



Budget

2016-17

Portfolio Budget Statements 2016-17
Budget Related Paper No. 1.9

Foreign Affairs and Trade Portfolio

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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ISBN 978-1-74322-318-5

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MINISTER FOR FOREIGN AFFAIRS
MINISTER FOR TRADE AND INVESTMENT
PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

We hereby submit Portfolio Budget Statements in support of the 2016-17 Budget for the Foreign Affairs and Trade portfolio.

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

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

Yours sincerely

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

The Hon Julie Bishop MP
Minister for Foreign Affairs

A handwritten signature in blue ink, reading 'Steven Ciobo'.

The Hon Steven Ciobo MP
Minister for Trade and Investment

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

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

Enquiries

Should you have any enquiries regarding this publication please contact Mr Paul Wood, Chief Financial Officer in the Department of Foreign Affairs and Trade on (02) 6261 1240.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Estimates Statements) can be located on the Australian Government Budget website at: www.budget.gov.au.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the *2016-17 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2016-17 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2016-17 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

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PORTFOLIO OVERVIEW

FOREIGN AFFAIRS AND TRADE PORTFOLIO OVERVIEW

Ministers and portfolio responsibilities

The four portfolio ministers are the Minister for Foreign Affairs, the Hon Julie Bishop MP, the Minister for Trade and Investment, the Hon Steven Ciobo MP, the Minister for International Development and the Pacific, Senator the Hon Concetta Fierravanti-Wells, and the Minister for Tourism and International Education and the Minister Assisting the Minister for Trade and Investment, Senator the Hon Richard Colbeck.

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

DFAT works 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. In partnership with government and non-government organisations, business and community groups in Australia and overseas, the department leads the Government's efforts to shape the regional and international environment, progress Australia's international security priorities and strengthen global cooperation in ways that advance Australia's interests.

The department works to maintain and open up new access to markets and generate conditions for increased trade and investment to strengthen Australia's economy and create new higher paying jobs. It helps lift economic growth and reduce poverty in the Indo-Pacific region and beyond. The department projects a positive image of Australia as a preferred destination for business, investment, tourism and study and provides high-quality passport and consular advice to Australian citizens. The department leads the Government's response to international crises, including humanitarian disasters.

The Government's economic diplomacy agenda – led by DFAT with support from Austrade, Tourism Australia, Efic and ACIAR – is driving innovation, and boosting access to global markets and investment in Australia. DFAT will support the ongoing implementation of recent free trade agreements with China, Japan and the Republic of Korea as well as other existing agreements, and also support the entry into force of the Trans-Pacific Partnership Agreement. The department will continue negotiating other priority bilateral and regional trade agreements, and renew efforts to progress plurilateral and multilateral trade negotiations.

Portfolio overview

DFAT will deliver an innovative aid program, centred on the Indo-Pacific region, which contributes to sustainable economic growth, poverty reduction and regional stability. The Australian aid program will maintain a strong commitment to development in the Pacific and focus on building economic partnerships in Asia. DFAT will strengthen the aid program's engagement with the private sector and embed gender equality and the empowerment of women and girls across 80 per cent of its mainstream aid investments. DFAT's innovationXchange will continue to build on and facilitate innovation in the aid program, experiment with new ways of solving intractable problems and forge new collaborations with the private sector and entrepreneurs in this work.

By supporting Australian undergraduates to study and undertake internships in the region, the New Colombo Plan will continue to increase knowledge of the Indo-Pacific in Australia and strengthen people-to-people links. In 2016-17, the opportunities for young Australian students offered under the program will continue to grow.

With more Australians travelling overseas than ever before, DFAT will continue to provide high quality consular services, responsive travel advice and a secure and efficient passport service. In 2016-17, the department will build on its first Consular Strategy to develop a second three-year Strategy covering 2017-19. This will refine consular policy and practices to respond to increasing demands while maintaining Australia's consular service at the forefront of world's best practice. Austrade will also deliver consular and passport services in specific locations overseas.

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

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

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

administer several grant programs. Austrade will continue implementing the Government's tourism policy, *Tourism 2020*, working on tourism policy, projects, programs and research to strengthen Australia's tourism industry, and grow Australia's tourism market share.

Tourism Australia will continue to promote Australia as a compelling tourism destination for international leisure and business events visitors. Tourism Australia will focus its marketing on consumers in key international markets, working in partnership with state and territory tourism organisations, industry and commercial partners to increase the economic benefits of tourism to Australia by building demand and increasing visitation and visitor spending.

DFAT will work closely with Austrade, Tourism Australia and other Commonwealth Government agencies to advance Australia's *Tourism 2020* domestic reform priorities. The department will continue to strengthen bilateral tourism relationships with major source countries and participate in key multilateral tourism forums.

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

ACIAR's work underpins Australia's national interest by contributing to economic growth and poverty reduction in the Indo-Pacific region. ACIAR will continue to improve the productivity, sustainability and profitability of agricultural systems, through international agricultural research and training partnerships. ACIAR's research partnerships will enhance and promote agricultural competitiveness and sustainability, increased market access, and value-chain efficiencies and effectiveness. Farm-level productivity and the competitiveness of both traditional and emerging value chains to achieve access on domestic and international markets will continue to be a primary focus. Projects will tackle gender inequality in their design, delivery and impact. ACIAR will maintain its core mandate of producing excellent research, and will work through others to achieve up-scaling and broader development outcomes. ACIAR will also continue to administer and manage Australia's investment in multilateral innovation through the CGIAR (formerly 'the Consultative Group on International Agricultural Research').

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

For information on resourcing across the portfolio, please refer to Part 1: Agency Financial Resourcing in *Budget Paper No. 4: Agency Resourcing*.

Figure 1: Foreign Affairs and Trade portfolio structure and outcomes



ENTITY RESOURCES AND PLANNED PERFORMANCE

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Department of Foreign Affairs and Trade (DFAT)

Entity resources and planned performance

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

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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

DFAT Budget Statements

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
Departmental		
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
Total departmental annual appropriations	2,026,759	1,949,453
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
Total special accounts	298,988	281,806
<i>less departmental appropriations drawn from annual appropriations and credited to special accounts</i>	26,307	28,940
Total departmental resourcing	2,299,440	2,202,319

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
Administered		
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
Total administered annual appropriations	3,760,971	5,313,843
Total administered special appropriations (f)	1,010	1,010
<i>less payments to corporate entities from annual appropriations</i>	<i>144,018</i>	<i>140,266</i>
Total administered resourcing	3,617,963	5,174,587
Total resourcing for DFAT	5,917,403	7,376,906
Average staffing level (number)		
	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
Revenue measures						
Notarial Fees - increase	2.1					
Administered revenues		-	5,905	12,948	14,152	15,517
Departmental revenues		-	-	-	-	-
Total		-	5,905	12,948	14,152	15,517
Passport Fees - supporting consular services	2.2					
Administered revenues		-	24,196	47,513	48,651	52,543
Departmental revenues		-	-	-	-	-
Total		-	24,196	47,513	48,651	52,543
Total revenue measures						
Administered		-	30,101	60,461	62,803	68,060
Departmental		-	-	-	-	-
Total		-	30,101	60,461	62,803	68,060
Expense measures						
Cyber Security - implementation of Australia's Cyber Security Strategy (a)	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Expanding Australia's Diplomatic Representation (b)	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	1,088	3,945	5,492	5,745
Total		-	1,088	3,945	5,492	5,745

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)
Total		(321)	(10,714)	(12,900)	(13,143)	(13,395)
Free Trade Agreement Portal - enhancements (d)	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
International Engagement to Prevent and Disrupt Maritime People Smuggling - continuation	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	2,304	2,336	2,270	2,290
Total		-	2,304	2,336	2,270	2,290
Passport Funding Arrangements - additional funding	2.2					
Administered expenses		-	-	-	-	-
Departmental expenses		-	13,959	8,777	10,471	13,467
Total		-	13,959	8,777	10,471	13,467
Total expense measures						
Administered		-	-	-	-	-
Departmental		(321)	6,637	2,158	5,090	8,107
Total		(321)	6,637	2,158	5,090	8,107

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
Capital measures						
Expanding Australia's Diplomatic Representation (b)	1.1					
Administered capital		-	-	-	-	-
Departmental capital		-	3,667	6,243	-	-
Total		-	3,667	6,243	-	-
Trans-Pacific Partnership - Implementation (e)	1.1					
Administered capital		-	-	-	-	-
Departmental capital		-	600	-	-	-
Total		-	600	-	-	-
Total capital measures						
Administered		-	-	-	-	-
Departmental		-	4,267	6,243	-	-
Total		-	4,267	6,243	-	-

(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

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

Table continued on following page.

