

# **Department of Foreign Affairs and Trade (DFAT)**

## **Entity resources and planned performance**



# DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

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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 2016-17, the department will continue 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. In 2016-17, the department will continue to advance Australia's interests in a more complex global and regional environment. The department will help Government shape the international environment through development of strong bilateral relationships; coalition-building with other nations with common interests; and an activist approach to using regional and global institutions and forums to create rules and norms that promote stability, peace and prosperity. DFAT recognises that gender equality and women's empowerment are important to Australia's national interest and are a priority across all of our work.

DFAT will continue to provide timely, high-quality advice to Ministers on international developments and appropriate policy responses. The department will use Australia's overseas missions to build strong networks and for high-quality information-gathering, analysis and advocacy in support of government policies. DFAT will maximise opportunities to advocate Australian interests through support for ministerial visits to key partners and international forums.

Strengthening Australia's key regional partnerships will remain a priority for the department. The engagement of the United States (US) in the Indo-Pacific provides major security and economic benefits to the region, and to Australia. Through Australia's alliance with the US, and extensive economic ties, the department will work to 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 will deepen Australia's engagement with Indonesia, including on regional security, trade and investment and development challenges. The department will continue to enhance Australia's strategic and economic relationship with India, including by working to conclude the bilateral

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Comprehensive Economic Cooperation Agreement (CECA). The department will take our bilateral relationship with Singapore to a new level through implementation of the Comprehensive Strategic Partnership.

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

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

Australia will continue to strengthen partnerships with the nations of Southeast Asia and regionally through the Association of Southeast Asian Nations (ASEAN). The department will drive forward the ASEAN-Australia strategic partnership and support the Prime Minister in the first biennial summit under this partnership in 2016. 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), build support for increased regional cooperation on maritime issues and work with ASEAN and its free trade agreement partners (Australia, China, India, Japan, the Republic of Korea and New Zealand) to progress the Regional Comprehensive Economic Partnership (RCEP) negotiations. The department will work closely with Peru, the 2016 Asia-Pacific Economic Cooperation (APEC) host, and Vietnam, the 2017 host, to support APEC in promoting economic growth and prosperity in the region. The department will also lead the Government's efforts to support PNG's hosting of APEC in 2018.

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, approximately 5,000 grants will be offered in 2017 as the program expands to enable more students to live, study and work in the Indo-Pacific region.

The Government will continue to invest in the Australia Awards to support our partner countries to progress their development goals. Leaders of tomorrow will have the opportunity to study at Australia's world class institutions where we hope to build trust and mutual understanding so together we can contribute to development and prosperity in our region.

Through the measure *International Engagement to Prevent and Disrupt Maritime People Smuggling - continuation*, 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 also support, through the Bali Process, regional cooperation to address irregular migration challenges, and increased prevention and law enforcement activities to combat human trafficking.

The department will continue to support cooperation in the Indian Ocean region through the Indian Ocean Rim Association (IORA). As part of the MIKTA grouping (Mexico, Indonesia, Republic of Korea, Turkey and Australia), Australia will seek to foster constructive solutions to emerging global challenges and 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. The department will further enhance relations with the European Union (EU), including working toward a free trade agreement and signing of the Framework Agreement. The department will facilitate continued cooperation with Ukraine, including on the international investigations on the downing of Malaysia Airlines flight MH17. The department will engage with Russia on matters of national interest to Australia, while implementing continued sanctions.

The department will also continue to advance 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.

DFAT will continue to work with Middle East nations and other partners in the international coalition to combat terrorist groups, including Daesh and Al-Qaeda. The department will maintain Australia's diplomatic presence in Baghdad to pursue bilateral engagement with Iraq and support Australian personnel deployed to train and advise the Iraqi Security Forces as well as Australian forces taking part in air strikes against Daesh. The department will also support Australian Government efforts to stop Australians joining terrorist networks and travelling overseas to become foreign fighters.

The department will support Australia's continued engagement with Afghanistan, including as part of the NATO-led 'Resolute Support' mission, and work to influence developments in ways that promote stability and protect Australia's interests.

As a trading economy, Australia's economic success is closely tied to the openness of international markets. DFAT, working with Austrade, will focus on expanding access to international markets for Australian exporters and lowering the cost of doing business in Australia. DFAT will encourage two-way flows of investment that are in

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the national interest and ensure trade and investment reform supports the Government's broader domestic economic policy agenda to drive growth and create new higher paying jobs.

DFAT is leading the Government's 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 Beyond the Border initiative will support economic diplomacy by utilising Australia's international assets to tackle barriers to trade and investment in our major trading partners.

The department will support the entry into force of the Trans-Pacific Partnership and the ongoing implementation of recent FTAs with China, Japan and the Republic of Korea. Through the measure *Free Trade Agreement Portal – enhancements*, DFAT will expand the coverage of the Government's online FTA portal to assist small and medium enterprises understand and take advantage of the FTAs through a range of programs and initiatives, including Austrade's Export Market Development Grants scheme. The department will continue to leverage the benefits of existing FTAs with countries in Southeast Asia, New Zealand, the US and Chile, while taking advantage of built-in agendas to review and update those agreements where appropriate.

The department will work towards conclusion of RCEP, which will build on Australia's existing FTA with ASEAN and New Zealand and complement the Trans-Pacific Partnership and Australia's bilateral FTAs in the region. Australia will also continue to progress negotiations with India, Indonesia, the Pacific Island countries and New Zealand through the Pacific Agreement on Closer Economic Relations – PACER Plus, and the Gulf Cooperation Council. The department will also explore opportunities for new FTAs, including in the Indo-Pacific region.

Australia is committed to the pursuit of global trade reform. The department will work to find ways to progress negotiations in the World Trade Organization (WTO), including on remaining issues from the Doha Round. Following the WTO agreement to eliminate over \$15 billion worth of agricultural export subsidy entitlements, DFAT will continue to support a stronger, more competitive Australian agriculture and agribusiness sector. The department will push for further 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. Australia is negotiating accession to the plurilateral Agreement on Government Procurement. DFAT will ensure trading partners' compliance with WTO and FTA obligations through consultation and dispute mechanisms, where appropriate.



Australia will work within the Group of Twenty (G20) to lift global growth and job opportunities and make the global economy more resilient.

The department, together with Austrade and Efic, will continue to work closely with Treasury to ensure Australia's foreign investment regime supports much needed inward investment and meets the national interest. This will help build Australia's productive capacity, unlock our national economic potential, particularly in Northern Australia, and support the transition to a diversified prosperous economy.

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 support the delivery of the 2030 Agenda for Sustainable Development and is working to further embed the Agenda into the Australian aid program.

DFAT's innovationXchange will be working to multiply the impact of Australian aid by fostering new partnerships which will bring new finance and fresh creative solutions to development challenges. It will seek to link collaborators and investors prepared to test new ways of tackling problems, and use these lessons to inform the future direction of work. The innovationXchange will support broader efforts to encourage innovation across the department and coordinate the department's support for the National Innovation and Science Agenda, working closely with the Department of Industry, Innovation and Science and Austrade.

Australia will continue to support its developing country partners through 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 parts 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 promoted across the aid program. Australia will also promote development that empowers people with disabilities. Expenditure on aid for trade will be increased to 20 per cent of official development assistance (ODA) by 2020 to support trade and sustainable economic growth in developing countries. Aid for trade investments include economic infrastructure, agriculture, fisheries and other productive capacity, and trade facilitation and regulation.

The department will apply the Government's performance framework for the aid program, *Making Performance Count*, to ensure a strong link between funding and performance, a focus on results and value for money. DFAT's Office of Development

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Effectiveness will quality assure and verify performance reporting and evaluate aid effectiveness, under the oversight of the Independent Evaluation Committee.

The department will work with our partners to build resilience by reducing risks from, preparing for, and responding to disasters, particularly within the Indo-Pacific region. We will also support countries recovering from disasters, including Fiji in the wake of tropical Cyclone Winston. Beyond our region, we will continue to provide life-saving assistance to people affected by ongoing humanitarian crises including in Syria, Iraq and the Horn of Africa.

The need for strong international cooperation through the United Nations (UN) is critical to tackle human rights and global security challenges. The department will pursue Australia's interests in the UN system, including election to the Human Rights Council for the 2018-20 term and a United Nations Security Council term in 2029-30. DFAT will also seek to progress the interests of the world's indigenous peoples through the Indigenous Peoples Strategy and strengthen its advocacy in support of global abolition of the death penalty.

The department will advance Australia's environment and climate change interests through a range of forums and seek to capitalise on momentum generated by the 2015 Paris Agreement on Climate Change.

The department will continue to counter the proliferation of nuclear weapons, constrain the illicit arms trade and counter terrorism. The department will expand our network of bilateral cyber policy dialogues to include Indonesia as well as China, India, Japan and Republic of Korea, implement the Government's cyber security strategy, and support work to elaborate how international law applies to state behaviour in cyberspace. Through the measure *Cyber Security – implementation of Australia's Cyber Security Strategy*, the department will work to support the Government's efforts to bolster international cyber cooperation and address cyber challenges through capacity building focused on the Indo-Pacific region and the establishment of Australia's first Cyber Ambassador.

Through public diplomacy the department will advance initiatives that promote Australia's economic, artistic and cultural, sporting, science 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. The department will prioritise promoting Australia's creative economy and National Innovation and Science Agenda abroad.

The delivery of high quality consular services is one of the department's foreign policy priorities. The department will develop a second three-year Consular Strategy to strengthen the delivery of consular services and enhance 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

investment in the development and testing of strong contingency plans across its network of overseas posts and lead whole-of-government responses to crises overseas.

