,994	138,997
Total payables	2,240,526	1,926,777	3,020,235	2,667,362	2,513,647
Provisions					
Employee provisions	13,184	13,184	13,184	13,184	13,184
Other provisions	6,888	7,263	7,265	7,267	7,269
Total provisions	20,072	20,447	20,449	20,451	20,453
Total liabilities administered on behalf of Government	2,260,598	1,947,224	3,040,684	2,687,813	2,534,100
Net assets	2,119,819	2,206,951	2,383,094	2,384,748	2,385,362

(a) 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)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	416,346	455,127	489,322	498,020	508,447
Interest	9,637	1,109	96	96	96
Dividends	11,450	9,000	5,800	9,200	10,100
Return of prior year administered expenses	38,355	52,414	57,845	58,066	86,722
Other	120	158	158	158	159
Total cash received	475,908	517,808	553,221	565,540	605,524
Cash used					
Grants and contributions	908,372	451,790	472,179	519,322	542,978
Personal benefits	2,512	2,872	2,801	2,903	2,908
International Development Assistance	3,837,406	3,479,378	3,336,921	3,681,347	3,661,367
Suppliers	26,264	15,601	15,628	15,657	15,657
Borrowing costs	1,416	576	-	-	-
Payments to corporate entities	138,865	137,290	136,760	138,438	140,059
Cash to OPA	475,788	517,650	553,063	565,382	605,365
Total cash used	5,390,623	4,605,157	4,517,352	4,923,049	4,968,334
Net cash used by operating activities	(4,914,715)	(4,087,349)	(3,964,131)	(4,357,509)	(4,362,810)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	2,293	2,325	2,383	2,443	2,504
Purchase of concessional financial instruments	200,000	-	-	-	-
Total cash used	202,293	2,325	2,383	2,443	2,504
Net cash used by investing activities	(202,293)	(2,325)	(2,383)	(2,443)	(2,504)
Net increase/(decrease) in cash held					
in cash held	(5,117,008)	(4,089,674)	(3,966,514)	(4,359,952)	(4,365,314)
Cash and cash equivalents at beginning of reporting period	16,414	16,414	16,414	16,414	16,414
Cash from Official Public Account for:					
- Appropriations	4,574,619	3,740,723	3,595,887	4,033,177	4,110,648
- Special accounts					
- Capital Appropriations	540,096	346,626	368,244	324,332	252,162
- Administered Capital Budget	2,293	2,325	2,383	2,443	2,504
Total cash from Official Public Account	5,117,008	4,089,674	3,966,514	4,359,952	4,365,314
Cash and cash equivalents at end of reporting period	16,414	16,414	16,414	16,414	16,414

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (ACB)	2,293	2,325	2,383	2,443	2,504
Administered Assets and Liabilities - Bill 2	212,698	13,527	1,118,957	150	-
Total new capital appropriations	214,991	15,852	1,121,340	2,593	2,504
<i>Provided for:</i>					
Purchase of non-financial assets	2,293	2,325	2,383	2,443	2,504
Other Items	212,698	13,527	1,118,957	150	-
Total items	214,991	15,852	1,121,340	2,593	2,504
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - ACB (a)	2,293	2,325	2,383	2,443	2,504
TOTAL	2,293	2,325	2,383	2,443	2,504
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total accrual purchases	2,293	2,325	2,383	2,443	2,504
Total cash used to acquire assets	2,293	2,325	2,383	2,443	2,504

(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)

	Buildings	Other property, plant and equipment	Other	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	8,087	1,629	11,693	21,409
Accumulated depreciation/amortisation and impairment	(5,149)	(1,618)	(6,557)	(13,324)
Opening net book balance	2,938	11	5,136	8,085
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	1,830	495	-	2,325
Total additions	1,830	495	-	2,325
Other movements				
Depreciation/amortisation expense	(1,009)	(480)	(18)	(1,507)
Total other movements	(1,009)	(480)	(18)	(1,507)
As at 30 June 2016				
Gross book value	9,917	2,124	11,693	23,734
Accumulated depreciation/amortisation and impairment	(6,158)	(2,098)	(6,575)	(14,831)
Closing net book balance	3,759	26	5,118	8,903

(a) '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 Budget Statements

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

	<i>Actual Available Appropriation 2014-15</i>	Estimate of prior year amounts available in 2015-16	Proposed at 2015-16 Budget	Total 2015-16 estimate
	\$'000	\$'000	\$'000	\$'000
Ordinary annual services (a)				
Departmental appropriation				
Prior year departmental appropriation (b)	37,801	42,914	-	42,914
Departmental appropriation (c)	197,528	-	221,215	221,215
s74 retained revenue receipts (d)	21,024	-	20,000	20,000
Total	256,353	42,914	241,215	284,129
Administered expenses				
Outcome 1 (e)	139,400	-	145,277	145,277
Total	139,400	-	145,277	145,277
Total ordinary annual services	A 395,753	42,914	386,492	429,406
Other services (f)				
Departmental non-operating				
Equity injections	505	-	2,718	2,718
Total	505	-	2,718	2,718
Total other services	B 505	-	2,718	2,718
Total available annual appropriations	396,258	42,914	389,210	432,124
Total appropriations excluding Special Accounts	396,258	42,914	389,210	432,124
Total resourcing (A+B)	396,258	42,914	389,210	432,124
Total net resourcing for Austrade	396,258	42,914	389,210	432,124

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

(b) Estimated adjusted balance carried forward from previous year.

(c) 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'.

(d) Estimated retained revenue receipts under section 74 of the PGPA Act.

(e) Appropriation relating to Tourism grants programs for 2014-15 is reflected in the Department of Foreign Affairs and Trade resource statement.

(f) *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)

		2014-15	2015-16	2016-17	2017-18	2018-19
	Programme	\$'000	\$'000	\$'000	\$'000	\$'000
Expense measures						
Free Trade Agreement						
Promotion						
	Administered expenses	1.2	-	1,372	773	-
	Departmental expenses	1.1	-	12,025	7,426	-
	Total		-	13,397	8,199	-
Strengthening Australia's ability to attract foreign investment						
	Departmental expenses	1.1	-	5,873	8,209	8,057
	Total		-	5,873	8,209	8,057
Developing Northern Australia - positioning the north as a leader in tropical health						
	Administered expenses	1.2	-	1,025	1,841	2,258
	Departmental expenses	1.1	-	352	344	417
	Total		-	1,377	2,185	2,675
Match Australia - continuation and expansion (a)						
	Administered expenses	1.2	-	(900)	(1,300)	(1,500)
	Departmental expenses	1.1	-	1,100	1,300	1,300
	Total		-	200	-	(200)
Australia Week Events						
	Departmental expenses	1.1	-	800	2,792	2,814
	Total		-	800	2,792	2,814
Total expense measures						
	Administered		-	1,497	1,314	758
	Departmental		-	20,150	20,071	12,588
	Total		-	21,647	21,385	13,346

(a) 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.