Linked programs (continued)

<p>Department of Industry, Innovation and Science</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 2 - Growing Business Investment and Improving Business Capability
<p>Department of Immigration and Border Protection (DIBP)</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Border Enforcement • Program 1.5 - Regional Cooperation • Program 2.3 - Visas • Program 3.2 - Trade Facilitation and Industry Engagement
<p>Department of Education and Training</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 2.7 - International Education Support
<p>Tourism Australia</p> <hr/> <p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 - Supporting Outcome 1 (Grow Demand and Industry Development)
<p>Contribution to Outcome 1 made by linked programs</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

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	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
Program 1.1: Foreign Affairs and Trade Operations					
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
Administered total	35,625	38,007	8,063	8,033	8,005
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
Departmental total	784,514	809,631	734,230	728,967	725,820
Total expenses for program 1.1	820,139	847,638	742,293	737,000	733,825
Program 1.2: Official Development Assistance					
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
Administered total	3,113,421	2,920,989	3,187,121	3,364,852	3,445,236
Departmental expenses					
Departmental appropriation	240,823	242,856	248,927	255,151	258,978
Departmental total	240,823	242,856	248,927	255,151	258,978
Total expenses for program 1.2	3,354,244	3,163,845	3,436,048	3,620,003	3,704,214

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
Program 1.3: Official Development Assistance - Multilateral Replenishments					
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
Administered total	-	2,236,958	12,622	105,000	1,836,110
Total expenses for program 1.3	-	2,236,958	12,622	105,000	1,836,110
Program 1.4: Official Development Assistance - East Asia AIPRD					
Administered expenses					
AIPRD Loans Special Account 2015	-	-	-	-	-
Expenses not requiring appropriation in the Budget year (e)	7,188	-	-	-	-
Administered total	7,188	-	-	-	-
Total expenses for program 1.4	7,188	-	-	-	-
Program 1.5: Payments to International Organisations					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	432,649	467,287	490,653	524,180	546,701
Administered total	432,649	467,287	490,653	524,180	546,701
Total expenses for program 1.5	432,649	467,287	490,653	524,180	546,701
Program 1.6: New Colombo Plan - Transforming Regional Relationships					
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	-	-
Administered total	27,817	28,215	51,083	50,933	50,933
Total expenses for program 1.6	27,817	28,215	51,083	50,933	50,933
Program 1.7: Public Information Services and Public Diplomacy					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	5,044	4,594	4,594	4,594	4,594
Administered total	5,044	4,594	4,594	4,594	4,594
Total expenses for program 1.7	5,044	4,594	4,594	4,594	4,594

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
Program 1.8: Programs to Promote Australia's International Tourism Interests					
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
Administered total	158,018	154,266	155,291	158,417	161,462
Total expenses for program 1.8	158,018	154,266	155,291	158,417	161,462
Outcome 1 Totals by appropriation type					
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
Administered total	3,779,762	5,850,316	3,909,427	4,216,009	6,053,041
Departmental expenses					
Departmental appropriations 74 Retained revenue receipts (b)	819,748	844,905	785,596	793,010	799,917
Expenses not requiring appropriation in the Budget year (a, c, d and e)	81,599	81,599	81,599	81,599	81,599
	123,990	125,983	115,962	109,509	103,282
Departmental total	1,025,337	1,052,487	983,157	984,118	984,798
Total expenses for Outcome 1	4,805,099	6,902,803	4,892,584	5,200,127	7,037,839
Average staffing level (number)					
	2015-16	2016-17			
	3,749	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

Program 1.1: Foreign Affairs and Trade Operations					
	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
1.1.1 - Component 1: Foreign Affairs and Trade Operations					
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
Total Component 1.1.1 expenses	820,717	847,638	742,293	737,000	733,825
Program 1.2: Official Development Assistance					
	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
1.2.1 - Component 2: Official Development Assistance					
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
Total Component 1.2.1 expenses	3,354,244	3,163,845	3,436,048	3,620,003	3,704,214

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.

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		
Program 1.1 – Foreign Affairs and Trade Operations. 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.		
Delivery	The department is advancing Australia’s interests through: <ul style="list-style-type: none"> • 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. • Delivering accurate and timely policy advice to Ministers and other key clients that addresses the challenges of an evolving international environment. • 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. • 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. 	
Performance information		
Year	Performance criteria	Targets
2015-16	<ul style="list-style-type: none"> • High level of satisfaction of Ministers and high-level clients with the quality and timeliness of advice, briefing and support in relation to Australia’s foreign, trade and economic, development and international security interests. • The department’s advocacy, negotiation and liaison on Australia’s foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians. • Government agencies at overseas missions are satisfied with service provided in accordance with the Prime Minister’s Directive on the Guidelines for the Management of the Australian Government Presence Overseas and service level agreements in place. • The diplomatic and consular corps 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. 	<p>Targets are:</p> <ul style="list-style-type: none"> • Met • Partially met • Not met <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"> • High level of satisfaction of Ministers and high-level clients with the quality and timeliness of advice, briefing and support in relation to Australia's foreign, trade and economic, development and international security interests. • The department's advocacy, negotiation and liaison on Australia's foreign, trade and economic, development and international security interests contributes positively to bilateral, regional and multilateral outcomes that help ensure the security and prosperity of Australia and Australians. • Government agencies at overseas missions are satisfied with service provided in accordance with the Prime Minister's Directive on the Guidelines for the Management of the Australian Government Presence Overseas and service level agreements in place. • The diplomatic and consular corps posted or accredited to Australia are satisfied with the level of service provided, including in terms of responsiveness and timeliness in meeting Australia's obligations under the Vienna Conventions. 	<p>Through case studies, reviews and surveys, DFAT will demonstrate whether these performance criteria have been:</p> <ul style="list-style-type: none"> • Met • Partially met • Not met
2017-18 and beyond	As per 2016-17	As per 2016-17
Purposes	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>Material changes to Program 1.1 resulting from the following measures:</p> <ul style="list-style-type: none"> • Nil 		

Program 1.2 – Official Development Assistance promotes Australia’s national interests by contributing to sustainable economic growth and poverty reduction.		
Delivery	<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"> • infrastructure, trade facilitation and international competitiveness; • agriculture, fisheries and water; • effective governance through policies, institutions and functioning economies; • education and health; • building resilience through humanitarian assistance, disaster risk reduction and social protection; and • gender equality and empowering women and girls. 	
Performance information		
Year	Performance criteria	Targets
2015-16	<ul style="list-style-type: none"> • 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>. • Detailed reporting against the performance framework, including individual program and investment performance, will be published annually in the Performance of Australian Aid report. 	<p>Targets are:</p> <ul style="list-style-type: none"> • Met • Partially met • Not met <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"> • 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>. • Detailed reporting against the performance framework, including individual program and investment performance, will be published annually in the Performance of Australian Aid report. 	<p>Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been:</p> <ul style="list-style-type: none"> • Met • Partially met • Not met
2017-18 and beyond	As per 2016-17	As per 2016-17
Purposes	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.	
Material changes to Program 1.2 resulting from the following measures:		
<ul style="list-style-type: none"> • Nil 		

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

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Program 1.4 – Official Development Assistance – East Asia: Australia-Indonesia Partnership for Reconstruction and Development (AIPRD) assists Indonesia in reconstruction and development in the aftermath of the 2004 Indian Ocean Tsunami.	
Delivery	<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>Program 1.5 – Payment to International Organisations advances Australia’s foreign, trade and investment, development and international security interests through participation in international organisations.</p>		
<p>Delivery</p>	<p>Australia’s participation in international organisations is delivered through:</p> <ul style="list-style-type: none"> • Australian membership of international organisations and international treaty secretariats through payments of assessed and voluntary contributions. • Effective participation in the United Nations and its Specialised Agencies, the World Trade Organization and other multilateral forums in support of Australia’s foreign, trade and economic, development and international security interests. • Contributions to UN and other international organisations to assist developing countries reduce poverty and lift living standards through sustainable economic growth. 	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria</p>	<p>Targets</p>
<p>2015-16</p>	<ul style="list-style-type: none"> • Payments to international organisations are timely and within budget. • The department’s contributions influence multilateral outcomes which enhance Australia’s security and prosperity, maximise the impact of Australia’s aid program and represent value for money. 	<p>Targets are:</p> <ul style="list-style-type: none"> • Met • Partially met • Not met <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"> • The department’s contributions shape multilateral outcomes in accordance with Australia’s interests. • High-quality leadership of government strategies on multilateral issues. 	<p>Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been:</p> <ul style="list-style-type: none"> • Met • Partially met • Not met
<p>2017-18 and beyond</p>	<p>As per 2016-17</p>	<p>As per 2016-17</p>
<p>Purposes</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>Material changes to Program 1.5 resulting from the following measures:</p> <ul style="list-style-type: none"> • Nil 		

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

<p>Program 1.7– Public Information Services and Public Diplomacy 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>Delivery</p>	<p>The department's public diplomacy, cultural and media activities are:</p> <ul style="list-style-type: none"> • 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. • 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. 	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria</p>	<p>Targets</p>
<p>2015-16</p>	<ul style="list-style-type: none"> • 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. 	<p>Targets are:</p> <ul style="list-style-type: none"> • Met • Partially met • Not met <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"> • Public diplomacy initiatives build links overseas to further Australia's interests and increase Australia's influence. • Inform and influence media reporting on Australia. • Timely and high-quality management of domestic and international media enquiries, including measurement of the quantity and quality of departmental responses to media enquiries. • High-quality stakeholder engagement including through departmental and embassy websites and social media platforms. 	<p>Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been:</p> <ul style="list-style-type: none"> • Met • Partially met • Not met
<p>2017-18 and beyond</p>	<p>As per 2016-17</p>	<p>As per 2016-17</p>
<p>Purposes</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>Material changes to Program 1.7 resulting from the following measures:</p> <ul style="list-style-type: none"> • Nil 		

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Program 1.8 – Programs to Promote Australia’s International Tourism Interests		
Delivery	The delivery of this program is the responsibility of Austrade and Tourism Australia.	
Performance information		
Year	Performance criteria	Targets
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.	
Purposes	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.	
Material changes to Program 1.8 resulting from the following measures:		
<ul style="list-style-type: none"> • Nil 		

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

Austrade
Programs <ul style="list-style-type: none">• Program 2.1 – Consular and Passport Services
Department of Human Services
Programs <ul style="list-style-type: none">• Program 1.1 – Services to the Community-Social Security and Welfare
Contribution to Outcome 2 made by linked programs <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

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	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
Program 2.1: Consular Services					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1) (a)	200	200	200	200	200
Administered total	200	200	200	200	200
Departmental expenses					
Departmental appropriation	103,983	104,539	103,709	103,839	102,281
Departmental total	103,983	104,539	103,709	103,839	102,281
Total expenses for program 2.1	104,183	104,739	103,909	104,039	102,481
Program 2.2: Passport Services					
Administered expenses					
Special appropriations: PGPA Act s77 - Passport Refunds	1,010	1,010	1,010	1,010	1,010
Administered total	1,010	1,010	1,010	1,010	1,010
Departmental expenses					
Departmental appropriation	231,410	250,692	246,236	248,388	258,796
Departmental total	231,410	250,692	246,236	248,388	258,796
Total expenses for program 2.2	232,420	251,702	247,246	249,398	259,806

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
Outcome 2 Totals by appropriation type					
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
Administered total	1,210	1,210	1,210	1,210	1,210
Departmental expenses					
Departmental appropriation	335,393	355,231	349,945	352,227	361,077
Departmental total	335,393	355,231	349,945	352,227	361,077
Total expenses for Outcome 2	336,603	356,441	351,155	353,437	362,287
Average staffing level (number)					
	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.