The department will continue to deliver an efficient passport service for Australian citizens. A new and more technologically advanced passport is currently under development. The Passport Redevelopment Program will continue to ensure the integrity, security and quality of Australian passports and deliver increased processing capability, improved client services and enhanced fraud and investigation controls.

Through the measure *Expanding Australia's Diplomatic Representation*, the Government will increase the nation's diplomatic footprint by opening two additional offices, one in China (with the location to be announced after further consultations with China) and one in Papua New Guinea (Lae) following consultation with the host government. In addition to providing consular services, these offices will support Australia's trade and investment in China and PNG.

The security and safety of Australian Government personnel and their dependants overseas, together with the security of its missions, remains a high priority for the department in an unpredictable and fluid international security environment. This will require the implementation and maintenance of comprehensive and effective strategic risk mitigation strategies and operational and personal 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 is implementing its Women in Leadership strategy to support women's career advancement and build a more inclusive workplace culture in DFAT which maximises performance and capability. The department is implementing 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 the enhanced Commonwealth performance framework. The department is implementing 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 regulatory reform agenda by removing unnecessary regulation and only imposing new regulation where it is absolutely necessary.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Department of Foreign Affairs and Trade resource statement — Budget estimates for 2016-17 as at Budget May 2016**

	<i>2015-16 Estimated actual \$'000</i>	2016-17 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	292,186	337,921
Departmental appropriation	1,368,594	1,403,143
s 74 retained revenue receipts (c)	81,599	81,599
Departmental capital budget (d)	52,171	51,755
Annual appropriations - other services - non-operating (e)		
Prior year appropriations available (b)	30,698	17,351
Equity injection	201,511	57,684
<b>Total departmental annual appropriations</b>	<b>2,026,759</b>	<b>1,949,453</b>
Special accounts (f)		
Opening balance	207,460	135,402
Appropriation receipts (g)	26,307	28,940
Appropriation receipts from other entities (h)	59,681	74,569
Non-appropriation receipts	5,540	42,895
<b>Total special accounts</b>	<b>298,988</b>	<b>281,806</b>
<i>less departmental appropriations drawn from annual appropriations and credited to special accounts</i>	<i>26,307</i>	<i>28,940</i>
<b>Total departmental resourcing</b>	<b>2,299,440</b>	<b>2,202,319</b>

*Table continued on following page.*

**Table 1.1: Department of Foreign Affairs and Trade resource statement — Budget estimates for 2016-17 as at Budget May 2016 (continued)**

	2015-16 <i>Estimated actual</i> \$'000	2016-17 Estimate \$'000
<b>Administered</b>		
Annual appropriations - ordinary annual services (a)		
Outcome 1	3,600,351	4,160,082
Outcome 2	750	750
Administered capital budget (i)	2,325	383
Payments to corporate entities (j)	144,018	140,266
Annual appropriations - other services - non-operating (e)		
Administered assets and liabilities	13,527	1,012,362
<b>Total administered annual appropriations</b>	<b>3,760,971</b>	<b>5,313,843</b>
<b>Total administered special appropriations (f)</b>	<b>1,010</b>	<b>1,010</b>
<i>less payments to corporate entities from annual appropriations</i>	<i>144,018</i>	<i>140,266</i>
<b>Total administered resourcing</b>	<b>3,617,963</b>	<b>5,174,587</b>
<b>Total resourcing for DFAT</b>	<b>5,917,403</b>	<b>7,376,906</b>
<b>Average staffing level (number)</b>		
	2015-16 5,700	2016-17 5,760

**Third party payments from and on behalf of other entities**

	2015-16 <i>Estimated actual</i> \$'000	2016-17 Estimate \$'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	144,018	140,266

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) Appropriation Bill (No. 1) 2016-17.
- (b) Excludes \$12.4m subject to administrative quarantine by Finance or withheld under section 51 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).
- (c) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (d) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (e) Appropriation Bill (No. 2) 2016-17.
- (f) Excludes '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 appropriations and special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (g) Amounts credited to the special account(s) from DFAT's annual appropriations.
- (h) Amounts credited to the special account(s) from another entity's annual appropriations.
- (i) Administered capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.10 for further details. For accounting purposes, this amount is designated as a 'contribution by owner'.
- (j) 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act.

### 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 2016-17 Budget measures**

**Part 1: Measures announced since the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Revenue measures</b>						
Notarial Fees - increase	2.1					
Administered revenues		-	5,905	12,948	14,152	15,517
Departmental revenues		-	-	-	-	-
<b>Total</b>		-	<b>5,905</b>	<b>12,948</b>	<b>14,152</b>	<b>15,517</b>
Passport Fees - supporting consular services	2.2					
Administered revenues		-	24,196	47,513	48,651	52,543
Departmental revenues		-	-	-	-	-
<b>Total</b>		-	<b>24,196</b>	<b>47,513</b>	<b>48,651</b>	<b>52,543</b>
<b>Total revenue measures</b>						
Administered		-	30,101	60,461	62,803	68,060
Departmental		-	-	-	-	-
<b>Total</b>		-	<b>30,101</b>	<b>60,461</b>	<b>62,803</b>	<b>68,060</b>
<b>Expense measures</b>						
Cyber Security - implementation of Australia's Cyber Security Strategy (a)	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Expanding Australia's Diplomatic Representation (b)	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	1,088	3,945	5,492	5,745
<b>Total</b>		-	<b>1,088</b>	<b>3,945</b>	<b>5,492</b>	<b>5,745</b>

Table continued on following page.

**Part 1: Measures announced since the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO) – (continued)**

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Foreign Affairs and Trade Portfolio - efficiencies (c)	1.1, 2.1, 2.2, 3.1					
Administered expenses		-	-	-	-	-
Departmental expenses		(321)	(10,714)	(12,900)	(13,143)	(13,395)
<b>Total</b>		<b>(321)</b>	<b>(10,714)</b>	<b>(12,900)</b>	<b>(13,143)</b>	<b>(13,395)</b>
Free Trade Agreement Portal - enhancements (d)	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
International Engagement to Prevent and Disrupt Maritime People Smuggling - continuation	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	2,304	2,336	2,270	2,290
<b>Total</b>		<b>-</b>	<b>2,304</b>	<b>2,336</b>	<b>2,270</b>	<b>2,290</b>
Passport Funding Arrangements - additional funding	2.2					
Administered expenses		-	-	-	-	-
Departmental expenses		-	13,959	8,777	10,471	13,467
<b>Total</b>		<b>-</b>	<b>13,959</b>	<b>8,777</b>	<b>10,471</b>	<b>13,467</b>
<b>Total expense measures</b>						
Administered		-	-	-	-	-
Departmental		(321)	6,637	2,158	5,090	8,107
<b>Total</b>		<b>(321)</b>	<b>6,637</b>	<b>2,158</b>	<b>5,090</b>	<b>8,107</b>

Table continued on following page.

**Part 1: Measures announced since the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO) – (continued)**

		2015-16	2016-17	2017-18	2018-19	2019-20
	Program	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital measures</b>						
Expanding Australia's Diplomatic Representation (b)	1.1					
Administered capital		-	-	-	-	-
Departmental capital		-	3,667	6,243	-	-
<b>Total</b>		-	<b>3,667</b>	<b>6,243</b>	-	-
Trans-Pacific Partnership - Implementation (e)	1.1					
Administered capital		-	-	-	-	-
Departmental capital		-	600	-	-	-
<b>Total</b>		-	<b>600</b>	-	-	-
<b>Total capital measures</b>						
Administered		-	-	-	-	-
Departmental		-	4,267	6,243	-	-
<b>Total</b>		-	<b>4,267</b>	<b>6,243</b>	-	-

(a) *Cyber Security – implementation of Australia's Cyber Security Strategy* is a cross portfolio measure led by the Department of the Prime Minister and Cabinet. DFAT's contribution will be absorbed from within existing DFAT resources.

(b) The Government will establish an office in Lae (Papua New Guinea), in consultation with the host government, and another post in China with the location to be announced after further consultations with China. The Government will also extend Australia's interim presence in Kyiv, Ukraine, until 30 September 2016. Funding for Lae and Kyiv will be absorbed within existing DFAT resources.

(c) Provision for this funding has already been included in the forward estimates. The difference between figures identified in Budget Paper 2 reflects changes to the timing and nature of the efficiencies since the original saving was provisioned.

(d) Funding for this measure will be absorbed from within existing DFAT resources.

(e) Trans-Pacific Partnership - Implementation is a cross portfolio measure.

Prepared on Australian Accounting Standards basis.

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



## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced Commonwealth performance framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports from October 2016 - to provide an entity's complete performance story.

## 2.1 BUDGETED EXPENSES AND PERFORMANCE 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 priorities**

### Linked programs

<b>Attorney-General’s Department</b>
<b>Programs</b>
<ul style="list-style-type: none"> <li>• Program 1.1 - Attorney-General’s Department Operating Expenses – Civil Justice and Legal Services</li> <li>• Program 1.2 - Attorney-General’s Department Operating Expenses – National Security and Criminal Justice</li> <li>• Program 1.7 - National Security and Criminal Justice</li> </ul>
<b>Australian Centre for International Agricultural Research (ACIAR)</b>
<b>Programs</b>
<ul style="list-style-type: none"> <li>• Program 1.1 - International Agricultural Research For Development For More Productive and Sustainable Agriculture</li> </ul>
<b>Australian Federal Police (AFP)</b>
<b>Programs</b>
<ul style="list-style-type: none"> <li>• Program 1.2 - International Police Assistance</li> </ul>
<b>Austrade</b>
<b>Programs</b>
<ul style="list-style-type: none"> <li>• Program 1.1 - Promotion of Australia’s Export and Other International Economic Interests</li> <li>• Program 1.2 - Programs to Promote Australia’s Export and Other International Economic Interests</li> </ul>
<b>Department of Defence</b>
<b>Programs</b>
<ul style="list-style-type: none"> <li>• Program 1.5 - Joint Operations Command</li> </ul>

Table continued on following page.

