

**Department of Foreign Affairs and Trade  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**5. Funding  
5.1 Appropriations**

Note 5.1A: Annual Appropriations ('Recoverable GST exclusive')

**Annual Appropriations for 2019**

	Annual Appropriation \$'000	Section 74 PGPA Act \$'000	Total appropriation \$'000	Appropriation applied in 2019 (current and prior years) \$'000	Variance <sup>1</sup> \$'000
<b>Departmental<sup>2</sup></b>					
Ordinary annual services	1,416,142	114,931	1,531,073	(1,598,742)	(67,669)
Capital budget <sup>3</sup>	69,765	-	69,765	(60,127)	9,638
Equity	104,137	-	104,137	(43,998)	60,139
<b>Total departmental</b>	<b>1,590,044</b>	<b>114,931</b>	<b>1,704,975</b>	<b>(1,702,867)</b>	<b>2,108</b>
<b>Administered</b>					
Ordinary annual services					
Capital budget <sup>3</sup>	504	-	504	(43)	461
Administered items <sup>4</sup>	3,844,822	-	3,844,822	(4,277,711)	(432,889)
Payments to corporate Commonwealth entities	135,141	-	135,141	(135,141)	-
<b>Total administered</b>	<b>3,980,467</b>	<b>-</b>	<b>3,980,467</b>	<b>(4,412,895)</b>	<b>(432,428)</b>

1. Variances in appropriation may result from using prior year non-lapsed appropriations to fund operating and capital expenditure incurred in the current financial year, making payments for benefits to be received in future years and where obligations in the current financial year are not settled by financial year end.

2. In 2018-19, there were adjustments that met the recognition criteria of a formal addition or reduction in revenue, capital budget or in equity but at law the appropriations had not been amended before the end of the reporting period as Departmental appropriations do not lapse at financial year end. The adjustments were: an increase to revenue of \$19.831m relating to no-win / no-loss funding for foreign exchange; a reduction to revenue of \$6.686m relating to no-win / no-loss funding for Passport Funding Agreement; an increase to revenue of \$17.968m relating to no-win / no-loss funding for FBT payable on living away from home allowance; a reduction to revenue of \$7.996m relating to no-win / no-loss for Security Funding Agreements; a reduction in equity of \$3.016m relating to no-win/no-loss for Security Funding Agreements; and, a section 51 reduction of \$9.638m to Department Capital Budgets relating to 2018/19 Additional Estimates measures.

The net increase in appropriation of \$23.117m and a net decrease in appropriation of \$3.016m will be applied against 2019-20 Appropriation Act (No. 3) and 2018-19 Appropriation Act (No. 2) respectively.

3. Departmental and Administered Capital Budgets are appropriated through Appropriations Acts (No. 1, 3 and 5). They form part of the ordinary annual services, and are not separately identified in the Appropriation Acts.

4. Commonwealth Superannuation Corporation (CSC) spends money from the Consolidated Revenue Fund on behalf of DFAT in accordance with the Papua New Guinea (Staffing Assistance) Act 1973. In 2018-19 CSC drew down \$5.142m from DFAT's administered appropriation. The Department of Education (DoE) also makes withdrawals on behalf of DFAT under the New Colombo Plan Agreement. In 2018-19 the DoE drew down \$46.190m from DFAT's administered appropriation. These amounts are included in the appropriation applied amount above.

**Department of Foreign Affairs and Trade**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 5.1A: Annual Appropriations ('Recoverable GST exclusive') (continued)**