Outcome 2 – The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas		
Program 2.1 – Consular Services 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.		
Delivery	Australian travellers and Australians overseas are assisted through: <ul style="list-style-type: none"> • High-quality consular services to an increasing number of Australian travellers and Australian citizens living overseas, including notarial services and assistance with welfare issues, whereabouts enquiries, arrest or detention matters, deaths, medical emergencies and payment of travellers emergency loans to Australians in need. • High-quality travel advisory services, including issuing accurate and timely travel information on travel destinations, promoting this information through the continuation of the Smartraveller campaign and effectively managing an online travel registration service. • Effective consular contingency planning for major events or high-risk scenarios, including through regular reviews of procedures and available resources, training of staff, and coordination with other government agencies and foreign governments. • Coordination of whole-of-government responses to large-scale crises involving conflict, civil unrest, natural disasters or terrorist incidents. 	
Performance information		
Year	Performance criteria	Targets
2015-16	<ul style="list-style-type: none"> • The department's delivery of consular services is effective, efficient, timely and responsive, and within the scope of Australian Government responsibility. • Travel advisories are accurate and timely and provide clear guidance to a broad audience of potential risks and the extent of Australian Government assistance; public use of the Smartraveller website and the online registration service continues to grow. • Consular contingency planning accurately anticipates high-risk events and scenarios, necessary resources for response are readily available, procedures and networks remain valid and viable, and plans are tested and reviewed regularly. • Timely and effective consular support to Australians through well-coordinated implementation of whole-of-government responses to large-scale crises. 	Targets are: <ul style="list-style-type: none"> • Met • Partially met • Not met DFAT expects that these performance criteria will be met during the course of 2015-16.

Table continued on following page.

Table 2.2.3: Performance criteria for Outcome 2 (continued)

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

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Program 2.2 – Passport Services provide Australians access to secure international travel documentation through the delivery of high-quality passport services.		
Delivery	Australians are provided with the following passport services: <ul style="list-style-type: none"> • High-quality passport services to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud. • Maintenance of security standards, promotion of web-enabled services, and adherence to the client service commitment of passport issue, while effectively managing an increasing workload. • Ongoing implementation of the National Security – Improved Passport Integrity and Strengthened Issuance Systems program. 	
Performance information		
Year	Performance criteria	Targets
2015-16	<ul style="list-style-type: none"> • Public and travel industry clients are satisfied with the department’s efficiency and effectiveness in delivering passport services, with passport issues dealt with in a timely and responsive manner. • Staged delivery of the National Security – Improved Passport Integrity and Strengthened Issuance Systems program within budget and against timelines. • Prevention, detection and prosecution of passport fraud. 	<p>Targets are:</p> <ul style="list-style-type: none"> • Met • Partially met • Not met <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"> • High-quality delivery of passport services to clients. • High standards and interoperability of Australian passports and services. • Efficient processing of regular and urgent passport applications. • Prevention, detection and prosecution of passport fraud. 	<p>Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been:</p> <ul style="list-style-type: none"> • Met • Partially met • Not met
2017-18 and beyond	As per 2016-17	As per 2016-17
Purposes	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.	
Material changes to Program 2.2 resulting from the following measures:		
<ul style="list-style-type: none"> • Nil 		

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

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

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
Outcome 3 Totals by appropriation					
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
Departmental total	377,696	379,318	307,951	342,666	351,678
Total expenses for Outcome 3	377,696	379,318	307,951	342,666	351,678

	2015-16	2016-17
Average staffing level (number)	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.

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		
<p>Program 3.1 – Foreign Affairs and Trade Security and IT works to ensure:</p> <ul style="list-style-type: none"> • A secure Australian Government presence overseas for personnel, assets and information by sustaining and improving physical and operational security. • Strengthened information and communications technology (ICT) capability at Australia’s missions overseas and DFAT offices in Australia. 		
Delivery	<p>The department is delivering security services and information and communications technology (ICT) through:</p> <ul style="list-style-type: none"> • Strengthened physical and operational security mitigation measures commensurate with the evolving international security environment. • Protection of official information through effective management of ICT systems, security vetting processes, and security training to ensure high standards of security awareness and vigilance. • Continued progress in moving the department’s ICT systems infrastructure to a common platform that can be more efficiently integrated and supported, and implementation of key elements of the Government’s ICT Reform Program and ICT elements of the Government’s national security policy and objectives. • High-quality overseas ICT services to other government agencies. • Ongoing implementation of the International Communications Network – upgrade program. 	
Performance information		
Year	Performance criteria	Targets
2015-16	<ul style="list-style-type: none"> • Effective threat analysis, risk assessments and mitigation strategies appropriate to increased security risks, including timely and effective responses to security incidents. • Reduced security risks to official information, through a strengthened security culture, evidenced by fewer security breaches. • Client satisfaction with the accessibility, reliability and effectiveness of the secure cable network (Official Diplomatic Information Network) and the global secure telecommunications infrastructure. • Staged delivery of the International Communications Network – upgrade program within budget and against timelines. 	<p>Targets are:</p> <ul style="list-style-type: none"> • Met • Partially met • Not met <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"> • A strong security culture. • High-quality advice, effective mitigation strategies and timely responses to international security incidents based on considered threat and risk assessments. • An accessible and reliable secure cable network. 	<p>Through case studies and reviews, DFAT will demonstrate whether these performance criteria have been:</p> <ul style="list-style-type: none"> • Met • Partially met • Not met
2017-18 and beyond	As per 2016-17	As per 2016-17
Purposes	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>Material changes to Program 3.1 resulting from the following measures:</p> <ul style="list-style-type: none"> • Nil 		

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

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
EXPENSES					
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
Total expenses	1,574,840	1,626,157	1,507,338	1,513,826	1,525,164
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
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
Total own-source revenue	107,362	113,163	119,069	122,117	124,153
Gains					
Other gains	687	18,074	103,793	635	635
Total gains	687	18,074	103,793	635	635
Total own-source income	108,049	131,237	222,862	122,752	124,788
Net cost of/(contribution by) services	1,466,791	1,494,920	1,284,476	1,391,074	1,400,376
Revenue from Government	1,349,956	1,403,143	1,287,363	1,297,242	1,311,985
Deficit attributable to the Australian Government	(116,835)	(91,777)	2,887	(93,832)	(88,391)
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive loss	(116,835)	(91,777)	2,887	(93,832)	(88,391)
Total comprehensive loss attributable to the Australian Government	(116,835)	(91,777)	2,887	(93,832)	(88,391)

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
Total comprehensive income excluding depreciation/amortisation expenses previously funded through revenue appropriations	37,940	67,505	156,899	58,457	57,749
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	154,775	159,282	154,012	152,289	146,140
Total comprehensive income/(loss) - as per the statement of comprehensive income	(116,835)	(91,777)	2,887	(93,832)	(88,391)

(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
ASSETS					
Financial assets					
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
Total financial assets	707,143	674,371	799,649	777,170	691,218
Non-financial assets					
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	-	-	-
Total non-financial assets	3,580,546	3,634,895	3,566,035	3,568,974	3,649,497
Total assets	4,287,689	4,309,266	4,365,684	4,346,144	4,340,715
LIABILITIES					
Payables					
Suppliers	122,687	123,914	82,226	83,048	83,879
Other payables	62,895	63,324	63,755	64,189	64,508
Total payables	185,582	187,238	145,981	147,237	148,387
Provisions					
Employee provisions	214,607	216,753	218,920	221,110	223,321
Other provisions	22,534	22,647	22,760	22,874	22,988
Total provisions	237,141	239,400	241,680	243,984	246,309
Total liabilities	422,723	426,638	387,661	391,221	394,696
Net assets	3,864,966	3,882,628	3,978,023	3,954,923	3,946,019
EQUITY*					
Parent entity interest					
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
Total parent entity interest	3,864,966	3,882,628	3,978,023	3,954,923	3,946,019
Total Equity	3,864,966	3,882,628	3,978,023	3,954,923	3,946,019

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

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
OPERATING ACTIVITIES					
Cash received					
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
Total cash received	1,593,844	1,620,802	1,477,977	1,488,899	1,570,330
Cash used					
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
Total cash used	1,457,318	1,557,426	1,580,470	1,412,159	1,436,138
Net cash from/(used by) operating activities	136,526	63,376	(102,493)	76,740	134,192
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	41,120	174,038	-	-
Total cash received	-	41,120	174,038	-	-
Cash used					
Purchase of property, plant, equipment and intangibles	420,906	231,286	165,135	147,472	213,679
Total cash used	420,906	231,286	165,135	147,472	213,679
Net cash from/(used by) investing activities	(420,906)	(190,166)	8,903	(147,472)	(213,679)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	284,380	126,790	93,590	77,932	79,487
Total cash received	284,380	126,790	93,590	77,932	79,487
Cash used					
Returns of equity	-	-	-	7,200	-
Total cash used	-	-	-	7,200	-
Net cash used by financing activities	284,380	126,790	93,590	70,732	79,487
Net increase in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	84,720	84,720	84,720	84,720	84,720
Cash and cash equivalents at the end of the reporting period	84,720	84,720	84,720	84,720	84,720