**Linked programs (continued)**

<p><b>Department of Industry, Innovation and Science</b></p> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 2 - Growing Business Investment and Improving Business Capability</li> </ul>
<p><b>Department of Immigration and Border Protection (DIBP)</b></p> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1 - Border Enforcement</li> <li>• Program 1.5 - Regional Cooperation</li> <li>• Program 2.3 - Visas</li> <li>• Program 3.2 - Trade Facilitation and Industry Engagement</li> </ul>
<p><b>Department of Education and Training</b></p> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 2.7 - International Education Support</li> </ul>
<p><b>Tourism Australia</b></p> <p><b>Programs</b></p> <ul style="list-style-type: none"> <li>• Program 1.1 - Supporting Outcome 1 (Grow Demand and Industry Development)</li> </ul>
<p><b>Contribution to Outcome 1 made by linked programs</b></p> <p>Australia maintains a whole-of-government approach in the pursuit of foreign, trade and investment, tourism, development and international security interests abroad and DFAT is widely supported by partner agencies in its associated leadership, advocacy and coordination roles at overseas missions.</p>

**Budgeted expenses for Outcome 1**

This table shows how much the Department of Foreign Affairs and Trade intends to spend (on an accrual basis) on achieving Outcome 1, broken down by program, as well as by Administered and Departmental funding sources.

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

<b>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</b>	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>Program 1.1: Foreign Affairs and Trade Operations</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	7,221	6,653	6,763	6,833	6,905
Other services (Appropriation Bill No. 2)	13,452	15,027	-	-	-
Expenses not requiring appropriation in the Budget year (a)	14,952	16,327	1,300	1,200	1,100
<b>Administered total</b>	<b>35,625</b>	<b>38,007</b>	<b>8,063</b>	<b>8,033</b>	<b>8,005</b>
Departmental expenses					
Departmental appropriations 74 Retained revenue receipts (b)	578,925	602,049	536,669	537,859	540,939
Expenses not requiring appropriation in the Budget year (c)	81,599	81,599	81,599	81,599	81,599
	123,990	125,983	115,962	109,509	103,282
<b>Departmental total</b>	<b>784,514</b>	<b>809,631</b>	<b>734,230</b>	<b>728,967</b>	<b>725,820</b>
<b>Total expenses for program 1.1</b>	<b>820,139</b>	<b>847,638</b>	<b>742,293</b>	<b>737,000</b>	<b>733,825</b>
<b>Program 1.2: Official Development Assistance</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	3,112,214	2,919,800	3,185,632	3,363,412	3,444,208
Expenses not requiring appropriation in the Budget year (c)	1,207	1,189	1,489	1,440	1,028
<b>Administered total</b>	<b>3,113,421</b>	<b>2,920,989</b>	<b>3,187,121</b>	<b>3,364,852</b>	<b>3,445,236</b>
Departmental expenses					
Departmental appropriation	240,823	242,856	248,927	255,151	258,978
<b>Departmental total</b>	<b>240,823</b>	<b>242,856</b>	<b>248,927</b>	<b>255,151</b>	<b>258,978</b>
<b>Total expenses for program 1.2</b>	<b>3,354,244</b>	<b>3,163,845</b>	<b>3,436,048</b>	<b>3,620,003</b>	<b>3,704,214</b>

Table continued on following page.

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>Program 1.3: Official Development Assistance - Multilateral Replenishments</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	-	719,958	12,622	105,000	715,930
Other services (Appropriation Bill No. 2)	-	996,910	-	-	600,090
Expenses not requiring appropriation in the Budget year (d)	-	520,090	-	-	520,090
<b>Administered total</b>	<b>-</b>	<b>2,236,958</b>	<b>12,622</b>	<b>105,000</b>	<b>1,836,110</b>
<b>Total expenses for program 1.3</b>	<b>-</b>	<b>2,236,958</b>	<b>12,622</b>	<b>105,000</b>	<b>1,836,110</b>
<b>Program 1.4: Official Development Assistance - East Asia AIPRD</b>					
Administered expenses					
AIPRD Loans Special Account 2015	-	-	-	-	-
Expenses not requiring appropriation in the Budget year (e)	7,188	-	-	-	-
<b>Administered total</b>	<b>7,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses for program 1.4</b>	<b>7,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Program 1.5: Payments to International Organisations</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	432,649	467,287	490,653	524,180	546,701
<b>Administered total</b>	<b>432,649</b>	<b>467,287</b>	<b>490,653</b>	<b>524,180</b>	<b>546,701</b>
<b>Total expenses for program 1.5</b>	<b>432,649</b>	<b>467,287</b>	<b>490,653</b>	<b>524,180</b>	<b>546,701</b>
<b>Program 1.6: New Colombo Plan - Transforming Regional Relationships</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	27,742	27,790	50,933	50,933	50,933
Other services (Appropriation Bill No. 2)	75	425	150	-	-
<b>Administered total</b>	<b>27,817</b>	<b>28,215</b>	<b>51,083</b>	<b>50,933</b>	<b>50,933</b>
<b>Total expenses for program 1.6</b>	<b>27,817</b>	<b>28,215</b>	<b>51,083</b>	<b>50,933</b>	<b>50,933</b>
<b>Program 1.7: Public Information Services and Public Diplomacy</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	5,044	4,594	4,594	4,594	4,594
<b>Administered total</b>	<b>5,044</b>	<b>4,594</b>	<b>4,594</b>	<b>4,594</b>	<b>4,594</b>
<b>Total expenses for program 1.7</b>	<b>5,044</b>	<b>4,594</b>	<b>4,594</b>	<b>4,594</b>	<b>4,594</b>

*Table continued on following page.*

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>Program 1.8: Programs to Promote Australia's International Tourism Interests</b>					
Administered expenses					
Tourism Australia - Corporate Commonwealth Entity	144,018	140,266	141,291	144,417	147,462
Ordinary annual services (Appropriation Bill No. 1)	14,000	14,000	14,000	14,000	14,000
<b>Administered total</b>	<b>158,018</b>	<b>154,266</b>	<b>155,291</b>	<b>158,417</b>	<b>161,462</b>
<b>Total expenses for program 1.8</b>	<b>158,018</b>	<b>154,266</b>	<b>155,291</b>	<b>158,417</b>	<b>161,462</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered Expenses					
Ordinary annual services (Appropriation Bill No. 1)	3,598,870	4,160,082	3,765,197	4,068,952	4,783,271
Corporate Commonwealth Entity	144,018	140,266	141,291	144,417	147,462
Other services (Appropriation Bill No. 2)	13,527	1,012,362	150	-	600,090
Expenses not requiring appropriation in the Budget year	23,347	537,606	2,789	2,640	522,218
<b>Administered total</b>	<b>3,779,762</b>	<b>5,850,316</b>	<b>3,909,427</b>	<b>4,216,009</b>	<b>6,053,041</b>
Departmental expenses					
Departmental appropriations	819,748	844,905	785,596	793,010	799,917
Section 74 Retained revenue receipts (b)	81,599	81,599	81,599	81,599	81,599
Expenses not requiring appropriation in the Budget year (a, c, d and e)	123,990	125,983	115,962	109,509	103,282
<b>Departmental total</b>	<b>1,025,337</b>	<b>1,052,487</b>	<b>983,157</b>	<b>984,118</b>	<b>984,798</b>
<b>Total expenses for Outcome 1</b>	<b>4,805,099</b>	<b>6,902,803</b>	<b>4,892,584</b>	<b>5,200,127</b>	<b>7,037,839</b>
<b>Average staffing level (number)</b>					
	2015-16 3,749	2016-17 3,789			

- (a) Includes expenses for the Debt-to-Health Swap with the Government of Indonesia \$13.4 million in 2015-16 and \$15.0 million in 2016-17 that are funded through Appropriation Bill 2.
- (b) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
- (c) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees.
- (d) 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.
- (e) Expenses not requiring appropriation in the Budget year relates to the concessional loan discount for the AIPRD loans.