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 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.

¹ OECD, *Education at a Glance 2013*, and Institute of International Education, *Project Atlas Workshop*, 2014.

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

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.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Program 1.1: Promotion of Australia's export and other international economic interests		
Departmental expenses		
Departmental appropriation (a)	186,590	213,904
Special Account	1,077	1,163
Expenses not requiring appropriation in the Budget year (b)	17,500	17,500
Total for Program 1.1	205,167	232,567
Program 1.2: Programmes to promote Australia's exports and other international economic interests		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	139,400	145,277
Total for Program 1.2	139,400	145,277
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	139,400	145,277
Departmental expenses		
Departmental appropriation (a)	186,590	213,904
Special Account	1,077	1,163
Expenses not requiring appropriation in the Budget year (b)	17,500	17,500
Total expenses for Outcome 1	344,567	377,844
	2014-15	2015-16
Average Staffing Level (number)	971	978

(a) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

(b) 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.

Contributions to Outcome 1

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

Programme objectives

Develop international markets, and promote international education

- Build linkages and networks with key decision-makers, buyers or institutions, and facilitate access for Australian businesses or institutions in international markets.
- 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.
- 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

- Build linkages and networks with key investors and decision-makers.
- 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

- 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.
- Provide tourism research and statistics to guide policy development and support business marketing and decision making.

Austrade Budget Statements

- Effectively co-ordinate with other Commonwealth Government agencies, and the state and territory governments.

Programme expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Special account expenses:					
Services for Other Entities and Trust Money Special Account	1,077	1,163	-	-	-
Annual departmental expenses:					
Departmental item	186,590	213,904	210,700	205,026	206,805
Expenses not requiring appropriation in the Budget year (a)	17,500	17,500	17,500	18,500	18,500
Total programme expenses	205,167	232,567	228,200	223,526	225,305

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

Programme 1.1 deliverables

Develop international markets, and promote international education

- 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.
- 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.
- Assist and facilitate Australian businesses' and institutions' participation at international business events.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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

- Partnering with Australian, state and territory government agencies to implement productive, direct foreign investment strategies in agreed national investment priority areas.
- Proactively target potential investors, promoting specific investment opportunities, promoting Australia's economic credentials and detailing the regulatory environment.
- Introducing potential foreign investors to state and territory governments.
- 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

- 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*.
- Work with state and territory governments to facilitate the transfer of funds from the Commonwealth Government for the Tourism Demand Driver Infrastructure Programme.
- Work with the Tasmanian Government to facilitate transfer of funds from the Commonwealth Government for the Tasmanian Regional Tourism Package.
- Deliver an enhanced China Approved Destination Status (ADS) Scheme, to ensure a quality tourism experience for Chinese group leisure tourists.
- Produce and disseminate strategic tourism research and forecasts.
- 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

- Draw on Austrade's global and commercial perspective to provide policy advice and economic insight to the Government.

Austrade website

- 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.

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.

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

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual administered expenses:					
EMDG	137,900	137,900	137,900	137,900	137,900
ABE plan	1,500	600	200	-	-
Free Trade Agreement Promotion	-	1,372	773	-	-
Tasmania Regional Tourism Package	-	4,380	-	-	-
Developing Northern Australia - positioning the north as a leader in tropical health	-	1,025	1,841	2,258	2,046
Total programme expenses	139,400	145,277	140,714	140,158	139,946

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 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Number of grant applications	3,195	3,000- 3,500	3,100 3,600	3,200- 3,700	3,300- 3,800
Number of grant recipients	3,000	2,800- 3,300	2,900- 3,400	3,000- 3,500	3,100- 3,600

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.

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.

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.

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.

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

- Proportion of EMGD scheme recipients reporting that the receipt of a grant supported their business to become a more sustainable exporter.
- Proportion of EMGD scheme recipients reporting that the receipt of a grant enabled them to grow their international revenue.

Free Trade Agreement Promotion

- Proportion of seminar and roadshow attendees reporting an increased awareness of FTAs.
- Proportion of seminar and roadshow attendees reporting an increased understanding of how to use and benefit from FTAs.

Tasmanian Regional Tourism Package (TRTP)

- 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

- Budgeted TDDI funding distributed to state and territory governments.
- 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

- 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

- 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.

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

Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Program 2.1: Consular and passport services		
Departmental expenses		
Departmental appropriation (a)	12,818	13,001
Total for Program 2.1	12,818	13,001
Outcome 2 Totals by appropriation type		
Departmental expenses		
Departmental appropriation (a)	12,818	13,001
Total expenses for Outcome 2	12,818	13,001
	2014-15	2015-16
Average Staffing Level (number)	39	40

(a) 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

Programme 2.1: Consular and Passport Services

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual departmental expenses:					
Departmental item	12,818	13,001	13,097	13,069	13,142
Total programme expenses	12,818	13,001	13,097	13,069	13,142

Programme 2.1 deliverables

- 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.
- 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.
- 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 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward 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

Programme 2.1 key performance indicators

In accordance with the Department of Foreign Affairs Passport Client Services Charter:

- normal passport applications are scanned within 24 hours - three per cent tolerance;
- routine passports are issued in a timely and responsive manner; and
- 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:

- 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)

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1:					
Tasmanian Regional Tourism Package (b)	(2,130)	2,130	-	-	-
Total movement of administered funds	(2,130)	2,310	-	-	-

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

(b) 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 Act or 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

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
Admin Payments and Receipts for Other Entities Special Account (a) (A) 2015-16	1	100	9,200	(9,200)	-	100
<i>Admin Payments and Receipts for Other Entities Special Account (a) (A) 2014-15</i>	1	100	9,200	(9,200)	-	100
Services for Other Entities and Trust Moneys Special Account (b) (D) 2015-16	1	930	233	(1,163)	-	-
<i>Services for Other Entities and Trust Moneys Special Account (b) (D) 2014-15</i>	1	947	1,060	(1,077)	-	930
Total special accounts 2015-16 Budget estimate		1,030	9,433	(10,363)	-	100
<i>Total special accounts 2014-15 estimated actual</i>		<i>1,047</i>	<i>10,260</i>	<i>(10,277)</i>	-	<i>1,030</i>

(a) s20 Financial Management and Accountability Act, 1997 Determination 2006/15

(b) 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)

Outcome	Approp Bill No. 1 \$'000	Total approp \$'000	Other \$'000	Total Programme \$'000	
Austrade					
Outcome 1					
Departmental 2015-16	346	346	-	346	1.1
<i>Departmental 2014-15</i>	<i>273</i>	<i>273</i>	-	<i>273</i>	<i>1.1</i>
Total outcome 2015-16	346	346	-	346	
<i>Total outcome 2014-15</i>	<i>273</i>	<i>273</i>	-	<i>273</i>	
Total AGIE 2015-16	346	346	-	346	
<i>Total AGIE 2014-15</i>	<i>273</i>	<i>273</i>	-	<i>273</i>	

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.