Annual Appropriations for 2018	Annual Appropriation <sup>1</sup> \$'000	Section 74 PGPA Act \$'000	Total appropriation \$'000	Appropriation applied in 2018 (current and prior years) \$'000	Variance <sup>2</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	1,359,553	157,224	1,516,777	(1,594,103)	(77,326)
Capital budget <sup>3</sup>	46,501	-	46,501	(47,598)	(1,097)
Other services					
Equity	71,408	-	71,408	(54,121)	17,287
<b>Total departmental</b>	<b>1,477,462</b>	<b>157,224</b>	<b>1,634,686</b>	<b>(1,695,822)</b>	<b>(61,136)</b>
<b>Administered</b>					
Ordinary annual services					
Capital budget <sup>3</sup>	443	-	443	(348)	95
Administered items <sup>4,5</sup>	3,651,992	-	3,651,992	(3,792,701)	(140,709)
Payments to corporate					
Commonwealth entities	129,308	-	129,308	(129,308)	-
Other services					
Administered assets and liabilities	150	-	150	(135,933)	(135,783)
<b>Total administered</b>	<b>3,781,893</b>	<b>-</b>	<b>3,781,893</b>	<b>(4,058,290)</b>	<b>(276,397)</b>

1. Variances in appropriation may result from using prior year non-lapsed appropriations to fund operating and capital expenditure incurred in the current financial year, making payments for benefits to be received in future years and where obligations in the current financial year are not settled by financial year end.
2. In 2017-18, there were adjustments that met the recognition criteria of a formal addition or reduction in revenue or in equity but at law the appropriations had not been amended before the end of the reporting period as Departmental appropriations do not lapse at financial year end. The adjustments were: an increase to revenue of \$6.715m relating to no-win / no-loss funding for foreign exchange; an increase to revenue of \$2.441m relating to no-win / no-loss funding for Passport Funding Agreement; a reduction to revenue of \$2.406m relating to no-win / no-loss funding for FBT payable on living away from home allowance; a reduction to revenue of \$7.675m relating to no-win / no-loss for Security Funding Agreements; a net reduction to revenue of \$3.460m relating to savings measures as per 2018-19 PBS and a reduction in equity of \$5.829m relating to no-win / no-loss for Security Funding Agreements.  
The net decrease in appropriations of \$4,385m and \$5,829m will be applied against 2017-18 Appropriation Act 1 and 2017-18 Appropriation Act 2 respectively.
3. Departmental and Administered Capital Budgets are appropriated through Appropriations Acts (No. 1, 3 and 5). They form part of the ordinary annual services, and are not separately identified in the Appropriation Acts.
4. In 2017-18 a section 51 reduction of \$10,772m was applied against Appropriation Act (No. 1) 2017-18 as published in the 2018-19 Portfolio Budget Statements for the following measures: \$6,025m relating to Government decisions for the Pacific Labour Scheme and Seasonal Workers Program and \$4,747m relating to savings against the International Development Assistance program due to reallocation of funds to a new multilateral replenishment agreement.
5. Commonwealth Superannuation Corporation (CSC) spends money from the Consolidated Revenue Fund (CRF) on behalf of DFAT in accordance with the Papua New Guinea (Staffing Assistance) Act 1973. In 2017-18 CSC drew down \$6.084m from DFAT's administered appropriation. The Department of Education (DoE) also expends funds from the CRF on behalf of DFAT under the New Colombo Plan Agreement. In 2017-18 the DoE drew down \$48,225m from DFAT's administered appropriation. These amounts are included in the appropriation applied amount above.

**Department of Foreign Affairs and Trade**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')**

	<b>2019</b>	2018
	<b>\$'000</b>	\$'000
<b>Departmental</b>		
Appropriation Act (No. 2) 2015-16 <sup>1</sup>	-	62,885
Appropriation Act (No.1 ) 2016-17 <sup>2</sup>	<b>28,170</b>	28,170
Appropriation Act (No.1) 2017-18 <sup>3</sup>	<b>4,384</b>	319,599
Appropriation Act (No.2) 2017-18 <sup>4</sup>	<b>20,830</b>	64,828
Appropriation Act (No.1 ) 2017-18 - Cash at bank and on hand	-	48,618
Appropriation Act (No.1) 2018-19	<b>250,701</b>	-
Appropriation Act (No.1) 2018-19 DCB <sup>5</sup>	<b>9,638</b>	-
Appropriation Act (No.2) 2018-19 <sup>6</sup>	<b>22,182</b>	-
Appropriation Act (No.4) 2018-19	<b>81,955</b>	-
Appropriation Act (No.1) 2018-19 - Cash at bank and on hand	<b>92,821</b>	-
<b>Total departmental</b>	<b>510,681</b>	524,100