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

**Table 2.1.2: Program components of Outcome 1**

<b>Program 1.1: Foreign Affairs and Trade Operations</b>					
	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>1.1.1 - Component 1: Foreign Affairs and Trade Operations</b>					
Annual administered expenses:					
International Climate Change Engagement	3,000	3,000	3,000	3,000	3,000
Personal Benefits - Locally Engaged Staff pension schemes	2,980	2,974	3,069	3,123	3,178
Other Administered Items	1,819	679	694	710	727
Other services (Appropriation Bill No. 2)					
Debt-to-Health Swap with Government of Indonesia	13,452	15,027	-	-	-
Expenses not requiring appropriation in the Budget year					
Export Finance and Insurance Corporation (EFIC) - National Interest Account Expenses	1,500	1,300	1,300	1,200	1,100
Other Administered Items	13,452	15,027	-	-	-
Departmental expenses					
Departmental appropriations 74 Retained revenue receipts	578,925	602,049	536,669	537,859	540,939
Expenses not requiring appropriation in the Budget year	81,599	81,599	81,599	81,599	81,599
	123,990	125,983	115,962	109,509	103,282
<b>Total Component 1.1.1 expenses</b>	<b>820,717</b>	<b>847,638</b>	<b>742,293</b>	<b>737,000</b>	<b>733,825</b>
<b>Program 1.2: Official Development Assistance</b>					
	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>1.2.1 - Component 2: Official Development Assistance</b>					
Annual administered expenses:					
Country programs	1,682,783	1,603,879	1,643,976	1,685,075	1,727,202
Regional programs	641,695	621,706	667,395	670,395	702,015
Global programs	549,615	355,276	505,322	599,003	599,003
Humanitarian and emergency response programs	238,121	338,939	368,939	408,939	415,988
Expenses not requiring appropriation in the Budget year	1,207	1,189	1,489	1,440	1,028
Departmental expenses					
Departmental appropriation	240,823	242,856	248,927	255,151	258,978
<b>Total Component 1.2.1 expenses</b>	<b>3,354,244</b>	<b>3,163,845</b>	<b>3,436,048</b>	<b>3,620,003</b>	<b>3,704,214</b>

**Table 2.1.3: Performance criteria for Outcome 1**

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

<b>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</b>		
<b>Program 1.1 – Foreign Affairs and Trade Operations.</b> The department will assist the Government to meet its foreign, trade and investment, development and international security policy priorities over 2016-17 and forward years. This includes actively shaping the international environment through development of strong bilateral relationships, coalition building with other nations with common interests, and an activist approach to using regional and global institutions and forums to create rules and norms that promote stability, peace and prosperity.		
<b>Delivery</b>	The department is advancing Australia’s interests through: <ul style="list-style-type: none"> <li>• Protecting and advancing 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.</li> <li>• Delivering accurate and timely policy advice to Ministers and other key clients that addresses the challenges of an evolving international environment.</li> <li>• Promoting 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 and through liaison with domestic Australian Government agencies and state and territory governments.</li> <li>• Ensuring the security and protecting the dignity of the diplomatic and consular corps serving in Australia by delivering a quality service and upholding Australia’s obligation under the Vienna Conventions.</li> </ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2015-16	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• The diplomatic and consular corps 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.</li> </ul>	<p>Targets are:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul> <p>DFAT expects that these performance criteria will be met during the course of 2015-16.</p>

Table continued on following page.



**Table 2.1.3: Performance criteria for Outcome 1 (continued)**

2016-17	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>	<p>Through case studies, reviews and surveys, DFAT will demonstrate whether these performance criteria have been:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul>
2017-18 and beyond	As per 2016-17	As per 2016-17
<b>Purposes</b>	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.	
<p><b>Material changes to Program 1.1 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>		

<b>Program 1.2 – Official Development Assistance</b> promotes Australia’s national interests by contributing to sustainable economic growth and poverty reduction.		
<b>Delivery</b>	<p>The Australian Government’s aid policy, <i>Australian aid: promoting prosperity, reducing poverty, enhancing stability</i> shapes the way Australia delivers its official development assistance (ODA). It focuses on two development outcomes: supporting private sector development and strengthening human development.</p> <p>Australia’s ODA investments focus on six priority areas:</p> <ul style="list-style-type: none"> <li>• infrastructure, trade facilitation and international competitiveness;</li> <li>• agriculture, fisheries and water;</li> <li>• effective governance through policies, institutions and functioning economies;</li> <li>• education and health;</li> <li>• building resilience through humanitarian assistance, disaster risk reduction and social protection; and</li> <li>• gender equality and empowering women and girls.</li> </ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2015-16	<ul style="list-style-type: none"> <li>• Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program’s performance framework, <i>Making Performance Count</i>.</li> <li>• Detailed reporting against the performance framework, including individual program and investment performance, will be published annually in the Performance of Australian Aid report.</li> </ul>	<p>Targets are:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul> <p>DFAT expects that these performance criteria will be met during the course of 2015-16.</p>
2016-17	<ul style="list-style-type: none"> <li>• Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program’s performance framework, <i>Making Performance Count</i>.</li> <li>• Detailed reporting against the performance framework, including individual program and investment performance, will be published annually in the Performance of Australian Aid report.</li> </ul>	<p>Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul>
2017-18 and beyond	As per 2016-17	As per 2016-17
<b>Purposes</b>	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.	
<b>Material changes to Program 1.2 resulting from the following measures:</b>		
<ul style="list-style-type: none"> <li>• Nil</li> </ul>		

<b>Program 1.3 – Official Development Assistance – Multilateral Replenishments</b> assists developing countries by contributing to sustainable economic growth and poverty reduction through contributions to multilateral organisations.		
<b>Delivery</b>	Australia's official development assistance is 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.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2015-16	<ul style="list-style-type: none"> <li>Australia assesses the performance of its multilateral partners to inform our engagement with them and to ensure value for money from our multilateral funding.</li> <li>Australia is strengthening its approach to the assessment of performance of multilateral organisations in line with the aid performance framework, <i>Making Performance Count</i>.</li> <li>Strengthened systems for assessing the performance of multilateral aid delivery partners.</li> </ul>	Targets are: <ul style="list-style-type: none"> <li>Met</li> <li>Partially met</li> <li>Not met</li> </ul> DFAT expects that these performance criteria will be met during the course of 2015-16.
2016-17	<ul style="list-style-type: none"> <li>Achievement of significant development results and demonstrated organisational effectiveness, including progress towards the strategic targets contained in the Australian aid program's performance framework, <i>Making Performance Count</i>.</li> <li>Detailed reporting against the performance framework, including for multilateral replenishments, will be published annually in the Performance of Australian Aid report.</li> </ul>	Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been: <ul style="list-style-type: none"> <li>Met</li> <li>Partially met</li> <li>Not met</li> </ul>
2017-18 and beyond	As per 2016-17	As per 2016-17
<b>Purposes</b>	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.	
<b>Material changes to Program 1.3 resulting from the following measures:</b>		
<ul style="list-style-type: none"> <li>Nil</li> </ul>		

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<b>Program 1.4 – Official Development Assistance – East Asia: Australia-Indonesia Partnership for Reconstruction and Development (AIPRD)</b> assists Indonesia in reconstruction and development in the aftermath of the 2004 Indian Ocean Tsunami.	
<b>Delivery</b>	<p>The Australia-Indonesia Partnership for Reconstruction and Development (AIPRD) between Australia and Indonesia consisted of \$500 million in grant funding and \$500 million in highly concessional loans.</p> <p>The final disbursement of the AIPRD program was made in 2014-15 and as a result the program is now complete. The Department of Foreign Affairs and Trade no longer provides performance information for this program.</p>

<p><b>Program 1.5 – Payment to International Organisations</b> advances Australia’s foreign, trade and investment, development and international security interests through participation in international organisations.</p>		
<p><b>Delivery</b></p>	<p>Australia’s participation in international organisations is delivered through:</p> <ul style="list-style-type: none"> <li>• Australian membership of international organisations and international treaty secretariats through payments of assessed and voluntary contributions.</li> <li>• Effective participation in the United Nations and its Specialised Agencies, the World Trade Organization and other multilateral forums in support of Australia’s foreign, trade and economic, development and international security interests.</li> <li>• Contributions to UN and other international organisations to assist developing countries reduce poverty and lift living standards through sustainable economic growth.</li> </ul>	
<p><b>Performance information</b></p>		
<p><b>Year</b></p>	<p><b>Performance criteria</b></p>	<p><b>Targets</b></p>
<p>2015-16</p>	<ul style="list-style-type: none"> <li>• Payments to international organisations are timely and within budget.</li> <li>• 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.</li> </ul>	<p>Targets are:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul> <p>DFAT expects that these performance criteria will be met during the course of 2015-16.</p>
<p>2016-17</p>	<ul style="list-style-type: none"> <li>• The department’s contributions shape multilateral outcomes in accordance with Australia’s interests.</li> <li>• High-quality leadership of government strategies on multilateral issues.</li> </ul>	<p>Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul>
<p>2017-18 and beyond</p>	<p>As per 2016-17</p>	<p>As per 2016-17</p>
<p><b>Purposes</b></p>	<p>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.</p>	
<p><b>Material changes to Program 1.5 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>		

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<b>Program 1.6 – New Colombo Plan – Transforming Regional Relationships</b> advances Australia's interests and bilateral relationships through enduring people-to-people, institutional and business links with the Indo-Pacific region.		
<b>Delivery</b>	The New Colombo Plan (NCP) will be delivered 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.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2015-16	<ul style="list-style-type: none"> <li>• More Australian undergraduates supported to study and intern in the Indo-Pacific region.</li> <li>• NCP participants build relationships in the region and promote the value of the NCP experience.</li> <li>• Universities, the private sector and partner governments support the implementation of the NCP.</li> <li>• Alumni are engaged through networks that foster professional development and ongoing connections with the region.</li> </ul>	Targets are: <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul> DFAT expects that these performance criteria will be met during the course of 2015-16.
2016-17	<ul style="list-style-type: none"> <li>• More Australian undergraduates supported to study and intern in the Indo-Pacific region.</li> <li>• NCP participants build relationships in the region and promote the value of the NCP experience.</li> <li>• Universities, the private sector and partner governments support the implementation of the NCP.</li> <li>• Alumni are engaged through networks that foster professional development and ongoing connections with the region.</li> </ul>	Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been: <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul>
2017-18 and beyond	As per 2016-17	As per 2016-17
<b>Purposes</b>	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.	
<b>Material changes to Program 1.6 resulting from the following measures:</b>		
<ul style="list-style-type: none"> <li>• Nil</li> </ul>		