Austrade Budget Statements

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
EXPENSES					
Employee benefits	126,581	133,522	136,058	136,351	137,485
Suppliers	73,904	94,546	87,739	81,744	82,462
Depreciation and amortisation	17,500	17,500	17,500	18,500	18,500
Total expenses	217,985	245,568	241,297	236,595	238,447
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	19,024	18,233	18,000	18,000	18,000
Rental income	500	100	100	100	100
Other	1,500	1,900	1,900	1,900	1,900
Total own-source revenue	21,024	20,233	20,000	20,000	20,000
Gains					
Total gains	-	-	-	-	-
Total own-source income	21,024	20,233	20,000	20,000	20,000
Net cost of/(contribution by) services	196,961	225,335	221,297	216,595	218,447
Revenue from Government	180,241	207,055	203,797	198,095	199,947
Surplus/(deficit) attributable to the Australian Government	(16,720)	(18,280)	(17,500)	(18,500)	(18,500)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	2,500	900	3,500	3,500	-
Total other comprehensive income	2,500	900	3,500	3,500	-
Total comprehensive income/(loss)	(14,220)	(17,380)	(14,000)	(15,000)	(18,500)
Total comprehensive income/(loss) attributable to the Australian Government	(14,220)	(17,380)	(14,000)	(15,000)	(18,500)

Table continued on the following page.

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

Note: Impact of net cash appropriation arrangements					
	2014-15	2015-16	2016-17	2017-18	2018-19
	\$'000	\$'000	\$'000	\$'000	\$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	3,280	120	3,500	3,500	-
less depreciation/amortisation expenses previously funded through revenue appropriations(a)	(17,500)	(17,500)	(17,500)	(18,500)	(18,500)
Total comprehensive income/(loss)- as per the statement of comprehensive income	(14,220)	(17,380)	(14,000)	(15,000)	(18,500)

(a) 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)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,500	5,500	5,500	5,500	5,500
Trade and other receivables	41,052	40,272	40,272	40,272	40,272
Total financial assets	46,552	45,772	45,772	45,772	45,772
Non-financial assets					
Land and buildings	12,846	13,281	16,276	16,276	15,276
Property, plant and equipment	21,814	21,695	21,751	21,254	20,391
Intangibles	24,128	24,090	22,351	22,196	20,041
Other non-financial assets	7,913	7,913	7,913	7,913	7,913
Total non-financial assets	66,701	66,979	68,291	67,639	63,621
Total assets	113,253	112,751	114,063	113,411	109,393
LIABILITIES					
Payables					
Suppliers	12,163	12,163	12,163	12,163	12,163
Other payables	670	670	670	670	670
Total payables	12,833	12,833	12,833	12,833	12,833
Provisions					
Employee provisions	36,989	36,989	36,989	36,989	36,989
Other provisions	2,342	2,342	2,342	2,342	2,342
Total provisions	39,331	39,331	39,331	39,331	39,331
Total liabilities	52,164	52,164	52,164	52,164	52,164
Net assets	61,089	60,587	61,899	61,247	57,229
EQUITY*					
Parent equity interest					
Contributed equity	84,493	101,371	116,683	131,031	145,513
Reserves	68,515	69,415	72,915	76,415	76,415
Retained surplus (accumulated deficit)	(91,919)	(110,199)	(127,699)	(146,199)	(164,699)
Total non-controlling interest	61,089	60,587	61,899	61,247	57,229
Total Equity	61,089	60,587	61,899	61,247	57,229

*'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)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015					
Balance carried forward from previous period	(91,919)	29,790	38,725	84,493	61,089
Adjusted opening balance	(91,919)	29,790	38,725	84,493	61,089
Comprehensive income					
Surplus/(deficit) for the period	(18,280)	900	-	-	(17,380)
Total comprehensive income	(18,280)	900	-	-	(17,380)
Transactions with owners					
Contributions by owners					
Equity Injection - Appropriation				2,718	2,718
Departmental Capital Budget (DCB)				14,160	14,160
Sub-total transactions with owners	-	-	-	16,878	16,878
Estimated closing balance as at 30 June 2016	(110,199)	30,690	38,725	101,371	60,587
Closing balance attributable to the Australian Government	(110,199)	30,690	38,725	101,371	60,587

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	181,367	207,835	203,797	198,095	199,947
Sale of goods and rendering of services	19,524	18,333	18,100	18,100	18,100
Net GST received	5,714	5,714	5,714	5,714	5,714
Other	1,500	1,900	1,900	1,900	1,900
Total cash received	208,105	233,782	229,511	223,809	225,661
Cash used					
Employees	126,581	133,522	136,058	136,351	137,485
Suppliers	73,904	94,546	87,739	81,744	82,462
Net GST paid	5,714	5,714	5,714	5,714	5,714
Total cash used	206,199	233,782	229,511	223,809	225,661
Net cash from/(used by) operating activities	1,906	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	17,792	16,878	15,312	14,348	14,482
Total cash used	17,792	16,878	15,312	14,348	14,482
Net cash from/(used by) investing activities	(17,792)	(16,878)	(15,312)	(14,348)	(14,482)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	17,792	16,878	15,312	14,348	14,482
Total cash received	17,792	16,878	15,312	14,348	14,482
Net cash from/(used by) financing activities	17,792	16,878	15,312	14,348	14,482
Net increase/(decrease) in cash held	1,906	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	3,594	5,500	5,500	5,500	5,500
Cash and cash equivalents at the end of the reporting period	5,500	5,500	5,500	5,500	5,500

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	17,287	14,160	14,317	14,348	14,482
Equity injections - Bill 2	505	2,718	995	-	-
Total new capital appropriations	17,792	16,878	15,312	14,348	14,482
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	17,792	16,878	15,312	14,348	14,482
Total Items	17,792	16,878	15,312	14,348	14,482
PURCHASE OF NON-FINANCIAL ASSETS					
ASSETS					
Funded by capital appropriations(a)	505	2,718	995	-	-
Funded by capital appropriation - DCB (b)	14,287	14,160	14,317	14,348	14,482
Funded internally from departmental resources (c)	3,000	-	-	-	-
TOTAL	17,792	16,878	15,312	14,348	14,482
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	17,792	16,878	15,312	14,348	14,482
Total cash used to acquire assets	17,792	16,878	15,312	14,348	14,482