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
NEW CAPITAL APPROPRIATIONS					
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
Total new capital appropriations	253,682	109,439	92,508	77,932	79,487
Provided for:					
Purchase of non-financial assets	253,682	109,439	92,508	77,932	79,487
Total Items	253,682	109,439	92,508	77,932	79,487
PURCHASE OF NON-FINANCIAL ASSETS					
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
TOTAL	420,906	231,286	165,135	147,472	213,679
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	420,906	231,286	165,135	147,472	213,679
Total cash used to acquire assets	420,906	231,286	165,135	147,472	213,679

(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
As at 1 July 2016						
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)
Opening net book balance	1,493,020	1,503,100	276,206	93,114	89,403	3,454,843
Capital asset additions						
Estimated expenditure on new or replacement assets						
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
Total additions	29,500	133,340	59,649	8,797	-	231,286
Other movements						
Depreciation/amortisation	-	(92,700)	(50,761)	(15,821)	-	(159,282)
Other	-	-	-	-	(22,561)	(22,561)
Total other movements	-	(92,700)	(50,761)	(15,821)	(22,561)	(181,843)
As at 30 June 2017						
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)
Closing net book balance	1,522,520	1,547,785	285,094	86,090	66,842	3,508,331

(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 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
EXPENSES					
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
Total expenses administered on behalf of Government	3,767,445	4,839,164	3,910,487	4,217,219	5,454,161
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
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
Total non-taxation revenue	519,629	571,397	614,333	657,840	706,521
Total own-sourced income administered on behalf of Government	519,629	571,397	614,333	657,840	706,521
Net cost of services	(3,247,816)	(4,267,767)	(3,296,154)	(3,559,379)	(4,747,640)
Total comprehensive loss	(3,247,816)	(4,267,767)	(3,296,154)	(3,559,379)	(4,747,640)

(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
ASSETS					
Financial assets					
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
Total financial assets	4,288,962	5,326,873	4,981,795	4,799,521	5,850,369
Non-financial assets					
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
Total non-financial assets	7,534	6,728	5,682	4,746	4,246
Total assets administered on behalf of Government	4,296,496	5,333,601	4,987,477	4,804,267	5,854,615
LIABILITIES					
Payables					
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
Total payables	1,821,772	2,754,435	2,408,657	2,225,833	3,196,131
Provisions					
Employee provisions	80,749	80,749	80,749	80,749	80,749
Total provisions	80,749	80,749	80,749	80,749	80,749
Total liabilities administered on behalf of Government	1,902,521	2,835,184	2,489,406	2,306,582	3,276,880
Net assets	2,393,975	2,498,417	2,498,071	2,497,685	2,577,735

(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 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
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
Total cash received	519,629	571,397	614,333	657,840	706,521
Cash used					
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
Total cash used	4,080,065	3,978,494	4,241,307	4,419,927	4,541,735
Net cash used by operating activities	(3,560,436)	(3,407,097)	(3,626,974)	(3,762,087)	(3,835,214)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	2,325	383	443	504	528
Total cash used	2,325	383	443	504	528
Net cash used by investing activities	(2,325)	(383)	(443)	(504)	(528)
Net increase decrease in cash held	(3,562,761)	(3,407,480)	(3,627,417)	(3,762,591)	(3,835,742)
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)
Cash and cash equivalents at end of reporting period	1,832	1,832	1,832	1,832	1,832

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
NEW CAPITAL APPROPRIATIONS					
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
Total new capital appropriations	15,852	1,012,745	593	504	600,618
Provided for:					
Purchase of non-financial assets	2,325	383	443	504	528
Other Items	13,527	1,012,362	150	-	600,090
Total items	15,852	1,012,745	593	504	600,618
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - ACB (a)	2,325	383	443	504	528
TOTAL	2,325	383	443	504	528
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total accrual purchases	2,325	383	443	504	528
Total cash used to acquire assets	2,325	383	443	504	528

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

(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.

Australian Trade and Investment Commission (Austrade)

**Entity resources and planned
performance**

AUSTRALIAN TRADE AND INVESTMENT COMMISSION (AUSTRADE)

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AUSTRALIAN TRADE AND INVESTMENT COMMISSION (AUSTRADE)

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

Austrade's outcomes are:

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

Austrade's goals, and how it intends to achieve them, are set out on its website and in its Corporate Plan.

Austrade's trade, investment, education and tourism activities play a central role in helping to secure Australia's future prosperity by promoting opportunities for Australian businesses and institutions overseas, including those which will flow from the completion of recent significant trade agreements.

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

Austrade will continue to take the lead role in coordinating international business missions led by ministers and the Prime Minister, including Australia Week events in China and ASEAN countries.

Austrade Budget Statements

Austrade will, through its trade promotion and investment attraction activities, continue to contribute to the Government's economic diplomacy agenda. This work will be closely coordinated with, and complementary to, other agencies in the Foreign Affairs and Trade portfolio. Austrade will continue to provide small and medium enterprises with useful and practical information on how to take up the opportunities that FTAs provide.

Austrade's overseas network comprises 79 overseas offices in 47 different markets, and is weighted towards growth and emerging markets that have high commercial potential, and where Austrade's assistance can have the most impact. Austrade's trade promotion work will continue to focus on markets where it is more difficult for companies acting alone to access commercial opportunities, where there are language, business and cultural barriers, where regulatory frameworks and business processes are less open or transparent and where the 'badge of government' helps to secure commercial outcomes. In established markets, such as North America and Europe, Austrade will continue to use partners, referrals and online services to support Australian businesses' trade development activities. Austrade will continue to focus on those sectors with high growth potential and where Australia has a comparative advantage.

As part of its Global Innovation Strategy, the Government provided Austrade with \$11.2 million over four years to establish five landing pads in global innovation hot spots, including Tel Aviv, San Francisco, Shanghai, Berlin and one other location, with the objective of supporting Australians start-ups to build networks and tackle new markets. In this, Austrade will liaise closely with DFAT and the Department of Industry, Innovation and Science. In 2016-17 Austrade will also open an office in Tehran to help Australian businesses access commercial opportunities in Iran following Australia's decision to lift most sanctions.

Austrade will support the Government's high profile investment agenda with the resources of its international network and its offshore and onshore investment specialists. While Austrade's investment promotion and attraction activities will continue to be concentrated in North America, Western Europe and Japan, as those markets represent Australia's largest sources of foreign investment, Austrade will also pursue foreign investors in other regions, including China, India, Singapore and the Republic of Korea.

Austrade's activities in key student-source markets will continue to contribute to the growth in demand for Australian education services. Its activities will help to position Australia as a provider of high quality education services, and contribute to the development of a sustainable international education sector. From 2016-17, Austrade, along with the education sector, will implement *Australian International Education 2025*, a long-term plan for the development of international markets. This plan supports the vision of the Government's *National Strategy for International Education*, which recognises Australian international education as a core element of Australia's economic prosperity, social advancement and international standing.

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

Austrade will continue to administer the Export Market Development Grants (EMDG) scheme, which helps small and medium-sized Australian businesses meet the challenges associated with undertaking promotion in export markets. From 1 July 2016 the EMDG scheme will benefit from ongoing legislative status, with no termination date specified in its legislation.

Austrade also continues to deliver timely consular and passport services to Australians in 16 overseas locations, extending Australia's Consular network.

Within Australia, Austrade operates in 10 locations. Its reach is extended through its TradeStart network in 27 locations across regional and metropolitan Australia, managed in partnership with state, territory and local governments and industry bodies.

Austrade will also contribute to Foreign Affairs and Trade portfolio efficiencies, while maintaining the level of service it provides to its clients and other stakeholders.

Austrade will continue to partner with private sector organisations and state and territory governments to run the Australian Export Awards that promote and recognise successful Australian export businesses.

On 1 May 2016, the 'Australian Trade Commission' became the 'Australian Trade and Investment Commission', reflecting the organisation's expanded mandate to attract international investment to Australia, in addition to its existing functions. However, the corporate identity, Austrade, will remain.

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: Austrade resource statement — Budget estimates for 2016-17 as at Budget May 2016

	2015-16 <i>Estimated actual \$'000</i>	2016-17 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	48,629	45,143
Departmental appropriation	215,861	197,340
s 74 retained revenue receipts (b)	25,100	25,100
Departmental capital budget (c)	14,160	14,526
Annual appropriations - other services - non-operating (d)		
Prior year appropriations available (a)	-	2,486
Equity injection	2,718	1,595
<i>Total departmental annual appropriations</i>	<i>306,468</i>	<i>286,190</i>
Total departmental resourcing	306,468	286,190
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	140,897	140,714
<i>Total administered annual appropriations</i>	<i>140,897</i>	<i>140,714</i>
Total administered resourcing	140,897	140,714
Total resourcing for Austrade	447,365	426,904
	2015-16	2016-17
Average staffing level (number)	1,024	1,020

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

(c) 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'.

(d) Appropriation Bill (No.2) 2016-17.

1.3 BUDGET MEASURES

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

Table 1.2: Entity 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
Expense measures						
Foreign Affairs and Trade Portfolio - efficiencies	1.1					
Departmental expenses		(1,500)	(6,795)	(5,090)	(5,309)	(5,340)
Total		(1,500)	(6,795)	(5,090)	(5,309)	(5,340)
Landing Pads in Innovation Hot Spots	1.1					
Departmental expenses		-	1,180	1,186	-	-
Total		-	1,180	1,186	-	-
Re-opening Australia's Australian Trade and Investment Commission Office in Tehran, Iran	1.1					
Departmental expenses (a)		-	(189)	(37)	(37)	(38)
Total		-	(189)	(37)	(37)	(38)
Total expense measures						
Departmental		(1,500)	(5,804)	(3,941)	(5,346)	(5,378)
Total		(1,500)	(5,804)	(3,941)	(5,346)	(5,378)
Capital measures						
Trans-Pacific Partnership - Implementation	1.1					
Departmental capital		-	300	-	-	-
Total		-	300	-	-	-
Re-opening Australia's Australian Trade and Investment Commission Office in Tehran, Iran	1.1					
Departmental capital		-	225	-	-	-
Total		-	225	-	-	-
Total capital measures						
Departmental		-	525	-	-	-
Total		-	525	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(a) Net figures are presented for this measure. The total estimated cost of Re-opening Australia's Australian Trade and Investment Commission Office in Tehran, Iran is \$5.3 million, which is offset by savings to be achieved from improved efficiencies in overseas operations.