<p><b>Program 1.7– Public Information Services and Public Diplomacy</b> projects a positive and contemporary image of Australia and promotes 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.</p>		
<p><b>Delivery</b></p>	<p>The department's public diplomacy, cultural and media activities are:</p> <ul style="list-style-type: none"> <li>• Promoting people-to-people links and a contemporary and positive image of Australia as a creative and innovative nation and as a destination for business, investment, tourism and study and support the Government's international policy goals.</li> <li>• Advancing 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.</li> </ul>	
<p><b>Performance information</b></p>		
<p><b>Year</b></p>	<p><b>Performance criteria</b></p>	<p><b>Targets</b></p>
<p>2015-16</p>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<p>Targets are:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul> <p>DFAT expects that this performance criterion will be met during the course of 2015-16.</p>
<p>2016-17</p>	<ul style="list-style-type: none"> <li>• Public diplomacy initiatives build links overseas to further Australia's interests and increase Australia's influence.</li> <li>• Inform and influence media reporting on Australia.</li> <li>• Timely and high-quality management of domestic and international media enquiries, including measurement of the quantity and quality of departmental responses to media enquiries.</li> <li>• High-quality stakeholder engagement including through departmental and embassy websites and social media platforms.</li> </ul>	<p>Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul>
<p>2017-18 and beyond</p>	<p>As per 2016-17</p>	<p>As per 2016-17</p>
<p><b>Purposes</b></p>	<p>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.</p>	
<p><b>Material changes to Program 1.7 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>		

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<b>Program 1.8 – Programs to Promote Australia’s International Tourism Interests</b>		
<b>Delivery</b>	The delivery of this program is the responsibility of Austrade and Tourism Australia.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2015-16	Refer to Austrade’s <i>Outcomes and planned performance</i> section for 2015-16 objectives, deliverables and performance criteria. Refer to Tourism Australia’s <i>Outcomes and planned performance</i> section for 2015-16 objectives, deliverables and performance criteria.	
2016-17	Refer to Austrade’s <i>Outcomes and planned performance</i> section for 2016-17 for objectives, deliverables, performance criteria and targets. Refer to the Tourism Australia’s <i>Outcomes and planned performance</i> section for 2016-17 for objectives, deliverables, performance criteria and targets.	
2017-18 and beyond	See 2016-17 above.	
<b>Purposes</b>	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. Also refer to Austrade’s and Tourism Australia’s corporate plans for information on the contribution of this program to these organisation’s purposes.	
<b>Material changes to Program 1.8 resulting from the following measures:</b>		
<ul style="list-style-type: none"> <li>• Nil</li> </ul>		



## 2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2

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

### Linked programs

<b>Austrade</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 2.1 – Consular and Passport Services</li></ul>
<b>Department of Human Services</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• Program 1.1 – Services to the Community-Social Security and Welfare</li></ul>
<b>Contribution to Outcome 2 made by linked programs</b> <p>DFAT is supported by the Department of Human Services and Austrade in the delivery of high-quality consular services, including the provision of Australian passport information services and the repatriation of vulnerable Australians.</p>

**Budgeted expenses for Outcome 2**

This table shows how much the Department of Foreign Affairs and Trade intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

**Table 2.2.1: Budgeted expenses for Outcome 2**

<b>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</b>	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>Program 2.1: Consular Services</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1) (a)	200	200	200	200	200
<b>Administered total</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
Departmental expenses					
Departmental appropriation	103,983	104,539	103,709	103,839	102,281
<b>Departmental total</b>	<b>103,983</b>	<b>104,539</b>	<b>103,709</b>	<b>103,839</b>	<b>102,281</b>
<b>Total expenses for program 2.1</b>	<b>104,183</b>	<b>104,739</b>	<b>103,909</b>	<b>104,039</b>	<b>102,481</b>
<b>Program 2.2: Passport Services</b>					
Administered expenses					
Special appropriations: PGPA Act s77 - Passport Refunds	1,010	1,010	1,010	1,010	1,010
<b>Administered total</b>	<b>1,010</b>	<b>1,010</b>	<b>1,010</b>	<b>1,010</b>	<b>1,010</b>
Departmental expenses					
Departmental appropriation	231,410	250,692	246,236	248,388	258,796
<b>Departmental total</b>	<b>231,410</b>	<b>250,692</b>	<b>246,236</b>	<b>248,388</b>	<b>258,796</b>
<b>Total expenses for program 2.2</b>	<b>232,420</b>	<b>251,702</b>	<b>247,246</b>	<b>249,398</b>	<b>259,806</b>

Table continued on following page.

**Table 2.2.1: Budgeted expenses for Outcome 2 (continued)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>Outcome 2 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1) (a)	200	200	200	200	200
Special appropriations	1,010	1,010	1,010	1,010	1,010
<b>Administered total</b>	<b>1,210</b>	<b>1,210</b>	<b>1,210</b>	<b>1,210</b>	<b>1,210</b>
Departmental expenses					
Departmental appropriation	335,393	355,231	349,945	352,227	361,077
<b>Departmental total</b>	<b>335,393</b>	<b>355,231</b>	<b>349,945</b>	<b>352,227</b>	<b>361,077</b>
<b>Total expenses for Outcome 2</b>	<b>336,603</b>	<b>356,441</b>	<b>351,155</b>	<b>353,437</b>	<b>362,287</b>
<b>Average staffing level (number)</b>					
	2015-16 1,082	2016-17 1,093			

(a) This expense does not include \$0.55m for Traveller's Emergency Loans as these are treated as receivables and form part of the receivables balance in Table 3.8.

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

**Table 2.2.3: Performance criteria for Outcome 2**

Table 2.2.3 below details the performance criteria for each program associated with Outcome 2. It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

<b>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</b>		
<b>Program 2.1 – Consular Services</b> 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.		
<b>Delivery</b>	<p>Australian travellers and Australians overseas are assisted through:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Coordination of whole-of-government responses to large-scale crises involving conflict, civil unrest, natural disasters or terrorist incidents.</li> </ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2015-16	<ul style="list-style-type: none"> <li>• The department's delivery of consular services is effective, efficient, timely and responsive, and within the scope of Australian Government responsibility.</li> <li>• 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.</li> <li>• 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.</li> <li>• Timely and effective consular support to Australians through well-coordinated implementation of whole-of-government responses to large-scale crises.</li> </ul>	<p>Targets are:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul> <p>DFAT expects that these performance criteria will be met during the course of 2015-16.</p>

Table continued on following page.

**Table 2.2.3: Performance criteria for Outcome 2 (continued)**

2016-17	<ul style="list-style-type: none"> <li>• Timely and effective delivery of consular services to Australians overseas, including during crises.</li> <li>• Timely, effective and well-coordinated implementation of whole-of-government responses to large-scale crises overseas.</li> <li>• Timely and accurate information provided to the public, including on responding to incidents and updates to travel advice.</li> </ul>	<p>Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul>
2017-18 and beyond	As per 2016-17	As per 2016-17
<b>Purposes</b>	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.	
<p><b>Material changes to Program 2.1 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>		

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<b>Program 2.2 – Passport Services</b> provide Australians access to secure international travel documentation through the delivery of high-quality passport services.		
<b>Delivery</b>	Australians are provided with the following passport services: <ul style="list-style-type: none"> <li>• High-quality passport services to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud.</li> <li>• 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.</li> <li>• Ongoing implementation of the National Security – Improved Passport Integrity and Strengthened Issuance Systems program.</li> </ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2015-16	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Staged delivery of the National Security – Improved Passport Integrity and Strengthened Issuance Systems program within budget and against timelines.</li> <li>• Prevention, detection and prosecution of passport fraud.</li> </ul>	<p>Targets are:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul> <p>DFAT expects that these performance criteria will be met during the course of 2015-16.</p>
2016-17	<ul style="list-style-type: none"> <li>• High-quality delivery of passport services to clients.</li> <li>• High standards and interoperability of Australian passports and services.</li> <li>• Efficient processing of regular and urgent passport applications.</li> <li>• Prevention, detection and prosecution of passport fraud.</li> </ul>	<p>Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul>
2017-18 and beyond	As per 2016-17	As per 2016-17
<b>Purposes</b>	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.	
<b>Material changes to Program 2.2 resulting from the following measures:</b>		
<ul style="list-style-type: none"> <li>• Nil</li> </ul>		

## 2.3 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 3

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

### Budgeted expenses for Outcome 3

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

**Table 2.3.1: Budgeted expenses for Outcome 3**

<b>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</b>	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>Program 3.1: Foreign Affairs and Trade Security and IT</b>					
Departmental expenses					
Departmental appropriation	194,815	203,007	151,822	152,005	150,991
<b>Departmental total</b>	<b>194,815</b>	<b>203,007</b>	<b>151,822</b>	<b>152,005</b>	<b>150,991</b>
<b>Total expenses for program 3.1</b>	<b>194,815</b>	<b>203,007</b>	<b>151,822</b>	<b>152,005</b>	<b>150,991</b>
<b>Program 3.2: Overseas Property</b>					
Special Accounts: Overseas Property Special Account - DFAT - s20 FMA Act Det 2002/01 (a)					
	163,586	160,879	133,715	165,185	172,389
Expenses not requiring appropriation in the Budget year (b)					
	19,295	15,432	22,414	25,476	28,298
<b>Departmental total</b>	<b>182,881</b>	<b>176,311</b>	<b>156,129</b>	<b>190,661</b>	<b>200,687</b>
<b>Total expenses for program 3.2</b>	<b>182,881</b>	<b>176,311</b>	<b>156,129</b>	<b>190,661</b>	<b>200,687</b>

*Table continued on following page.*

**Table 2.3.1: Budgeted expenses for Outcome 3 (continued)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>Outcome 3 Totals by appropriation</b>					
Departmental expenses					
Departmental appropriation	194,815	203,007	151,822	152,005	150,991
Special accounts	163,586	160,879	133,715	165,185	172,389
Expenses not requiring appropriation in the Budget year (b)	19,295	15,432	22,414	25,476	28,298
<b>Departmental total</b>	<b>377,696</b>	<b>379,318</b>	<b>307,951</b>	<b>342,666</b>	<b>351,678</b>
<b>Total expenses for Outcome 3</b>	<b>377,696</b>	<b>379,318</b>	<b>307,951</b>	<b>342,666</b>	<b>351,678</b>

	2015-16	2016-17
<b>Average staffing level (number)</b>	869	878

(a) This reflects actual cash disbursements from the Overseas Property Special Account.