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

(c) 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)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	17,346	32,869	67,729	117,944
Accumulated depreciation/amortisation and impairment	(4,500)	(11,055)	(43,601)	(59,156)
Opening net book balance	12,846	21,814	24,128	58,788
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	2,718	-	-	2,718
By purchase - appropriation ordinary annual services (b)	2,500	3,660	8,000	14,160
Total additions	5,218	3,660	8,000	16,878
Other movements				
Depreciation/amortisation expense	(4,783)	(4,279)	(8,438)	(17,500)
Other (c)	-	500	400	900
Total other movements	(4,783)	(3,779)	(8,038)	(16,600)
As at 30 June 2016				
Gross book value	22,564	37,029	76,129	135,722
Accumulated depreciation/amortisation and impairment	(9,283)	(15,334)	(52,039)	(76,656)
Closing net book balance	13,281	21,695	24,090	59,066

(a) 'Appropriation equity' refers to equity injections appropriations provided through *Appropriation Bill (No. 2) 2015-16*.

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

(c) 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)

	2014-15 Estimated actual \$'000	2015-16 Budget estimate \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employee benefits	5,000	5,000	5,000	5,000	5,000
Suppliers	1,895	1,895	1,895	1,895	1,895
Grants	132,505	138,382	133,819	133,263	133,051
Total expenses administered on behalf of Government	139,400	145,277	140,714	140,158	139,946
LESS:					
OWN-SOURCE INCOME					
Total own-sourced income administered on behalf of Government	-	-	-	-	-
Net cost of/(contribution by) services	139,400	145,277	140,714	140,158	139,946
Surplus/(Deficit)	139,400	145,277	140,714	140,158	139,946
Total comprehensive income/(loss)	139,400	145,277	140,714	140,158	139,946

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)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Other financial assets	90	90	90	90	90
Total financial assets	90	90	90	90	90
Total assets administered on behalf of Government	90	90	90	90	90
LIABILITIES					
Payables					
Suppliers	79	79	79	79	79
Other payables	160	160	160	160	160
Total payables	239	239	239	239	239
Provisions					
Employee provisions	2,331	2,331	2,331	2,331	2,331
Other provisions	6,438	6,438	6,438	6,438	6,438
Total provisions	8,769	8,769	8,769	8,769	8,769
Total liabilities administered on behalf of Government	9,008	9,008	9,008	9,008	9,008
Net assets/(liabilities)	(8,918)	(8,918)	(8,918)	(8,918)	(8,918)

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	195	195	195	195	195
Total cash received	195	195	195	195	195
Cash used					
Grant	132,505	138,382	133,819	133,263	133,051
Suppliers	1,895	1,895	1,895	1,895	1,895
Net GST paid	195	195	195	195	195
Employees	5,000	5,000	5,000	5,000	5,000
Total cash used	139,595	145,472	140,909	140,353	140,141
Net cash from/(used by) operating activities	(139,400)	(145,277)	(140,714)	(140,158)	(139,946)
Net increase/(decrease) in cash held	(139,400)	(145,277)	(140,714)	(140,158)	(139,946)
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	139,400	145,277	140,714	140,158	139,946
Cash and cash equivalents at end of reporting period	-	-	-	-	-

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

ACIAR Budget Statements

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

	Actual Available Appropriation 2014-15 \$'000	Estimate of prior year amounts available in 2015-16 \$'000	Proposed at 2015-16 Budget \$'000	Total 2015-16 estimate \$'000
Ordinary annual services (a)				
Departmental appropriation				
Prior year appropriations (b)	3,429	3,593	-	3,593
Departmental appropriation (c)	10,051	-	9,905	9,905
s74 Retained revenue receipts (d)	1,697	-	1,933	1,933
Total	15,177	3,593	11,838	15,431
Administered expenses				
Outcome 1	86,289	-	81,629	81,629
Total	86,289	-	81,629	81,629
Total ordinary annual services [A]	101,466	3,593	93,467	97,060
Other services (e)				
Departmental non-operating				
Equity injections	3	-	161	161
Total other services [B]	3	-	161	161
Total available annual appropriations [A+B]	101,469	3,593	93,628	97,221
Total appropriations excluding special accounts	101,469	3,593	93,628	97,221
Special accounts				
Opening balance (f)	21,177	26,159	-	26,159
Non-appropriation receipts to special accounts	26,235	-	25,239	25,239
Total special accounts [C]	47,412	26,159	25,239	51,398
Total resourcing [A+B+C]	148,881	29,752	118,867	148,619
Total net resourcing for ACIAR	148,881	29,752	118,867	148,619

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

(b) Estimated adjusted balance carried forward from previous year.

(c) 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'.

(d) Estimated Retained revenue receipts under section 74 of the PGPA Act.

(e) *Appropriation Bill (No. 2) 2015-16.*

(f) Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like *Other Trust Monies* accounts (OTM), *Services for other Government and Non-agency Bodies* accounts (SOG), or *Services for Other Entities and Trust Monies* 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

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
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		
Programme 1: International Agricultural Research and Development		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	86,289	81,629
Special accounts	28,235	25,239
Departmental expenses		
Departmental appropriation (a)	11,118	11,590
Expenses not requiring appropriation in the Budget year (b)	282	284
Total for programme 1	125,924	118,742
Outcome 1 Totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	86,289	81,629
Special accounts	28,235	25,239
Departmental expenses		
Departmental appropriation (a)	11,118	11,590
Expenses not requiring appropriation in the Budget year (b)	282	284
Total expenses for Outcome 1	125,924	118,742
	2014-15	2015-16
Average staffing level (number)	74	74

(a) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74).

(b) 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.