1. Appropriation Act (No.2) 2015-16 was repealed on 1 July 2018.
2. Appropriation Act (No.1) 2016-17 includes \$28.170m withheld under section 51.
3. Appropriation Act (No.1) 2017-18 includes \$4.384m withheld under section 51.
4. Appropriation Act (No.2) 2017-18 includes \$5.829m withheld under section 51.
5. Appropriation Act (No.1) 2018-19 DCB includes \$9.638m withheld under section 51.
6. Appropriation Act (No.2) 2018-19 includes \$3.016m which is quarantined.

DFAT has in place a number of no-win / no-loss funding agreements due to the complex and variable environment the department operates in overseas. The difference between the balance of departmental appropriation receivable disclosed in Note 3.1B: Trade and other receivables and the above balance on unspent annual appropriations is due to these agreements and cash at bank and on hand. Adjustments relating to the no-win / no-loss agreements are recognised as formal additions or reductions in DFAT's accounts.

**Department of Foreign Affairs and Trade**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive') (continued)**

	2019	2018
	\$'000	\$'000
<b>Administered</b>		
Appropriation Act (No. 1) 2015-16 <sup>1</sup>	-	64,983
Appropriation Act (No. 1) 2015-16 - ACB <sup>1</sup>	-	1,817
Supply Act (No. 1) 2016-17	<b>155,860</b>	230,597
Appropriation Act (No. 1) 2016-17	<b>104,775</b>	513,508
Appropriation Act (No. 1) 2016-17 - ACB	<b>89</b>	89
Appropriation Act (No. 2) 2016-17	<b>581,531</b>	581,531
Appropriation Act (No. 3) 2016-17	-	33,440
Appropriation Act (No. 1) 2017-18 <sup>2</sup>	<b>151,563</b>	292,215
Appropriation Act (No. 1) 2017-18 - ACB	<b>95</b>	95
Appropriation Act (No. 1) 2017-18 Cash at Bank and on hand	-	1,005
Appropriation Act (No. 1) 2018-19	<b>224,200</b>	-
Appropriation Act (No. 1) 2018-19 - ACB	<b>461</b>	-
Appropriation Act (No. 3) 2018-19	<b>472</b>	-
Appropriation Act (No. 1) 2018-19 Cash at Bank and on hand	<b>5,012</b>	-
<b>Total administered</b>	<b>1,224,058</b>	1,719,280

1. Appropriation Acts (No.1) 2015-16 were repealed on 1 July 2018.

2. Appropriation Act (No.1) 2017-18 includes \$10.772m withheld under section 51.

**Department of Foreign Affairs and Trade**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 5.1C: Special Appropriations ('Recoverable GST exclusive')**

<b>Authority</b>	<b>Type</b>	<b>Purpose</b>	<b>Appropriation applied</b>	
			<b>2019</b>	<b>2018</b>
			<b>\$'000</b>	<b>\$'000</b>
Export Finance and Insurance Corporation (Efic) Act 1991 s.54(10), Administered	Unlimited Amount	For the payment by the Commonwealth to Efic of amounts equal to the amount of capital determined by the Efic Board as necessary to overcome the inadequacies, in the moneys or other assets of Efic to meet the expected liabilities, losses or claims against Efic	-	-
Public Governance, Performance and Accountability Act 2013 s77, Administered <sup>1</sup>	Refund	To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and apart from this section there is no specific appropriation for the repayment	1,054	715
<b>Total special appropriation applied</b>			<b>1,054</b>	<b>715</b>

1. DFAT uses section 77 of the PGPA Act to make refunds of passport and consular fees in certain circumstances, where there is no other specific appropriation available to make the repayment.