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



**Table 2.3.3: Performance criteria for Outcome 3**

Table 2.3.3 below details the performance criteria for each program associated with Outcome 3. It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 3 – A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth’s overseas property estate</b>		
<b>Program 3.1 – Foreign Affairs and Trade Security and IT</b> works to ensure:		
<ul style="list-style-type: none"> <li>• A secure Australian Government presence overseas for personnel, assets and information by sustaining and improving physical and operational security.</li> <li>• Strengthened information and communications technology (ICT) capability at Australia’s missions overseas and DFAT offices in Australia.</li> </ul>		
<b>Delivery</b>	<p>The department is delivering security services and information and communications technology (ICT) through:</p> <ul style="list-style-type: none"> <li>• Strengthened physical and operational security mitigation measures commensurate with the evolving international security environment.</li> <li>• 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.</li> <li>• 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.</li> <li>• High-quality overseas ICT services to other government agencies.</li> <li>• Ongoing implementation of the International Communications Network – upgrade program.</li> </ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2015-16	<ul style="list-style-type: none"> <li>• Effective threat analysis, risk assessments and mitigation strategies appropriate to increased security risks, including timely and effective responses to security incidents.</li> <li>• Reduced security risks to official information, through a strengthened security culture, evidenced by fewer security breaches.</li> <li>• Client satisfaction with the accessibility, reliability and effectiveness of the secure cable network (Official Diplomatic Information Network) and the global secure telecommunications infrastructure.</li> <li>• Staged delivery of the International Communications Network – upgrade program within budget and against timelines.</li> </ul>	<p>Targets are:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul> <p>DFAT expects that these performance criteria will be met during the course of 2015-16.</p>

*Table continued on following page.*

**Table 2.3.3: Performance criteria for Outcome 3 (continued)**

2016-17	<ul style="list-style-type: none"> <li>• A strong security culture.</li> <li>• High-quality advice, effective mitigation strategies and timely responses to international security incidents based on considered threat and risk assessments.</li> <li>• An accessible and reliable secure cable network.</li> </ul>	<p>Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul>
2017-18 and beyond	As per 2016-17	As per 2016-17
<b>Purposes</b>	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.	
<p><b>Material changes to Program 3.1 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>		

<p><b>Program 3.2 – Overseas Property</b> is ensuring a secure Australian government presence overseas through the effective management of the Commonwealth’s overseas property estate and of the contracts for the leased estate.</p>		
<p><b>Delivery</b></p>	<p>The department is a secure Australian Government presence overseas through:</p> <ul style="list-style-type: none"> <li>• Efficient and effective management and delivery of a substantial construction and refurbishment program in the overseas property estate.</li> <li>• Efficient and effective management of the overseas property estate to meet the Government’s requirements and maintain conditions and service capabilities.</li> <li>• Effective management of outsourced property contract arrangements.</li> </ul>	
<p><b>Performance information</b></p>		
<p><b>Year</b></p>	<p><b>Performance criteria</b></p>	<p><b>Targets</b></p>
<p>2015-16</p>	<ul style="list-style-type: none"> <li>• Completion of construction and refurbishment projects within an agreed timeframe and budget.</li> <li>• Effective and accountable management of the property services contract and construction project contracts.</li> <li>• Achieve a portfolio condition and utility rating of good or better.</li> <li>• The majority of tenants rate the performance of the service provider and the Overseas Property Office as good or better.</li> <li>• Asset management plans are in place for all owned properties in the estate.</li> <li>• Achieve a management expense ratio appropriate to the unique nature of the Commonwealth’s overseas owned estate.</li> </ul>	<p>Targets are:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul> <p>DFAT expects that these performance criteria will be met during the course of 2015-16.</p>
<p>2016-17</p>	<ul style="list-style-type: none"> <li>• The construction and refurbishment of departmental overseas property completed within agreed timeframes and budgets.</li> <li>• Asset management plans are in place for all owned properties in the estate.</li> <li>• The majority of tenants rate the performance of the service provider and the Overseas Property Office as good or better.</li> </ul>	<p>Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been:</p> <ul style="list-style-type: none"> <li>• Met</li> <li>• Partially met</li> <li>• Not met</li> </ul>
<p>2017-18 and beyond</p>	<p>As per 2016-17</p>	<p>As per 2016-17</p>
<p><b>Purposes</b></p>	<p>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.</p>	
<p><b>Material changes to Program 3.2 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>		

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences between 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's financial statements will be prepared in accordance with Australian Accounting Standards. 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.

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

The total budgeted appropriation in 2016-17 is \$1,403.1 million, which represents an increase of \$53.2 million in appropriations from 2015-16 as shown in Table 3.1. The increase is primarily attributable to:

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

This is partially offset by:

- efficiencies agreed in the 2016-17 Budget.

The Income Statement shows a budgeted deficit in 2016-17 of \$91.8 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 \$67.5 million in 2016-17, all of which relates to the Overseas Property Special Account (OPSA).

### **Budgeted Departmental Balance Sheet**

The department will receive an equity injection of \$57.7 million in 2016-17 for the purchase or construction of new assets. The department will also receive \$51.8 million through its Departmental Capital Budget to fund the replacement of existing assets.

For 2016-17, the department's non-financial asset position is budgeted to be \$3,634.9 million at year-end. The major asset component is \$3,070.3 million for Land and Buildings.

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

In 2016-17 the department will receive administered appropriation of \$4,161.8 million (excluding capital funding) for programs administered on behalf of the Government. The increase in appropriations of \$559.7 million from 2015-16 is due to new multilateral replenishments being negotiated for the Asian Development Fund (ADF) and the International Development Association (IDA).

Administered expenses for 'International Development Assistance' are budgeted at \$2,919.8 million, a decrease of \$192.4 million from the 2015-16 estimated actual which reflects the reduction in expenditure on the Australian Aid Program.

Administered expenses for 'IDA/ADF Multilateral Replenishment Grants' and 'Other Multilateral Replenishment Grants' are budgeted at \$720.0 million, an increase of \$720.0 million from the 2015-16 estimated actual due to new multilateral replenishments being negotiated for the ADF and the IDA.

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 IDA and 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 \$5,333.6 million and \$2,835.2 million respectively for the year ending 30 June 2016.

Administered assets are expected to increase in 2016-17 by \$1,037.1 million. This is due to new multilateral replenishments being negotiated for the ADF and the IDA in 2016-17.

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Administered liabilities are expected to increase in 2016-17 by \$932.7 million. This is due to new liabilities for the multilateral replenishments being negotiated for the ADF and the IDA in 2016-17.

**Schedule of Budgeted Administered Cash Flows**

Administered cash receipts is primarily comprised of receipts from passport and consular services and is budgeted at \$571.4 million, an increase of \$51.8 million.

Administered cash used in 2016-17 is estimated to decrease by \$101.6 million compared to 2015-16. This is due primarily to the reduction in expenditure on the Australian Aid Program.

### 3.2.1 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>EXPENSES</b>					
Employee benefits	757,972	765,608	744,935	749,055	758,692
Suppliers	657,093	696,337	603,461	607,552	615,402
Grants	5,000	4,930	4,930	4,930	4,930
Depreciation and amortisation	154,775	159,282	154,012	152,289	146,140
<b>Total expenses</b>	<b>1,574,840</b>	<b>1,626,157</b>	<b>1,507,338</b>	<b>1,513,826</b>	<b>1,525,164</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	99,062	104,863	110,769	113,817	115,853
Other	8,300	8,300	8,300	8,300	8,300
<b>Total own-source revenue</b>	<b>107,362</b>	<b>113,163</b>	<b>119,069</b>	<b>122,117</b>	<b>124,153</b>
<b>Gains</b>					
Other gains	687	18,074	103,793	635	635
<b>Total gains</b>	<b>687</b>	<b>18,074</b>	<b>103,793</b>	<b>635</b>	<b>635</b>
<b>Total own-source income</b>	<b>108,049</b>	<b>131,237</b>	<b>222,862</b>	<b>122,752</b>	<b>124,788</b>
<b>Net cost of/(contribution by) services</b>	<b>1,466,791</b>	<b>1,494,920</b>	<b>1,284,476</b>	<b>1,391,074</b>	<b>1,400,376</b>
<b>Revenue from Government</b>	<b>1,349,956</b>	<b>1,403,143</b>	<b>1,287,363</b>	<b>1,297,242</b>	<b>1,311,985</b>
<b>Deficit attributable to the Australian Government</b>	<b>(116,835)</b>	<b>(91,777)</b>	<b>2,887</b>	<b>(93,832)</b>	<b>(88,391)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Total other comprehensive income</b>	-	-	-	-	-
<b>Total comprehensive loss</b>	<b>(116,835)</b>	<b>(91,777)</b>	<b>2,887</b>	<b>(93,832)</b>	<b>(88,391)</b>
<b>Total comprehensive loss attributable to the Australian Government</b>	<b>(116,835)</b>	<b>(91,777)</b>	<b>2,887</b>	<b>(93,832)</b>	<b>(88,391)</b>

*Table continued on following page.*

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)**

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'001
<b>Total comprehensive income excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>37,940</b>	<b>67,505</b>	<b>156,899</b>	<b>58,457</b>	<b>57,749</b>
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	154,775	159,282	154,012	152,289	146,140
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(116,835)</b>	<b>(91,777)</b>	<b>2,887</b>	<b>(93,832)</b>	<b>(88,391)</b>

(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 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.