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

Linked programs

Department of Foreign Affairs and Trade
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Foreign Affairs and Trade Operations • Program 1.7 – Public Information Services and Public Diplomacy • Program 1.8 – Programs to Promote Australia’s International Tourism Interests
<p>Contribution to Outcome 1 made by linked programs</p> <p>DFAT and Austrade work closely across a number of areas. This cooperation results in stronger economic ties, and includes the maximisation of trade and investment opportunities for Australia through the promotion of Free Trade Agreements. It also contributes to the projection of a positive image of Australia as a destination for business, investment, tourism and study.</p>
Tourism Australia
<p>Programs</p> <ul style="list-style-type: none"> • Program 1 - Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers
<p>Contribution to Outcome 1 made by linked programs</p> <p>Austrade provides research and policy support to Tourism Australia’s activities of promoting the export of Australian tourism services. These exports contribute to Australia’s prosperity.</p>
Department of Industry, Innovation and Science (DIIS)
<p>Programs</p> <ul style="list-style-type: none"> • Program 3 – Program Support
<p>Contribution to Outcome 1 made by linked programs</p> <p>DIIS provides administrative support in relation to the grants for the Australian Tropical Medicine Commercialisation scheme.</p>

Table continued on the following page.

Linked programs (continued)

Department of Immigration and Border Protection (DIBP)
Programs <ul style="list-style-type: none">• Program 3.2 – Trade Facilitation and Industry Engagement
Contribution to Outcome 1 made by linked programs <p>Austrade co-operates with DIBP by providing advice on visa policy where this affects trade, tourism, international education and investment. Austrade is also the sole nominating entity for the Premium Investment Visa program and is a nominating entity for the Significant Investor Visa program, which are managed by DIBP.</p>
Department of Education and Training (DET)
Programs <ul style="list-style-type: none">• Program 3.7 – International Education Support
Contribution to Outcome 1 made by linked programs <p>DET development of the National Strategy for International Education to strengthen the fundamentals of the international education sector complements Austrade’s work in developing <i>Australian International Education 2025</i>, a long-term market development roadmap that seeks to enable the sector to realise its full potential. Austrade and DET will continue to work closely to ensure implementation activity is aligned and complementary.</p>

Budgeted expenses for Outcome 1

This table shows how much Austrade 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 2.1.1: Budgeted expenses for Outcome 1

	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
Program 1.1: Promotion of Australia's export and other international economic interests					
Departmental expenses					
Departmental appropriation (a)	203,069	187,626	189,492	190,801	189,440
s 74 Retained revenue receipts (a)	21,596	21,596	21,596	21,596	21,596
Special accounts					
Services for Other Entities and Trust Moneys Special Account	1,018	10	-	-	-
Expenses not requiring appropriation in the Budget year (b)					
Departmental total	244,683	228,232	230,088	231,397	230,496
Total expenses for program 1.1	244,683	228,232	230,088	231,397	230,496

Table continued on the following page.

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.2: Programmes to promote Australia's exports and other international economic interests					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	140,897	140,714	140,158	139,946	137,900
Administered total	140,897	140,714	140,158	139,946	137,900
Total expenses for program 1.2	140,897	140,714	140,158	139,946	137,900
Other Administered					
Administered expenses					
Special accounts					
Administered Payments and Receipts for Other Entities Special Account	9,200	9,200	9,200	9,200	9,200
Administered total	9,200	9,200	9,200	9,200	9,200
Total expenses for Other Administered	9,200	9,200	9,200	9,200	9,200
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	140,897	140,714	140,158	139,946	137,900
Special accounts	9,200	9,200	9,200	9,200	9,200
Administered total	150,097	149,914	149,358	149,146	147,100
Departmental expenses					
Departmental appropriation	203,069	187,626	189,492	190,801	189,440
Section 74 Retained revenue receipts (a)	21,596	21,596	21,596	21,596	21,596
Special accounts	1,018	10	-	-	-
Expenses not requiring appropriation in the Budget year	19,000	19,000	19,000	19,000	19,460
Departmental total	244,683	228,232	230,088	231,397	230,496
Total expenses for Outcome 1	394,780	378,146	379,446	380,543	377,596
	2015-16	2016-17			
Average staffing level (number)	985	981			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

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

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

Table 2.1.2: Program components of Outcome 1

Program 1.2: Programmes to promote Australia's exports and other international economic interests					
	2015-16	2016-17	2017-18	2018-19	2019-20
	Estimated	Budget	Forw ard	Forw ard	Forw ard
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
1.2.1 - Export Market Development Grants scheme					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)	137,900	137,900	137,900	137,900	137,900
Total component 1 expenses	137,900	137,900	137,900	137,900	137,900
1.2.2 - Asian Business Engagement plan					
Annual administered expenses:					
Ordinary annual services	600	200	-	-	-
Total component 2 expenses	600	200	-	-	-
1.2.3 - Free Trade Agreement Promotion					
Annual administered expenses:					
Ordinary annual services	1,372	773	-	-	-
Total component 3 expenses	1,372	773	-	-	-
1.2.4 - Developing Northern Australia - positioning the north as a leader in tropical health					
Annual administered expenses:					
Ordinary annual services	1,025	1,841	2,258	2,046	-
Total component 4 expenses	1,025	1,841	2,258	2,046	-
Total program expenses	140,897	140,714	140,158	139,946	137,900

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.

Outcome 1 – Contribute to Australia’s economic prosperity by promoting Australia’s export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government		
Program 1.1 – Promotion of Australia’s export and other international economic interests		
Delivery	Austrade achieves this by generating market information and insight, promoting Australian capabilities, developing policy, making connections through an extensive global network of contacts, leveraging the badge of government offshore and providing quality advice and services. Specifically, it <ul style="list-style-type: none"> • Helps Australian companies to grow their businesses in international markets, and promotes the Australian education and training sector in international markets • Provides coordinated government assistance to promote, attract and facilitate productive foreign direct investment into Australia • Provides advice to the Australian Government on its trade, tourism, international education and training and investment policy agendas • Develops policy, manages programs and provides research to strengthen Australia’s tourism industry and to grow Australia’s market share 	
Performance information		
Year	Performance criteria (a)	Targets
2015-16	<p>Satisfaction</p> <p>High level of satisfaction for Ministers, Australian business community, institutions and key partners with Austrade’s services.</p> <p>Forecast: Austrade expects this level of satisfaction to be at least 70%, as measured in an end-of-year survey.</p>	<p>Develop international markets, and promote international education</p> <p>Proportion of Australian businesses which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities.</p> <p>Forecast: Austrade expects this proportion to be at least 70%, as measured in a survey.</p> <p>Proportion of Australian businesses which have engaged with Austrade, and say they have achieved some form of commercial outcome as a result of working with Austrade.</p> <p>Forecast: Austrade expects this proportion to be at least 70%, as measured in a survey.</p>

Table continued on following page.

Table 2.1.3: Performance criteria for Outcome 1 (continued)

<p>2015-16</p>		<p>Win productive foreign direct investment</p> <p>Number of investment outcomes facilitated Forecast: Austrade expects to facilitate at least 50 investment outcomes during 2015-16.</p> <p>Amount of capital expenditure associated with foreign direct investment outcomes facilitated Forecast: Austrade expects to facilitate investment outcomes that amount to at least \$2 billion during 2015-16.</p> <p>Number of new jobs created / retained (ongoing full time equivalents) as a direct result of investment outcomes facilitated Forecast: Austrade expects to facilitate investment outcomes during 2015-16 that generate or retain at least 500 FTE jobs.</p> <p>Anticipated annual exports from investment outcomes facilitated Forecast: Austrade expects to facilitate investment outcomes during 2015-16 that generate at least \$15 million in annual exports.</p> <p>Number of information, project and visitation requests, and stakeholder introductions generated from potential investors Forecast: Austrade expects to handle at least 150 information, project and visitation requests and stakeholder introductions from potential investors during 2015-16.</p> <p>Strengthen Australia's tourism industry</p> <p>Priorities and outputs outlined in the <i>Tourism 2015-2020 Implementation Plan</i> progressed in accordance with agreed timeframes Forecast: Progress will meet agreed timeframes for 2015-16.</p> <p>Proportion of tourism operators which use Austrade's tourism research and information and say it helped support their marketing and business decisions Forecast: Austrade expects at least 80% of respondents to report that it helped support their marketing and business decisions in 2015-16, as measured in a survey.</p>
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Table continued on following page.

Table 2.1.3: Performance criteria for Outcome 1 (continued)

2015-16		<p>Whole-of-government</p> <p>Effective contribution to whole-of-government policy development using Austrade's commercial perspectives on export, investment, international education and tourism</p> <p>Forecast: Austrade will have provided an effective contribution to whole-of-government policy development.</p>
2016-17	<p>Satisfaction</p> <p>High level of satisfaction for Ministers, Australian business community, institutions and key partners with Austrade's services.</p> <p>Forecast: Austrade expects this level of satisfaction to be at least 70%, as measured in a survey.</p>	<p>Develop international markets, and promote international education</p> <p>Proportion of Australian businesses which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities.</p> <p>Forecast: Austrade expects this proportion to be at least 70%, as measured in a survey.</p> <p>Proportion of Australian education institutions which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities.</p> <p>Forecast: Austrade expects this proportion to be at least 70%, as measured in a survey.</p> <p>Proportion of Australian education institutions which have engaged with Austrade, and say they have achieved some form of commercial outcome as a result of working with Austrade.</p> <p>Forecast: Austrade expects this proportion to be at least 70%, as measured in a survey.</p> <p>Win productive foreign direct investment</p> <p>Number of investment outcomes facilitated.</p> <p>Forecast: Austrade expects to facilitate at least 50 investment outcomes during 2016-17.</p> <p>Amount of investment value (a) associated with foreign direct investment outcomes facilitated</p> <p>Forecast: Austrade expects to facilitate investment outcomes that amount to at least \$2 billion during 2016-17.</p> <p>Number of new jobs created / retained (ongoing full time equivalents) as a direct result of investment outcomes facilitated</p> <p>Forecast: Austrade expects to facilitate investment outcomes during 2016-17 that generate or retain at least 500 FTE jobs.</p>

Table continued on following page.