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual administered expenses:					
Administered item	86,289	81,629	94,836	96,261	97,993
Special account expenses:					
ACIAR special account	28,235	25,239	24,156	23,000	21,000
Annual departmental expenses:					
Departmental item	11,118	11,590	11,721	11,947	11,809
Expenses not requiring appropriation in the Budget year (a)	282	284	345	349	349
Total programme expenses	125,924	118,742	131,058	131,557	131,151

(a) 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 Act or 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

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
Australian Centre for International Agricultural Research Account (A)	1					
		26,159	25,239	(25,239)		26,159
Total special accounts						
2015-16 Budget estimate		26,159	25,239	(25,239)	-	26,159
<i>Total special accounts</i>						
<i>2014-15 estimated actual</i>		26,159	28,235	(28,235)	-	26,159

(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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
EXPENSES					
Employee benefits	7,750	8,195	8,300	8,486	8,412
Suppliers	3,397	3,424	3,450	3,490	3,426
Depreciation and amortisation	253	255	316	320	320
Total expenses	11,400	11,874	12,066	12,296	12,158
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,316	1,933	2,144	2,310	2,110
Total own-source revenue	1,316	1,933	2,144	2,310	2,110
Gains					
Other	29	29	29	29	29
Total gains	29	29	29	29	29
Total own-source income	1,345	1,962	2,173	2,339	2,139
Net cost of/(contribution by) services	10,055	9,912	9,893	9,957	10,019
Revenue from Government	9,802	9,657	9,577	9,637	9,699
Surplus/(deficit) attributable to the Australian Government	(253)	(255)	(316)	(320)	(320)
Total comprehensive income/(loss) attributable to the Australian Government	(253)	(255)	(316)	(320)	(320)

Table continued on the following page.

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

Note: Impact of net cash appropriation arrangements

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.	(253)	(255)	(316)	(320)	(320)
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	-	-	-	-	-
Total comprehensive income/(loss) - as per the statement of comprehensive income	(253)	(255)	(316)	(320)	(320)

(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)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	83	83	83	83	83
Trade and other receivables	3,593	3,643	3,690	3,748	3,806
Total financial assets	3,676	3,726	3,773	3,831	3,889
Non-financial assets					
Land and buildings	359	445	315	234	212
Property, plant and equipment	511	583	637	666	645
Intangibles	103	99	108	90	65
Other non-financial assets	136	136	136	136	136
Total non-financial assets	1,109	1,263	1,196	1,126	1,058
Total assets	4,785	4,989	4,969	4,957	4,947
LIABILITIES					
Payables					
Suppliers	299	307	319	329	339
Other payables	24	26	25	25	25
Total payables	323	333	344	354	364
Provisions					
Employee provisions	2,086	2,126	2,164	2,212	2,260
Total provisions	2,086	2,126	2,164	2,212	2,260
Total liabilities	2,409	2,459	2,508	2,566	2,624
Net assets	2,376	2,530	2,461	2,391	2,323
EQUITY*					
Parent entity interest					
Contributed equity	1,738	2,147	2,393	2,643	2,895
Reserves	751	751	751	751	751
Retained surplus (accumulated deficit)	(113)	(368)	(683)	(1,003)	(1,323)
Total parent entity interest	2,376	2,530	2,461	2,391	2,323
Total Equity	2,376	2,530	2,461	2,391	2,323

*'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)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(113)	751	1,738	2,376
Adjusted opening balance	(113)	751	1,738	2,376
Comprehensive income				
Surplus/(deficit) for the period	(255)	-	-	(255)
Total comprehensive income	(255)	-	-	(255)
of which:				
Attributable to the Australian Government	(255)	-	-	(255)
Transactions with owners				
Contributions by owners				
Equity Injection - Appropriation	-	-	161	161
Departmental Capital Budget (DCB)	-	-	248	248
Sub-total transactions with owners	-	-	409	409
Closing balance attributable to the Australian Government	(368)	751	2,147	2,530

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	9,885	9,607	9,530	9,579	9,641
Sale of goods and rendering of services	1,316	1,933	2,144	2,310	2,110
Net GST received	230	230	230	230	230
Total cash received	11,431	11,770	11,904	12,119	11,981
Cash used					
Employees	7,798	8,155	8,262	8,438	8,364
Suppliers	3,633	3,615	3,642	3,681	3,617
Total cash used	11,431	11,770	11,904	12,119	11,981
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	252	409	247	250	252
Total cash used	252	409	247	250	252
Net cash from/(used by) investing activities	(252)	(409)	(247)	(250)	(252)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	252	409	247	250	252
Total cash received	252	409	247	250	252
Net cash from/(used by) financing activities	252	409	247	250	252
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	83	83	83	83	83
Cash and cash equivalents at the end of the reporting period	83	83	83	83	83

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	249	248	247	250	252
Equity injections - Bill 2	3	161	-	-	-
Total new capital appropriations	252	409	247	250	252
Provided for:					
<i>Purchase of non-financial assets</i>	252	409	247	250	252
Total Items	252	409	247	250	252
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	3	161	-	-	-
Funded by capital appropriation - DCB (b)	249	248	247	250	252
TOTAL	252	409	247	250	252
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	252	409	247	250	252
Total cash used to acquire assets	252	409	247	250	252

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) 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)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2015				
Gross book value	434	636	689	1,759
Accumulated depreciation/amortisation and impairment	(75)	(125)	(586)	(786)
Opening net book balance	359	511	103	973
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	161	-	-	161
By purchase - appropriation ordinary annual services (b)	-	196	52	248
Total additions	161	196	52	409
Other movements				
Depreciation/amortisation expense	(75)	(124)	(56)	(255)
Total other movements	(75)	(124)	(56)	(255)
As at 30 June 2016				
Gross book value	595	832	741	2,168
Accumulated depreciation/amortisation and impairment	(150)	(249)	(642)	(1,041)
Closing net book balance	445	583	99	1,127

(a) 'Appropriation equity' refers to equity injections appropriations provided through *Appropriation Bill (No. 2) 2015-16*, including CDABs.

(b) '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)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	303	315	328	342	342
Suppliers	114,221	106,553	118,664	118,919	118,651
Total expenses administered on behalf of Government	114,524	106,868	118,992	119,261	118,993
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	28,235	25,239	24,156	23,000	21,000
Total non-taxation revenue	28,235	25,239	24,156	23,000	21,000
Total own-source revenue administered on behalf of Government	28,235	25,239	24,156	23,000	21,000
Total own-sourced income administered on behalf of Government	28,235	25,239	24,156	23,000	21,000
Net cost of/(contribution by) services	86,289	81,629	94,836	96,261	97,993
Total comprehensive income/(loss)	86,289	81,629	94,836	96,261	97,993

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)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	26,159	26,159	26,159	26,159	26,159
Taxation receivables	785	785	785	785	785
Other financial assets	4,046	4,046	4,046	4,046	4,046
Total financial assets	30,990	30,990	30,990	30,990	30,990
Total assets administered on behalf of Government	30,990	30,990	30,990	30,990	30,990
LIABILITIES					
Payables					
Suppliers	2,522	2,572	2,572	2,572	2,572
Other payables	678	678	678	678	678
Total payables	3,200	3,250	3,250	3,250	3,250
Provisions					
Employee provisions	33	33	33	33	33
Total provisions	33	33	33	33	33
Total liabilities administered on behalf of Government	3,233	3,283	3,283	3,283	3,283
Net assets/(liabilities)	27,757	27,707	27,707	27,707	27,707