**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	84,720	84,720	84,720	84,720	84,720
Trade and other receivables	622,423	589,651	714,929	692,450	606,498
<b>Total financial assets</b>	<b>707,143</b>	<b>674,371</b>	<b>799,649</b>	<b>777,170</b>	<b>691,218</b>
<b>Non-financial assets</b>					
Land and buildings	2,996,120	3,070,305	3,079,564	3,099,226	3,190,538
Property, plant and equipment	276,206	285,094	280,475	267,845	258,912
Intangibles	93,114	86,090	78,563	73,592	70,849
Inventories	39,641	39,641	39,641	39,641	39,641
Other non-financial assets	86,062	86,923	87,792	88,670	89,557
Assets held for sale	89,403	66,842	-	-	-
<b>Total non-financial assets</b>	<b>3,580,546</b>	<b>3,634,895</b>	<b>3,566,035</b>	<b>3,568,974</b>	<b>3,649,497</b>
<b>Total assets</b>	<b>4,287,689</b>	<b>4,309,266</b>	<b>4,365,684</b>	<b>4,346,144</b>	<b>4,340,715</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	122,687	123,914	82,226	83,048	83,879
Other payables	62,895	63,324	63,755	64,189	64,508
<b>Total payables</b>	<b>185,582</b>	<b>187,238</b>	<b>145,981</b>	<b>147,237</b>	<b>148,387</b>
<b>Provisions</b>					
Employee provisions	214,607	216,753	218,920	221,110	223,321
Other provisions	22,534	22,647	22,760	22,874	22,988
<b>Total provisions</b>	<b>237,141</b>	<b>239,400</b>	<b>241,680</b>	<b>243,984</b>	<b>246,309</b>
<b>Total liabilities</b>	<b>422,723</b>	<b>426,638</b>	<b>387,661</b>	<b>391,221</b>	<b>394,696</b>
<b>Net assets</b>	<b>3,864,966</b>	<b>3,882,628</b>	<b>3,978,023</b>	<b>3,954,923</b>	<b>3,946,019</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	2,407,063	2,516,502	2,609,010	2,686,942	2,766,429
Reserves	1,241,493	1,241,493	1,241,493	1,241,493	1,241,493
Retained surplus	216,410	124,633	127,520	26,488	-61,903
<b>Total parent entity interest</b>	<b>3,864,966</b>	<b>3,882,628</b>	<b>3,978,023</b>	<b>3,954,923</b>	<b>3,946,019</b>
<b>Total Equity</b>	<b>3,864,966</b>	<b>3,882,628</b>	<b>3,978,023</b>	<b>3,954,923</b>	<b>3,946,019</b>

\* 'Equity' is the residual interest in assets after deduction of liabilities.  
Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2016-17)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2016</b>				
Balance carried forward from previous period	216,410	1,241,493	2,407,063	3,864,966
<b>Adjusted opening balance</b>	<b>216,410</b>	<b>1,241,493</b>	<b>2,407,063</b>	<b>3,864,966</b>
<b>Comprehensive income</b>				
Other comprehensive income	-	-	-	-
Surplus/(deficit) for the period	(91,777)	-	-	(91,777)
<b>Total comprehensive loss</b>	<b>(91,777)</b>	<b>-</b>	<b>-</b>	<b>(91,777)</b>
of which:				
Attributable to the Australian Government	(91,777)	-	-	(91,777)
<b>Transactions with owners</b>				
<b>Distributions to owners</b>				
Returns of capital:				
Cash transfer to the OPA	-	-	-	-
<b>Contributions by owners</b>				
Equity Injection - Appropriation	-	-	57,684	57,684
Departmental Capital Budget (DCB)	-	-	51,755	51,755
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>109,439</b>	<b>109,439</b>
<b>Estimated closing balance as at 30 June 2017</b>	<b>124,633</b>	<b>1,241,493</b>	<b>2,516,502</b>	<b>3,882,628</b>
<b>Closing balance attributable to the Australian Government</b>	<b>124,633</b>	<b>1,241,493</b>	<b>2,516,502</b>	<b>3,882,628</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	1,349,956	1,403,143	1,287,363	1,297,242	1,311,985
Sale of goods and rendering of services	107,362	113,163	119,069	122,117	124,153
Other	136,526	104,496	71,545	69,540	134,192
<b>Total cash received</b>	<b>1,593,844</b>	<b>1,620,802</b>	<b>1,477,977</b>	<b>1,488,899</b>	<b>1,570,330</b>
<b>Cash used</b>					
Employees	755,847	763,462	742,768	746,865	756,481
Suppliers	657,093	695,110	603,461	607,552	615,402
Other	44,378	98,854	234,241	57,742	64,255
<b>Total cash used</b>	<b>1,457,318</b>	<b>1,557,426</b>	<b>1,580,470</b>	<b>1,412,159</b>	<b>1,436,138</b>
<b>Net cash from/(used by) operating activities</b>	<b>136,526</b>	<b>63,376</b>	<b>(102,493)</b>	<b>76,740</b>	<b>134,192</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	41,120	174,038	-	-
<b>Total cash received</b>	<b>-</b>	<b>41,120</b>	<b>174,038</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant, equipment and intangibles	420,906	231,286	165,135	147,472	213,679
<b>Total cash used</b>	<b>420,906</b>	<b>231,286</b>	<b>165,135</b>	<b>147,472</b>	<b>213,679</b>
<b>Net cash from/(used by) investing activities</b>	<b>(420,906)</b>	<b>(190,166)</b>	<b>8,903</b>	<b>(147,472)</b>	<b>(213,679)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	284,380	126,790	93,590	77,932	79,487
<b>Total cash received</b>	<b>284,380</b>	<b>126,790</b>	<b>93,590</b>	<b>77,932</b>	<b>79,487</b>
<b>Cash used</b>					
Returns of equity	-	-	-	7,200	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,200</b>	<b>-</b>
<b>Net cash used by financing activities</b>	<b>284,380</b>	<b>126,790</b>	<b>93,590</b>	<b>70,732</b>	<b>79,487</b>
<b>Net increase in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	84,720	84,720	84,720	84,720	84,720
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>84,720</b>	<b>84,720</b>	<b>84,720</b>	<b>84,720</b>	<b>84,720</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	52,171	51,755	47,449	72,126	78,644
Equity injections - Bill 2	201,511	57,684	45,059	5,806	843
<b>Total new capital appropriations</b>	<b>253,682</b>	<b>109,439</b>	<b>92,508</b>	<b>77,932</b>	<b>79,487</b>
<b>Provided for:</b>					
Purchase of non-financial assets	253,682	109,439	92,508	77,932	79,487
<b>Total Items</b>	<b>253,682</b>	<b>109,439</b>	<b>92,508</b>	<b>77,932</b>	<b>79,487</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	232,209	75,035	46,141	5,806	843
Funded by capital appropriation - DCB (b)	52,171	51,755	47,449	72,126	78,644
Funded internally from departmental resources (c)	136,526	104,496	71,545	69,540	134,192
<b>TOTAL</b>	<b>420,906</b>	<b>231,286</b>	<b>165,135</b>	<b>147,472</b>	<b>213,679</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	420,906	231,286	165,135	147,472	213,679
<b>Total cash used to acquire assets</b>	<b>420,906</b>	<b>231,286</b>	<b>165,135</b>	<b>147,472</b>	<b>213,679</b>

(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:
- Bill 1 and current Bill 3 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
  - internally developed assets;
  - s 74 Retained revenue receipts; and
  - proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

**Table 3.6: Statement of asset movements (Budget year 2016-17)**

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	L&B, IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2016</b>						
Gross book value	1,493,020	1,740,080	408,586	188,194	89,403	3,919,283
Accumulated depreciation/amortisation and impairment	-	(236,980)	(132,380)	(95,080)	-	(464,440)
<b>Opening net book balance</b>	<b>1,493,020</b>	<b>1,503,100</b>	<b>276,206</b>	<b>93,114</b>	<b>89,403</b>	<b>3,454,843</b>
<b>Capital asset additions</b>						
<b>Estimated expenditure on new or replacement assets</b>						
By purchase - appropriation equity (a)	-	14,150	59,649	1,236	-	75,035
By purchase - appropriation ordinary annual services (b)	29,500	119,190	-	7,561	-	156,251
<b>Total additions</b>	<b>29,500</b>	<b>133,340</b>	<b>59,649</b>	<b>8,797</b>	<b>-</b>	<b>231,286</b>
<b>Other movements</b>						
Depreciation/amortisation	-	(92,700)	(50,761)	(15,821)	-	(159,282)
Other	-	-	-	-	(22,561)	(22,561)
<b>Total other movements</b>	<b>-</b>	<b>(92,700)</b>	<b>(50,761)</b>	<b>(15,821)</b>	<b>(22,561)</b>	<b>(181,843)</b>
<b>As at 30 June 2017</b>						
Gross book value	1,522,520	1,877,465	468,235	196,991	-	4,132,053
Accumulated depreciation/amortisation and impairment	-	(329,680)	(183,141)	(110,901)	-	(623,722)
<b>Closing net book balance</b>	<b>1,522,520</b>	<b>1,547,785</b>	<b>285,094</b>	<b>86,090</b>	<b>66,842</b>	<b>3,508,331</b>