Table 2.1.3: Performance criteria for Outcome 1 (continued)

2016-17		<p>Number of information, project and visitation request, and stakeholder introductions generated from potential investors</p> <p>Forecast: Austrade expects to handle at least 150 information, project and visitation requests and stakeholder introductions from potential investors during 2016-17.</p> <p>Strengthen Australia's tourism industry</p> <p>Priorities and outputs outlined in the Tourism 2015-2020 Implementation Plan progressed in accordance with agreed timeframes</p> <p>Forecast: Progress will meet agreed timeframes for 2016-17.</p> <p>Proportion of tourism operators which use Austrade's tourism research and information and say it helped support their marketing and business decisions</p> <p>Forecast: Austrade expects at least 80% of respondents to report that it helped support their marketing and business decisions in 2016-17, as measured in a survey.</p> <p>Whole-of-government</p> <p>Effective contribution to whole-of-government policy development using Austrade's commercial perspectives on export, investment, international education and tourism</p>
2017-18 and beyond	Generally, as per 2016-17.	Generally, as per 2016-17.
Purposes	<p>The Australian Trade and Investment Commission (Austrade) contributes to Australia's economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens as they:</p> <ul style="list-style-type: none"> • Develop international markets and promote international education • Win productive foreign direct investment • Strengthen Australia's tourism industry 	

(a) For 2016/17 the term 'capital expenditure' has been changed to 'investment value' to more accurately reflect financial measurement of the investment, which may go beyond capital expenditure.

Austrade Budget Statements

Program 1.2 – Programs to promote Australia’s export and other international economic interests		
Delivery	Austrade will administer programs that support Australian businesses’ engagement in international business, provide an incentive for small-to-medium businesses to enter into export markets and grow to become sustainable exporters, or that strengthen and stimulate growth in the tourism industry. It will help Australian companies to grow their business in international markets, including through the administration of the Export Market Development Grants scheme, and promotion of opportunities arising from Australia’s Free Trade Agreements.	
Performance information		
Year	Performance criteria (a)	Targets
2015-16	<p>Export Market Development Grants (EMDG) scheme</p> <p>Proportion of EMDG scheme recipients reporting that the receipt of a grant supported their business to become a more sustainable exporter.</p> <p>Forecast: Austrade expects at least 90% of EMDG recipients to report that receiving a grant in 2015-16 supported their business to become a more sustainable exporter, as measured by a survey.</p> <p>Proportion of EMDG scheme recipients reporting that the receipt of a grant enabled them to grow their international revenue.</p> <p>Forecast: Austrade expects at least 75% of EMDG recipients to report that receiving a grant in 2015-16 enabled them to grow their international revenue, as measured by a survey.</p>	<p>Free Trade Agreement (FTA) Promotion</p> <p>Proportion of seminar and roadshow attendees reporting an increased awareness of FTAs</p> <p>Forecast: Austrade expects at least 90% of seminar and roadshow attendees to report increased awareness of FTAs in 2015-16, as measured by feedback forms.</p> <p>Proportion of seminar and roadshow attendees reporting an increased understanding of how to use and benefit from FTAs</p> <p>Forecast: Austrade expects at least 85% of seminar and roadshow attendees to report increased awareness of FTAs in 2015-16, as measured by feedback forms.</p> <p>Tasmanian Regional Tourism Package (TRTP)</p> <p>TRTP funding distributed to projects identified by the Tasmanian Government in the National Partnership Agreement, consistent with agreed principles</p> <p>Forecast: Austrade expects that 16 projects will receive TRTP funding in 2015-16.</p> <p>Tourism Demand Driver Infrastructure (TDDI) Program</p> <p>Budgeted TDDI funding distributed to state and territory governments</p> <p>Forecast: Austrade expects at least \$9 million of TDDI funding will be distributed to state and territory governments in 2015-16.</p> <p>TDDI funding distributed to projects identified by state and territory governments in National Partnership Agreements, consistent with funding principles agreed by tourism ministers</p> <p>Forecast: Austrade expects that funding will be distributed to all states and territories in 2015-16 in line with projects identified in National Partnership Agreements.</p>

Table continued on following page.

Table 2.1.3: Performance criteria for Outcome 1 (continued)

<p>2015-16</p>		<p>Asian Business Engagement (ABE) plan Proportion of grant recipients reporting that the receipt of a grant helped to expand the capability of their organisation to assist members' in-market access to business networks; and to develop new business relationships in Asia Forecast: Austrade expects this proportion to reach at least 70% of respondents, as measured by a survey. This will be the final year of the plan: only residual payments will be made to existing recipients in 2016-17.</p> <p>Developing Northern Australia – positioning the north as a leader in tropical health Funds and advice provided to the Department of Industry, Innovation and Science, consistent with agreed principles, to increase foreign investment in the commercialisation of Australian Tropical Medicine research and development Forecast: Austrade expects that at least \$1.025 million will be paid as grants in 2015-16.</p>
<p>2016-17</p>	<p>Export Market Development Grants (EMDG) scheme Proportion of EMDG scheme recipients reporting that the receipt of a grant supported their business to become a more sustainable exporter Forecast: Austrade expects at least 90% of EMDG recipients to report that receiving a grant in 2016-17 supported their business to become a more sustainable exporter, as measured by a survey. Proportion of EMDG scheme recipients reporting that the receipt of a grant enabled them to grow their international revenue Forecast: Austrade expects at least 75% of EMDG recipients to report that receiving a grant in 2016-17 enabled them to grow their international revenue, as measured by a survey.</p>	<p>Free Trade Agreement (FTA) Promotion Proportion of seminar and roadshow attendees reporting an increased awareness of FTAs Forecast: Austrade expects at least 90% of seminar and roadshow attendees to report increased awareness of FTAs in 2016-17, as measured by feedback forms. Proportion of seminar and roadshow attendees reporting an increased understanding of how to use and benefit from FTAs Forecast: Austrade expects at least 85% of seminar and roadshow attendees to report increased awareness of FTAs in 2016-17, as measured by feedback forms.</p> <p>Tourism Demand Driver Infrastructure (TDDI) Program Budgeted TDDI funding distributed to state and territory governments Forecast: Austrade expects at least \$15 million of TDDI funding will be distributed to state and territory governments in 2016-17. TDDI funding distributed to projects identified by state and territory governments in National Partnership Agreements, consistent with funding principles agreed by tourism ministers Forecast: Austrade expects that funding will be distributed to all states and territories in 2016-17 in line with projects identified in National Partnership Agreements.</p>

Table continued on following page.

Table 2.1.3: Performance criteria for Outcome 1 (continued)

		<p>Developing Northern Australia – positioning the north as a leader in tropical health</p> <p>Funds and advice provided to the Department of Industry, Innovation and Science, consistent with agreed principles, to increase foreign investment in the commercialisation of Australian Tropical Medicine research and development.</p> <p>Forecast: Austrade expects that at least \$1.8 million will be paid as grants in 2016-17.</p> <p><i>National Innovation and Science Agenda – Global Innovation Strategy</i></p> <p><i>Establishment of landing pads in global innovation hot spots</i></p> <p>Forecast: <i>Austrade expects to establish five landing pads in global innovation hot spots by end 2016-17.</i></p>
2017-18 and beyond	As per 2016-17.	As per 2016-17.
Purposes	<p>Austrade contributes to Australia's economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens as they:</p> <ul style="list-style-type: none"> • develop international markets and promote international education • win productive foreign direct investment • strengthen Australia's tourism industry 	
<p>Material changes to Program 1.2 resulting from the following measures:</p> <ul style="list-style-type: none"> • Measure title – National Innovation and Science Agenda - Global Innovation Strategy 		

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2

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

Linked programs

Department of Foreign Affairs and Trade
Programs <ul style="list-style-type: none">• Program 2.1 – Consular Services• Program 2.2 – Passport Services• Program 3.1 – Foreign Affairs and Trade Security and IT• Program 3.2 – Overseas Property
Contribution to Outcome 2 made by linked programs <p>Where Austrade has overseas locations that complement those of DFAT, Austrade provides consular and passport services to Australians in those locations. DFAT ensures a secure Austrade presence overseas for personnel, assets and information.</p>

Budgeted expenses for Outcome 2

This table shows how much Austrade 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

Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas					
	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
Program 2.1: Consular and passport services					
Departmental expenses					
Departmental appropriation (a)	9,497	9,714	9,676	9,740	9,796
s 74 Retained revenue receipts (a)	3,504	3,504	3,504	3,504	3,504
Departmental total	13,001	13,218	13,180	13,244	13,300
Total expenses for program 2.1	13,001	13,218	13,180	13,244	13,300
Outcome 2 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	9,497	9,714	9,676	9,740	9,796
s 74 Retained revenue receipts (a)	3,504	3,504	3,504	3,504	3,504
Departmental total	13,001	13,218	13,180	13,244	13,300
Total expenses for Outcome 2	13,001	13,218	13,180	13,244	13,300
Average staffing level (number)					
	2015-16 39	2016-17 39			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

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

Table 2.2.2: Program components of Outcome 2

Program 2.1 has only one component as described in Table 2.2.1.

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.