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
External Funds	28,235	25,239	24,156	23,000	21,000
Net GST received	4,600	4,500	4,500	4,500	4,500
Total cash received	32,835	29,739	28,656	27,500	25,500
Cash used					
Suppliers	114,172	106,503	118,664	118,919	118,651
Employees	303	315	328	342	342
Total cash used	114,475	106,818	118,992	119,261	118,993
Net cash from/(used by) operating activities	(81,640)	(77,079)	(90,336)	(91,761)	(93,493)
Net increase/(decrease) in cash held	(81,640)	(77,079)	(90,336)	(91,761)	(93,493)
Cash and cash equivalents at beginning of reporting period	26,159	26,159	26,159	26,159	26,159
Cash from Official Public Account for:					
- Appropriations	86,240	81,579	94,836	96,261	97,993
Total cash from Official Public Account	86,240	81,579	94,836	96,261	97,993
Cash to Official Public Account for:					
- Appropriations	(4,600)	(4,500)	(4,500)	(4,500)	(4,500)
Total cash to Official Public Account	(4,600)	(4,500)	(4,500)	(4,500)	(4,500)
Cash and cash equivalents at end of reporting period	26,159	26,159	26,159	26,159	26,159

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

	<i>Actual Available Appropriation 2014-15</i>	Estimate of prior year amounts available in 2015-16	Proposed at 2015-16 Budget	Total 2015-16 estimate
	\$'000	\$'000	\$'000	\$'000
Ordinary annual services (a)				
Departmental appropriation				
Prior year appropriations (b)	93,402	83,159	-	83,159
Departmental appropriation (c)	236,133	-	256,909	256,909
s74 Retained revenue receipts (d)	34,500	-	54,500	54,500
Total	364,035	83,159	311,409	394,568
Total ordinary annual services [A]	364,035	83,159	311,409	394,568
Other services (e)				
Departmental non-operating				
Equity injections	8,725	-	10,964	10,964
Total	8,725	-	10,964	10,964
Total other services [B]	8,725	-	10,964	10,964
Total available annual appropriations [A+B]	372,760	83,159	322,373	405,532

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

(b) Estimated adjusted balance carried forward from previous year.

(c) Includes an amount for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

(d) Estimated Retained revenue receipts under section 74 of the PGPA Act.

(e) *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)

		2014-15	2015-16	2016-17	2017-18	2018-19
	Programme	\$'000	\$'000	\$'000	\$'000	\$'000
Expense measures						
National Security - Australian Secret Intelligence Service - Strengthening Capabilities						
	Departmental expenses	1.1	7,955	10,725	15,241	18,062
	Departmental expenses	1.2	2,652	3,575	5,080	6,021
	Total		10,607	14,300	20,321	24,083
	Total expense measures		10,607	14,300	20,321	24,083
Capital measures						
National Security - Australian Secret Intelligence Service - Strengthening Capabilities						
	Departmental capital	1.1	5,168	35,116	39,844	23,094
	Departmental capital	1.2	1,723	11,705	13,282	7,698
	Total		6,891	46,821	53,126	30,792
	Total capital measures		6,891	46,821	53,126	30,792

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

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.	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.1: Secret Intelligence		
Departmental expenses		
Departmental appropriation (a)	194,338	220,922
Expenses not requiring appropriation in the Budget year (b)	15,168	16,735
Total for programme 1.1	209,506	237,657
Programme 1.2: Other Services		
Departmental expenses		
Departmental appropriation (a)	59,976	73,641
Expenses not requiring appropriation in the Budget year (b)	5,056	5,578
Total for programme 1.2	65,032	79,219
Outcome 1 Totals by appropriation type		
Departmental expenses		
Departmental appropriation (a)	254,314	294,563
Expenses not requiring appropriation in the Budget year (b)	20,224	22,313
Total expenses for Outcome 1	274,538	316,876

(a) Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

(b) 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

- Secret Intelligence

Programme expenses

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual departmental expenses:	194,338	220,922	222,413	229,583	234,841
Expenses not requiring appropriation in the Budget year (a)	15,168	16,735	22,529	26,083	27,426
Total programme expenses	209,506	237,657	244,942	255,666	262,267

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

Programme 1.1 deliverables

- Secret Intelligence

Programme 1.1 key performance indicators

- 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

- Other Services

Programme expenses

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual departmental expenses:	59,976	73,641	74,138	76,528	78,280
Expenses not requiring appropriation in the Budget year (a)	5,056	5,578	7,509	8,694	9,142
Total programme expenses	65,032	79,219	81,647	85,222	87,422

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

Programme 1.2 deliverables

- Other Services

Programme 1.2 key performance indicators

- 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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
EXPENSES					
Total expenses	274,538	316,876	326,589	340,888	349,689
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	34,500	54,500	55,500	56,500	57,500
Total own-source revenue	34,500	54,500	55,500	56,500	57,500
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	34,500	54,500	55,500	56,500	57,500
Net cost of/(contribution by) services	240,038	262,376	271,089	284,388	292,189
Revenue from Government	219,814	240,063	241,051	249,611	255,621
Surplus/(deficit) attributable to the Australian Government	(20,224)	(22,313)	(30,038)	(34,777)	(36,568)
Total comprehensive income/(loss) attributable to the Australian Government	(20,224)	(22,313)	(30,038)	(34,777)	(36,568)

Note: Impact of net cash appropriation arrangements

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	20,224	22,313	30,038	34,777	36,568
Total comprehensive income/(loss) - as per the statement of comprehensive income	(20,224)	(22,313)	(30,038)	(34,777)	(36,568)

- 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.
Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
ASSETS					
Financial assets	83,159	85,552	86,572	89,072	91,074
Non-financial assets	141,820	147,317	184,327	219,441	230,580
Total assets	224,979	232,869	270,899	308,513	321,654
LIABILITIES					
Payables	26,118	22,800	23,457	24,517	25,441
Interest bearing liabilities	-	-	-	-	-
Provisions	40,041	45,752	46,115	47,554	48,633
Total liabilities	66,159	68,552	69,572	72,071	74,074
Net assets	158,820	164,317	201,327	236,442	247,580
EQUITY*					
Parent entity interest					
Contributed equity	152,044	179,854	246,902	316,793	364,499
Reserves	73,000	73,000	73,000	73,000	73,000
Retained surplus (accumulated deficit)	(66,224)	(88,537)	(118,575)	(153,351)	(189,919)
Total parent entity interest	158,820	164,317	201,327	236,442	247,580
Total Equity	158,820	164,317	201,327	236,442	247,580