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2016-17, including CDABs.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2016-17 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	2,980	2,974	3,069	3,123	3,178
Suppliers	1,673	1,689	1,704	1,720	1,737
International Development Assistance	3,112,214	2,919,800	3,185,632	3,363,412	3,444,208
IDA/ADF Multilateral Replenishment grants (a)	-	591,448	-	-	592,910
Other Multilateral Replenishment grants	-	128,510	12,622	105,000	123,020
Concessional loan discount	7,188	-	-	-	-
Concessional investment discount	-	520,090	-	-	520,090
Grants and contributions	482,635	516,871	563,380	596,907	619,428
Depreciation and amortisation	1,207	1,189	1,489	1,440	1,028
Other expenses	15,530	16,327	1,300	1,200	1,100
Payments to Corporate entities	144,018	140,266	141,291	144,417	147,462
<b>Total expenses administered on behalf of Government</b>	<b>3,767,445</b>	<b>4,839,164</b>	<b>3,910,487</b>	<b>4,217,219</b>	<b>5,454,161</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Non-taxation revenue</b>					
Sale of goods and rendering of services	449,898	505,098	545,713	559,163	603,572
Interest	1,105	96	96	96	96
Dividends	13,654	6,900	9,300	10,200	11,200
Other revenue	158	158	158	159	159
Returns of prior year administered expenses	54,814	59,145	59,066	88,222	91,494
<b>Total non-taxation revenue</b>	<b>519,629</b>	<b>571,397</b>	<b>614,333</b>	<b>657,840</b>	<b>706,521</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>519,629</b>	<b>571,397</b>	<b>614,333</b>	<b>657,840</b>	<b>706,521</b>
<b>Net cost of services</b>	<b>(3,247,816)</b>	<b>(4,267,767)</b>	<b>(3,296,154)</b>	<b>(3,559,379)</b>	<b>(4,747,640)</b>
<b>Total comprehensive loss</b>	<b>(3,247,816)</b>	<b>(4,267,767)</b>	<b>(3,296,154)</b>	<b>(3,559,379)</b>	<b>(4,747,640)</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,832	1,832	1,832	1,832	1,832
Loans and receivables	133,112	133,662	134,212	134,762	135,312
Investments (IDA/ADF)(a)	1,936,071	2,016,071	2,016,071	2,016,071	2,096,071
Investment accounted for using the equity method	456,302	456,302	456,302	456,302	456,302
Appropriation receivable - other	1,761,645	2,719,006	2,373,378	2,190,554	3,160,852
<b>Total financial assets</b>	<b>4,288,962</b>	<b>5,326,873</b>	<b>4,981,795</b>	<b>4,799,521</b>	<b>5,850,369</b>
<b>Non-financial assets</b>					
Leasehold improvements	1,482	973	907	902	902
Infrastructure, plant and equipment	1,533	1,436	956	525	525
Intangibles	4,368	4,168	3,668	3,168	2,668
Other non-financial assets	151	151	151	151	151
<b>Total non-financial assets</b>	<b>7,534</b>	<b>6,728</b>	<b>5,682</b>	<b>4,746</b>	<b>4,246</b>
<b>Total assets administered on behalf of Government</b>	<b>4,296,496</b>	<b>5,333,601</b>	<b>4,987,477</b>	<b>4,804,267</b>	<b>5,854,615</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
IDA/ADF grant component (a)	301,104	810,486	717,762	613,238	1,092,160
IDA/ADF concessional component (a)	1,028,954	1,353,432	1,116,369	924,619	1,351,544
Aid program payable	461,051	557,583	541,588	655,033	719,484
Other payables	30,663	32,934	32,938	32,943	32,943
<b>Total payables</b>	<b>1,821,772</b>	<b>2,754,435</b>	<b>2,408,657</b>	<b>2,225,833</b>	<b>3,196,131</b>
<b>Provisions</b>					
Employee provisions	80,749	80,749	80,749	80,749	80,749
<b>Total provisions</b>	<b>80,749</b>	<b>80,749</b>	<b>80,749</b>	<b>80,749</b>	<b>80,749</b>
<b>Total liabilities administered on behalf of Government</b>	<b>1,902,521</b>	<b>2,835,184</b>	<b>2,489,406</b>	<b>2,306,582</b>	<b>3,276,880</b>
<b>Net assets</b>	<b>2,393,975</b>	<b>2,498,417</b>	<b>2,498,071</b>	<b>2,497,685</b>	<b>2,577,735</b>

(a) International Development Association (IDA) and Asian Development Fund (ADF).  
Prepared on Australian Accounting Standards basis.

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services	449,898	505,098	545,713	559,163	603,572
Interest	1,105	96	96	96	96
Dividends	13,654	6,900	9,300	10,200	11,200
Return of prior year administered expenses	54,814	59,145	59,066	88,222	91,494
Other	158	158	158	159	159
<b>Total cash received</b>	<b>519,629</b>	<b>571,397</b>	<b>614,333</b>	<b>657,840</b>	<b>706,521</b>
<b>Cash used</b>					
International Development Assistance	3,434,654	3,301,242	3,531,713	3,673,760	3,769,930
Grants and contributions	482,635	516,871	563,380	596,907	619,428
Payments to corporate entities	144,018	140,266	141,291	144,417	147,462
Personal benefits	2,980	2,974	3,069	3,123	3,178
Other	15,778	17,141	1,854	1,720	1,737
<b>Total cash used</b>	<b>4,080,065</b>	<b>3,978,494</b>	<b>4,241,307</b>	<b>4,419,927</b>	<b>4,541,735</b>
<b>Net cash used by operating activities</b>	<b>(3,560,436)</b>	<b>(3,407,097)</b>	<b>(3,626,974)</b>	<b>(3,762,087)</b>	<b>(3,835,214)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	2,325	383	443	504	528
<b>Total cash used</b>	<b>2,325</b>	<b>383</b>	<b>443</b>	<b>504</b>	<b>528</b>
<b>Net cash used by investing activities</b>	<b>(2,325)</b>	<b>(383)</b>	<b>(443)</b>	<b>(504)</b>	<b>(528)</b>
<b>Net increase decrease in cash held</b>	<b>(3,562,761)</b>	<b>(3,407,480)</b>	<b>(3,627,417)</b>	<b>(3,762,591)</b>	<b>(3,835,742)</b>
Cash and cash equivalents at beginning of reporting period	1,832	1,832	1,832	1,832	1,832
Cash from Official Public Account for:					
- Appropriations	4,082,390	3,978,877	4,241,750	4,420,431	4,542,263
Cash to Official Public Account for:					
- Appropriations	(519,629)	(571,397)	(614,333)	(657,840)	(706,521)
<b>Cash and cash equivalents at end of reporting period</b>	<b>1,832</b>	<b>1,832</b>	<b>1,832</b>	<b>1,832</b>	<b>1,832</b>

Prepared on Australian Accounting Standards basis.



**Table 3.10: Administered capital budget statement (for the period ended 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (ACB)	2,325	383	443	504	528
Administered Assets and Liabilities - Bill 2	13,527	1,012,362	150	-	600,090
<b>Total new capital appropriations</b>	<b>15,852</b>	<b>1,012,745</b>	<b>593</b>	<b>504</b>	<b>600,618</b>
<b>Provided for:</b>					
Purchase of non-financial assets	2,325	383	443	504	528
Other Items	13,527	1,012,362	150	-	600,090
<b>Total items</b>	<b>15,852</b>	<b>1,012,745</b>	<b>593</b>	<b>504</b>	<b>600,618</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - ACB (a)	2,325	383	443	504	528
<b>TOTAL</b>	<b>2,325</b>	<b>383</b>	<b>443</b>	<b>504</b>	<b>528</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total accrual purchases	2,325	383	443	504	528
<b>Total cash used to acquire assets</b>	<b>2,325</b>	<b>383</b>	<b>443</b>	<b>504</b>	<b>528</b>

(a) Includes purchases from current and previous years' administered capital budgets (ACBs).  
Prepared on Australian Accounting Standards basis.

**Table 3.11: Statement of administered asset movements (Budget year 2016-17)**

	Buildings	Other property, plant and equipment	Other	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2016</b>				
Gross book value	2,906	2,039	11,985	16,930
Accumulated depreciation/amortisation and impairment	(1,424)	(506)	(7,617)	(9,547)
<b>Opening net book balance</b>	<b>1,482</b>	<b>1,533</b>	<b>4,368</b>	<b>7,383</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services (a)	-	383	-	383
<b>Total additions</b>	<b>-</b>	<b>383</b>	<b>-</b>	<b>383</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(509)	(480)	(200)	(1,189)
<b>Total other movements</b>	<b>(509)</b>	<b>(480)</b>	<b>(200)</b>	<b>(1,189)</b>
<b>As at 30 June 2017</b>				
Gross book value	2,906	2,422	11,985	17,313
Accumulated depreciation/amortisation and impairment	(1,933)	(986)	(7,817)	(10,736)
<b>Closing net book balance</b>	<b>973</b>	<b>1,436</b>	<b>4,168</b>	<b>6,577</b>

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bills (No.1 & No. 3) 2015-16 for depreciation/amortisation expenses, ACBs or other operational expenses.

Prepared on Australian Accounting Standards basis.