Outcome 2 – The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas		
Program 2.1 – Consular and Passport Services		
Delivery	In overseas locations where Austrade has designated consular management responsibilities, Austrade will continue to place a high priority on helping Australians through the delivery of effective consular services, efficient passport services and practical contingency planning, in accordance with DFAT's Consular Services and Passports Client Services charters	
Performance information		
Year	Performance criteria	Targets
2015-16	Normal passport applications are scanned within 24 hours – three percent tolerance Forecast: Austrade expects at least 98% of normal passport applications to be scanned within 24 hours in 2015-16.	Routine passports are issued in a timely and responsive manner Forecast: Austrade expects at least 97% of routine passports to be issued in a timely and responsive manner in 2015-16. Urgent passport issues are dealt with in a timely responsive manner. Where a priority processing fee is paid, the passport is to be provided within two working days. Forecast: Austrade expects 97% of urgent passports to be issued within two working days in 2015-16. Note that from 1 January 2016, priority processing fees and service are no longer available in Austrade's overseas posts. Notarial services are to be delivered within three working days of the lodgement of documents from a client Forecast: Austrade expects 97% of the notarial services it provides in 2015-16 to be delivered at the time of appointment, once the correct documentation has been lodged.
2016-17	Normal passport applications are scanned within 24 hours Forecast: Austrade expects at least 98% of normal passport applications to be scanned within 24 hours in 2016-17.	Routine passports are issued in a timely and responsive manner Forecast: Austrade expects at least 97% of routine passports to be issued in a timely and responsive manner in 2016-17. Urgent passport issues are dealt with in a timely responsive manner. Forecast: Austrade expects 97% of urgent passports to be issued as quickly as reasonably possible in 2016-17.

Table continued on following page.

Table 2.2.3: Performance criteria for Outcome 2 (continued)

		<p>Notarial services are to be delivered when the correct documents are lodged by a client</p> <p>Forecast: Austrade expects 97% of the notarial services it provides in 2016-17 to be delivered at the time of appointment, once the correct documentation has been lodged.</p>
2017-18 and beyond	As per 2016-17	As per 2016-17
Purposes	<p>Austrade contributes to Australia's economic prosperity by helping Australian businesses and citizens as they seek consular and passport services.</p>	

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

There are no differences between the resource information presented in the budget Papers and in Austrade's Portfolio Budget Statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

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

Departmental financial statements

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

Budgeted departmental comprehensive income statement

This statement provides estimated actual financial results for 2015-16 and the estimated revenue and expenses for 2016-17 and forward years.

Total income in 2016-17 is estimated to be \$222.5 million, which represents a decrease of \$15.4 million in appropriations from the 2015-16 estimated actual shown at Table 3.2.1. The decrease is primarily a result of:

- Foreign Affairs and Trade Portfolio efficiencies – a decrease of \$5.3 million;
- movement of funds for the Free Trade Agreement from 2016-17 to 2015-16 – a decrease of \$6.0 million;
- terminating program – Australia Week in China – a decrease of \$1.8 million; and
- continuation of an additional one-off 2.5 per cent Efficiency Dividend announced in December 2011 – a decrease of \$2.2 million;

Partially offset by:

Austrade Budget Statements

- landing pads in innovation hot spots – a net increase of \$1.2 million; and
- foreign exchange and parameter adjustments – a net increase of \$2.3 million.

Austrade is receiving funding of \$16.1 million to fund the Departmental Capital Budget which is treated as an equity injection.

Total estimated expenses for 2016-17 have decreased by \$16.2 million to reflect the reduction in income.

Budgeted departmental balance sheet

This statement discloses the estimated end of year financial position for Austrade. Austrade's budgeted net asset position at the end of 2016-17 of \$62.3 million represents an increase of \$0.6 million from the 2015-16 estimated actual in table 3.2 due to the variation between capital program funding (\$16.1 million), estimated asset revaluation surplus (\$3.5 million) and estimated depreciation expense (\$19.0 million).

Departmental statement of changes in equity — summary of movement

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

Total equity at the end of 2016-17 is estimated to be \$62.3 million, an increase of \$0.6 million due to the variation between capital program funding (\$16.1 million), estimated asset revaluation surplus (\$3.5 million) and estimated depreciation expense (\$19.0 million).

Budgeted departmental statement of cash flows

This statement shows the extent and nature of cash flows as a result of Austrade's operating, investing and financing activities. Austrade's cash balance at the end of 2016-17 is estimated to be \$5.5 million.

Departmental capital budget statement

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

Departmental statement of asset movements

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

Schedule of administered activity

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

Schedule of budgeted income and expenses administered on behalf of Government

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

Administered expenses of \$140.7 million for 2016-17 relate to the EMDG Scheme (\$137.9 million), Free Trade Agreement Promotion (\$0.8 million), Developing Northern Australia - positioning the north as a leader in tropical health (\$1.9 million) and ACBE Plan (\$0.2 million). The EMDG Scheme is comprised of \$131.0 million in grant expenditure and \$6.9 million in expenditure for the costs of administration on behalf of the Government. Free Trade Agreement Promotion, Developing Northern Australia - positioning the north as a leader in tropical health and ACBE Plan are wholly comprised of grant expenditure.

Schedule of budgeted assets and liabilities administered on behalf of Government

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

Total administered assets and liabilities for 2016-17 are estimated at \$0.0 million and \$8.8 million respectively.

Schedule of budgeted administered cash flows

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

3.2.1 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
EXPENSES					
Employee benefits	133,502	136,849	138,853	138,877	137,670
Suppliers	105,182	85,601	85,415	86,764	86,666
Depreciation and amortisation	19,000	19,000	19,000	19,000	19,460
Total expenses	257,684	241,450	243,268	244,641	243,796
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	22,868	22,010	22,000	22,000	22,000
Rental income	100	100	100	100	100
Other	3,000	3,000	3,000	3,000	3,000
Total own-source revenue	25,968	25,110	25,100	25,100	25,100
Total own-source income	25,968	25,110	25,100	25,100	25,100
Net (cost of)/contribution by services	(231,716)	(216,340)	(218,168)	(219,541)	(218,696)
Revenue from Government	212,716	197,340	199,168	200,541	199,236
Surplus/(deficit) attributable to the Australian Government	(19,000)	(19,000)	(19,000)	(19,000)	(19,460)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	900	3,500	3,500		
Total other comprehensive income	900	3,500	3,500	-	-
Total comprehensive income/(loss)	(18,100)	(15,500)	(15,500)	(19,000)	(19,460)
Total comprehensive income/(loss) attributable to the Australian Government	(18,100)	(15,500)	(15,500)	(19,000)	(19,460)

Table continued on the following page.

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

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.	900	3,500	3,500	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	19,000	19,000	19,000	19,000	19,460
Total comprehensive income/(loss) - as per the statement of comprehensive income	(18,100)	(15,500)	(15,500)	(19,000)	(19,460)

(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
ASSETS					
Financial assets					
Cash and cash equivalents	5,500	5,500	5,500	5,500	5,500
Trade and other receivables	47,055	47,055	47,055	47,055	47,055
Total financial assets	52,555	52,555	52,555	52,555	52,555
Non-financial assets					
Land and buildings	14,082	13,737	14,232	12,526	9,884
Property, plant and equipment	13,364	12,128	10,283	7,628	6,031
Intangibles	25,533	27,735	27,906	27,900	27,268
Other non-financial assets	7,769	7,769	7,769	7,769	7,769
Total non-financial assets	60,748	61,369	60,190	55,823	50,952
Total assets	113,303	113,924	112,745	108,378	103,507
LIABILITIES					
Payables					
Suppliers	10,996	10,996	10,996	10,996	10,996
Other payables	2,536	2,536	2,536	2,536	2,536
Total payables	13,532	13,532	13,532	13,532	13,532
Provisions					
Employee provisions	36,684	36,684	36,684	36,684	36,684
Other provisions	1,395	1,395	1,395	1,395	1,395
Total provisions	38,079	38,079	38,079	38,079	38,079
Liabilities included in disposal groups held for sale					
Total liabilities	51,611	51,611	51,611	51,611	51,611
Net assets	61,692	62,313	61,134	56,767	51,896
EQUITY*					
Parent entity interest					
Contributed equity	86,695	102,816	117,137	131,770	146,359
Reserves	28,494	31,994	35,494	35,494	35,494
Retained surplus (accumulated)	(53,497)	(72,497)	(91,497)	(110,497)	(129,957)
Total parent entity interest	61,692	62,313	61,134	56,767	51,896
Attributed to non-controlling					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surplus (accumulated)	-	-	-	-	-
Total non-controlling interest	-	-	-	-	-
Total equity	61,692	62,313	61,134	56,767	51,896

*'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 \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016					
Balance carried forward from previous period	(53,497)	28,494	-	86,695	61,692
Adjusted opening balance	(53,497)	28,494	-	86,695	61,692
Comprehensive income					
Other comprehensive income	-	3,500	-	-	3,500
Surplus/(deficit) for the period	(19,000)	-	-	-	(19,000)
Total comprehensive income	(19,000)	3,500	-	-	(15,500)
of which:					
Attributable to the Australian Government	(72,497)	31,994	-	86,695	46,192
Attributable to non-controlling interest	-	-	-	-	-
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation				1,595	1,595
Departmental capital budget (DCB)				14,526	14,526
Sub-total transactions with owners	-	-	-	16,121	16,121
Transfers between equity					
Transfers between equity components					-
Estimated closing balance as at 30 June 2017	(72,497)	31,994	-	102,816	62,313
Less: non-controlling interests*					-
Closing balance attributable to the Australian Government	(72,497)	31,994	-	102,816	62,313