* '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)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015					
Balance carried forward from previous period	(66,224)	-	73,000	152,044	158,820
Adjusted opening balance	(66,224)	-	73,000	152,044	158,820
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(22,313)	-	-	-	(22,313)
Total comprehensive income	(22,313)	-	-	-	(22,313)
of which:					
Attributable to the Australian Government	(22,313)	-	-	-	(22,313)
Transactions with owners					
Contributions by owners					
Equity Injection - Appropriation	-	-	-	10,964	10,964
Departmental Capital Budget (DCB)	-	-	-	16,846	16,846
Sub-total transactions with owners	-	-	-	27,810	27,810
Estimated closing balance as at 30 June 2016	(88,537)	-	73,000	179,854	164,317
Closing balance attributable to the Australian Government	(88,537)	-	73,000	179,854	164,317

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	230,655	237,671	240,030	247,112	253,618
Other	34,500	54,500	55,500	56,500	57,500
Total cash received	265,155	292,171	295,530	303,612	311,118
Cash used					
Other	265,155	292,171	295,530	303,612	311,118
Total cash used	265,155	292,171	295,530	303,612	311,118
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	25,044	27,810	67,048	69,891	47,706
Total cash used	25,044	27,810	67,048	69,891	47,706
Net cash from/(used by) investing activities	(25,044)	(27,810)	(67,048)	(69,891)	(47,706)
FINANCING ACTIVITIES					
Cash received					
Other	25,044	27,810	67,048	69,891	47,706
Total cash received	25,044	27,810	67,048	69,891	47,706
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	25,044	27,810	67,048	69,891	47,706
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	19,000	19,000	19,000	19,000	19,000
Cash and cash equivalents at the end of the reporting period	19,000	19,000	19,000	19,000	19,000

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.

Tourism Australia Budget Statements

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 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.

¹ Business events marketing will be undertaken in these markets, New Zealand will have a business events focus.

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

	<i>Actual Available Appropriation 2014-15 \$'000</i>	Estimate of prior year amounts available in 2015-16 \$'000	Proposed at 2015-16 Budget \$'000	Total 2015-16 estimate \$'000
Ordinary annual services (a)				
Departmental appropriation				
Outcome 1 - Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets	138,865	-	137,290	137,290
Funds from Portfolio Agency	13,500	-	14,000	14,000
Total ordinary annual services	152,365	-	151,290	151,290
Total annual appropriations	138,865	-	137,290	137,290
Total funds from Government	152,365	-	151,290	151,290
Funds from other sources				
Interest	1,800	-	1,300	1,300
Other	14,726	-	16,574	16,574
Total	16,526	-	17,874	17,874
Total net resourcing for agency	168,891	-	169,164	169,164

(a) *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)

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measure						
Australia Week Events	1.1					
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Total expense measures						
Departmental		-	-	-	-	-
Total		-	-	-	-	-
Total		-	-	-	-	-

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

	2014-15	2015-16
Outcome 1 - Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets.	Estimated actual expenses \$'000	Estimated expenses \$'000
Programme 1.1: Supporting Outcome 1		
Revenue from Government		
Ordinary annual services (a)	129,750	137,290
Funds from Portfolio Agency	13,500	14,000
Revenues from other independent sources	16,526	17,874
Total for programme 1.1	159,776	169,164
Outcome 1 Totals by resource type		
Revenue from Government		
Ordinary annual services (a)	129,750	137,290
Funds from Portfolio Agency	13,500	14,000
Revenues from other independent sources	16,526	17,874
Total expenses for Outcome 1	159,776	169,164
	2014-15	2015-16
Average staffing level (number)	204	207

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

Contributions to Outcome 1

Programme 1. Supporting Outcome 1

Programme objective

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

Programme expenses

Table 2.2: Programme 1 Expenses by Component

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate year 1 \$'000	2017-18 Forw ard estimate year 2 \$'000	2018-19 Forw ard estimate year 3 \$'000
1.1.1 - Component 1 - Grow Demand					
Annual departmental expenses:					
Programme Support	137,381	145,453	144,997	146,440	147,834
Total component expenses	137,381	145,453	144,997	146,440	147,834
1.1.2 - Component 2 - Industry Development					
Annual departmental expenses:					
Programme Support	22,395	23,711	23,637	23,872	24,099
Total component expenses	22,395	23,711	23,637	23,872	24,099
Total programme expenses	159,776	169,164	168,634	170,312	171,933

Contributions to Programme 1

Component 1.1.1 Grow demand

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.

Component 1.1.1 key performance indicators					
Key performance indicators	2014-15 Estimated actual	2015-16 Budget	2016-17 Forw ard estimate	2017-18 Forw ard estimate	2018-19 Forw ard estimate
Total International overnight tourism spend	\$30.68B up 8.6%	\$34.97B up 10.9%	\$38.4B up 9.8%	\$41.84B up 8.9%	\$45.27B up 8.2%
Total spend by visitors from Tourism Australia key markets (all purposes, excluding rest of world)	\$24.46B up 9.2%	\$27.59B up 10.0%	\$30.16B up 9.3%	\$32.83B up 8.8%	\$35.59B up 8.4%
Total spend by leisure visitors from Tourism Australia key markets (holiday and visiting friends and relatives)	\$11.92B up 13.6%	\$13.79B up 12.2%	\$15.40B up 11.7%	\$17.14B up 11.3%	\$19.03B up 11.0%
Total spend by business events visitors from selected Tourism Australia markets	\$1.90B up 3.4%	\$2.15B up 10.2%	\$2.35B up 9.4%	\$2.56B up 8.8%	\$2.77B up 8.2%
Tourism Australia marketing campaign recall by target customer	66%	>67%	>67%	>67%	>67%
Total monthly unique visitors to Tourism Australia ow ned w ebsites	30.6M	increase 5%	increase 5%	increase 5%	increase 5%

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

Contributions to Programme 1

Component 1.1.2 Industry development

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

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.

Component 1.1.2 key performance indicators

Key performance indicators	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Key stakeholders indicate Tourism Australia adds value to their business (excellent, very good or good value)	82%	>80%	>80%	>80%	>80%
Event attendees indicate satisfaction with Tourism Australia's key events (extremely or very satisfied)	88%	>90%	>90%	>90%	>90%

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)

Outcome	<i>Approp Bill No. 1 \$'000 (A)</i>	<i>Approp Bill No. 2 \$'000 (B)</i>	<i>Special approp \$'000 (C)</i>	<i>Total approp \$'000 (D)</i>	<i>Other \$'000 (E)</i>	<i>Total \$'000 (F)= (D)+(E)</i>
Tourism Australia Outcome 1						
Departmental 2015-16	500	-	-	500	-	500
<i>Departmental 2014-15</i>	<i>500</i>	<i>-</i>	<i>-</i>	<i>500</i>	<i>-</i>	<i>500</i>
Total outcome 2015-16	500	-	-	500	-	500
<i>Total outcome 2014-15</i>	<i>500</i>	<i>-</i>	<i>-</i>	<i>500</i>	<i>-</i>	<i>500</i>
Total AGIE 2015-16	500	-	-	500	-	500
<i>Total AGIE 2014-15</i>	<i>500</i>	<i>-</i>	<i>-</i>	<i>500</i>	<i>-</i>	<i>500</i>

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
EXPENSES					
Employee benefits	28,788	30,473	30,473	31,000	31,000
Suppliers	119,754	129,958	129,428	130,579	132,200
Depreciation and amortisation	4,500	4,500	4,500	4,500	4,500
Finance Costs	33	33	33	33	33
Other	6,701	4,200	4,200	4,200	4,200
Total expenses	159,776	169,164	168,634	170,312	171,933
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	1,800	1,300	1,300	1,300	1,300
Other Government Revenue (AMF)	13,500	14,000	14,000	14,000	14,000
Other Revenue	14,726	16,574	16,574	16,574	16,574
Total own-source revenue	30,026	31,874	31,874	31,874	31,874
Total own-source income	30,026	31,874	31,874	31,874	31,874
Net cost of/(contribution by) services	129,750	137,290	136,760	138,438	140,059
Appropriation from Government	138,865	137,290	136,760	138,438	140,059
OTHER COMPREHENSIVE INCOME					
plus non-appropriated expenses depreciation and amortisation expenses	4,500	4,500	4,500	4,500	4,500
Total comprehensive income attributable to the Australian Government	4,500	4,500	4,500	4,500	4,500

Note: Reconciliation of comprehensive income attributable to the agency

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income attributable to the Australian Government	-	-	-	-	-
plus non-appropriated expenses, depreciation and amortisation expenses	4,500	4,500	4,500	4,500	4,500
Total comprehensive income attributable to the agency	4,500	4,500	4,500	4,500	4,500

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	20,017	20,017	20,017	20,017	20,017
Trade and other receivables	7,529	7,529	7,529	7,529	7,529
Total financial assets	27,546	27,546	27,546	27,546	27,546
Non-financial assets					
Land and buildings	4,233	4,233	4,233	4,233	4,233
Property, plant and equipment	974	674	674	674	674
Intangibles	6,981	7,281	7,281	7,281	7,281
Other	3,095	3,095	3,095	3,095	3,095
Total non-financial assets	15,283	15,283	15,283	15,283	15,283
Total assets	42,829	42,829	42,829	42,829	42,829
LIABILITIES					
Payables					
Suppliers	5,519	5,519	5,519	5,519	5,519
Other	6,227	6,227	6,227	6,227	6,227
Total payables	11,746	11,746	11,746	11,746	11,746
Provisions					
Employee provisions	4,853	4,853	4,853	4,853	4,853
Other	792	792	792	792	792
Total provisions	5,645	5,645	5,645	5,645	5,645
Total liabilities	17,391	17,391	17,391	17,391	17,391
Net assets	25,438	25,438	25,438	25,438	25,438
EQUITY*					
Parent entity interest					
Contributed equity	4,240	4,240	4,240	4,240	4,240
Reserves	1,964	1,964	1,964	1,964	1,964
Retained surplus (accumulated deficit)	19,234	19,234	19,234	19,234	19,234
Total parent entity interest	25,438	25,438	25,438	25,438	25,438
Total Equity	25,438	25,438	25,438	25,438	25,438

* '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)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	10,119	1,964	4,240	16,323
Adjusted opening balance	10,119	1,964	4,240	16,323
Comprehensive income				
Return of Foreign Exchange (a)	9,115	-	-	-
Total comprehensive income	9,115	-	-	-
of which:				
Attributable to the Australian Government	9,115	-	-	-
Estimated closing balance as at 30 June 2016	19,234	1,964	4,240	25,438
Closing balance attributable to the Australian Government	19,234	1,964	4,240	25,438

(a) *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)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	129,750	137,290	136,760	138,438	140,059
Interest	1,800	1,300	1,300	1,300	1,300
Other	30,680	31,767	30,574	30,574	17,558
Total cash received	162,230	170,357	168,634	170,312	158,917
Cash used					
Employees	28,788	30,473	30,473	31,000	31,000
Suppliers	121,308	131,151	129,461	130,612	119,217
Other	7,634	4,233	4,200	4,200	4,200
Total cash used	157,730	165,857	164,134	165,812	154,417
Net cash from/(used by) operating activities	4,500	4,500	4,500	4,500	4,500
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	4,500	4,500	4,500	4,500	4,500
Total cash used	4,500	4,500	4,500	4,500	4,500
Net cash from/(used by) investing activities	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)
FINANCING ACTIVITIES					
Cash received					
Contributed equity (a)	9,115	-	-	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	9,115	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from/(used by) financing	9,115	-	-	-	-
Net increase/(decrease) in cash held	9,115	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	10,902	20,017	20,017	20,017	20,017
Effect of exchange rate movements on cash and cash equivalents at the beginning of reporting period	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	20,017	20,017	20,017	20,017	20,017

(a) Return of foreign exchange.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Departmental resources	4,500	4,500	4,500	4,500	4,500
TOTAL	4,500	4,500	4,500	4,500	4,500
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	4,500	4,500	4,500	4,500	4,500
Total cash used to acquire assets	4,500	4,500	4,500	4,500	4,500

Prepared on Australian Accounting Standards basis.

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

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2015				
Gross book value	8,410	4,463	40,558	53,431
Accumulated depreciation/amortisation and impairment	(4,177)	(3,489)	(33,577)	(41,243)
Opening net book balance	4,233	974	6,981	12,188
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	600	-	3,900	4,500
Total additions	600	-	3,900	4,500
Other movements				
Depreciation/amortisation expense	(600)	(300)	(3,600)	(4,500)
Total other movements	(600)	(300)	(3,600)	(4,500)
As at 30 June 2016				
Gross book value	9,010	4,463	44,458	57,931
Accumulated depreciation/amortisation and impairment	(4,777)	(3,789)	(37,177)	(45,743)
Closing net book balance	4,233	674	7,281	12,188

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.

Glossary

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 <i>Public Governance, Performance and Accountability (PGPA) Act 2013</i>) or through an Act of Parliament (section 80 of the <i>PGPA Act 2013</i>).
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.