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
OPERATING ACTIVITIES					
Cash received					
Appropriations	213,335	197,340	199,168	200,541	199,236
Sale of goods and rendering of services	22,968	22,110	22,100	22,100	22,100
Net GST received	3,731	3,731	3,731	3,731	3,731
Other	3,000	3,000	3,000	3,000	3,000
Total cash received	243,034	226,181	227,999	229,372	228,067
Cash used					
Employees	133,502	136,849	138,853	138,877	134,262
Suppliers	105,182	85,601	85,415	86,764	90,074
Net GST paid	3,731	3,731	3,731	3,731	3,731
Total cash used	242,415	226,181	227,999	229,372	228,067
Net cash from/(used by) operating activities	619	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	17,878	16,121	14,321	14,633	14,589
Total cash used	17,878	16,121	14,321	14,633	14,589
Net cash from/(used by) investing activities	(17,878)	(16,121)	(14,321)	(14,633)	(14,589)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	16,878	16,121	14,321	14,633	14,589
Total cash received	16,878	16,121	14,321	14,633	14,589
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	16,878	16,121	14,321	14,633	14,589
Net increase/(decrease) in cash held	(381)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	5,881	5,500	5,500	5,500	5,500
Effect of exchange rate movements on cash and cash equivalents at the beginning of reporting period					
Cash and cash equivalents at the end of the reporting period	5,500	5,500	5,500	5,500	5,500

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
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	14,160	14,526	14,321	14,443	14,589
Equity injections - Bill 2	2,718	1,595		190	
Total new capital appropriations	16,878	16,121	14,321	14,633	14,589
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>16,878</i>	<i>16,121</i>	<i>14,321</i>	<i>14,633</i>	<i>14,589</i>
Total items	16,878	16,121	14,321	14,633	14,589
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	2,718	1,595	-	190	-
Funded by capital appropriation - DCB (b)	15,160	14,526	14,321	14,443	14,589
TOTAL	17,878	16,121	14,321	14,633	14,589
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	17,878	16,121	14,321	14,633	14,589
Total cash used to acquire assets	17,878	16,121	14,321	14,633	14,589

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

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

Prepared on Australian Accounting Standards basis.

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

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2016				
Gross book value	19,582	31,111	77,907	128,600
Accumulated depreciation/amortisation and	(5,500)	(17,747)	(52,374)	(75,621)
Opening net book balance	14,082	13,364	25,533	52,979
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	1,595	-	-	1,595
By purchase - appropriation ordinary annual services (b)	1,395	3,525	9,606	14,526
Total additions	2,990	3,525	9,606	16,121
Other movements				
Assets held for sale or in a disposal group held for sale				
Depreciation/amortisation expense	(5,835)	(5,761)	(7,404)	(19,000)
Other	2,500	1,000	-	3,500
Total other movements	(3,335)	(4,761)	(7,404)	(15,500)
As at 30 June 2017				
Gross book value	25,072	35,636	87,513	148,221
Accumulated depreciation/ amortisation and impairment	(11,335)	(23,508)	(59,778)	(94,621)
Closing net book balance	13,737	12,128	27,735	53,600

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

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

Prepared on Australian Accounting Standards basis.

Table 3.7: 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 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
EXPENSES					
Employee benefits	5,000	5,000	5,000	5,000	5,000
Suppliers	1,895	1,895	1,895	1,895	1,895
Grants	134,002	133,819	133,263	133,051	131,005
Depreciation and amortisation					
Total expenses administered on behalf of Government	140,897	140,714	140,158	139,946	137,900
LESS:					
OWN-SOURCE INCOME					
Total own-sourced income administered on behalf of Government	-	-	-	-	-
Net cost of/(contribution by) service:	140,897	140,714	140,158	139,946	137,900
Surplus/(deficit) before income tax	140,897	140,714	140,158	139,946	137,900
Income tax expense	-	-	-	-	-
Surplus/(deficit) after income tax	140,897	140,714	140,158	139,946	137,900
OTHER COMPREHENSIVE INCOME					
Items not subject of subsequent					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	140,897	140,714	140,158	139,946	137,900

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
ASSETS					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	41	41	41	41	41
Total financial assets	41	41	41	41	41
Non-financial assets					
Total non-financial assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Total assets administered on behalf of Government	41	41	41	41	41
LIABILITIES					
Payables					
Suppliers	30	30	30	30	30
Grants	635	635	635	635	635
Other payables	22	22	22	22	22
Total payables	687	687	687	687	687
Provisions					
Employee provisions	2,035	2,035	2,035	2,035	2,035
Other provisions	6,066	6,066	6,066	6,066	6,066
Total provisions	8,101	8,101	8,101	8,101	8,101
Liabilities included in disposal groups held for sale					
Total liabilities administered on behalf of Government	8,788	8,788	8,788	8,788	8,788
Net assets/(liabilities)	(8,747)	(8,747)	(8,747)	(8,747)	(8,747)

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 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	195	195	195	195	195
Other					
Total cash received	195	195	195	195	195
Cash used					
Grant	134,002	133,819	133,263	133,051	131,005
Suppliers	1,895	1,895	1,895	1,895	1,895
Net GST paid	195	195	195	195	195
Employees	5,000	5,000	5,000	5,000	5,000
Total cash used	141,092	140,909	140,353	140,141	138,095
Net cash from/(used by) operating activities	(140,897)	(140,714)	(140,158)	(139,946)	(137,900)
Net increase/(decrease) in cash held	(140,897)	(140,714)	(140,158)	(139,946)	(137,900)
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	140,897	140,714	140,158	139,946	137,900
Total cash from Official Public Account	140,897	140,714	140,158	139,946	137,900
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Australian Centre for International Agricultural Research (ACIAR)

Entity resources and planned performance

AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH (ACIAR)

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AUSTRALIAN CENTRE FOR INTERNATIONAL AGRICULTURAL RESEARCH (ACIAR)

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

ACIAR works in Australia's national interest by contributing to economic growth and poverty reduction in the Indo-Pacific region. ACIAR will continue to improve the productivity, sustainability and profitability of agricultural systems, through international agricultural research and training partnerships and the empowerment of women and girls.

While ACIAR will concentrate its efforts in developing Asia Pacific countries in 2016-17, ACIAR will also engage in high-payoff partnerships in other regions in support of Australia's foreign policy objectives. ACIAR will work through bilateral (at least 70 per cent) and multilateral (up to 30 per cent) modalities. In line with the refocusing of the Australian aid program, ACIAR has increased funding to East Asia and the Pacific region, particularly Papua New Guinea (PNG).

ACIAR will directly contribute to the Government's aid policy by working to enhance and promote agricultural competitiveness and sustainability, increase market access, and improve value-chain efficiencies and effectiveness. Farm-level productivity and the competitiveness of both traditional and emerging value chains to achieve access on domestic and international markets will continue to be a primary focus of the Centre's activities.

ACIAR's strategic approach will be to respond to major challenges in our region and where Australia has comparative advantage. A number of countries in the Indo-Pacific region remain characterised by persistent and widespread poverty, high dependence on agriculture, high population growth, limited economic growth, an increasing disparity in incomes between the rich and poor, and in many cases political instability. It is these countries that will continue to be important partners for ACIAR.

ACIAR will capitalise on its strong people-to-people connections to build innovative responses to agricultural challenges. ACIAR's research and training partnerships will also deliver benefits to Australian farmers, institutions and the private sector in areas such as biosecurity, technology, research capabilities and trade, as well as improve smallholder farmer productivity and livelihoods in the countries in which the Centre works.

ACIAR will continue to manage research partnerships in four areas of endeavour: crops; livestock and fisheries; natural resources and forestry; socioeconomics and policy. There will be a multidisciplinary approach between these research clusters.

Cross-cutting issues such as communications and the empowerment of women and girls will be incorporated into the design, delivery and assessment of impacts of the Centre's activities.

At a global level, ACIAR will engage closely with a range of international multilateral institutions and associations, including CGIAR, the Asia Pacific Association of Agricultural Research Institutions (APAARI), ASEAN, CABI (an intergovernmental, not-for-profit organisation), the UN Food and Agricultural Organization (FAO), the Pacific Community (PC) and The World Vegetable Center (AVRDC) to extend our effectiveness and to reduce some of the challenges our environment presents.

ACIAR will generate outputs across four areas: new technologies; new knowledge; greater capacity; and better decision-making.

ACIAR will continue to fund work that helps generate new scientific knowledge aimed at the development of resilient and robust agricultural systems. We will deepen our existing partnerships and explore new and more diverse partnerships, with greater emphasis on the private sector and non-government organisations, and new, innovative partnerships with emerging economies, in order that knowledge generated by our partnership is applied effectively.

ACIAR will work to improve linkages of high-value agriculture to markets by implementing research and development solutions, and developing new partnerships, particularly with private industry. ACIAR complements emergency relief work by supporting collaborative research and development, and will address the longer-term consequences of post-disaster changes in the farming systems in Vanuatu, Nepal, Indonesia and Fiji.

ACIAR will build greater capacity in partner countries to undertake and use research. Building institutional and individual capacity will significantly enhance the sustainability of our research outcomes and reduce skills gaps. ACIAR will support the development of skills and knowledge by formal postgraduate, research management and leadership development and 'on-the-job' training, and thereby build enduring people-to-people links between Australia, our regional neighbours and the broader international community.

ACIAR will continue to develop the evidence base for good policy formulation and will actively work to make existing information available.

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 for Outcome 1 table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: ACIAR resource statement — Budget estimates for 2016-17 as at Budget May 2016

	2015-16 <i>Estimated actual</i> \$'000	2016-17 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	3,622	3,645
Departmental appropriation	9,654	9,494
s 74 retained revenue receipts (b)	2,631	1,627
Departmental capital budget (c)	248	247
Annual appropriations - other services - non-operating (d)		
Equity injection	161	-
<i>Total departmental annual appropriations</i>	16,316	15,013
Total departmental resourcing	16,316	15,013
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	2,187	2,982
Outcome 1	81,629	93,993
<i>Total administered annual appropriations</i>	83,816	96,975
Special accounts (e)		
Opening balance	27,851	19,877
Non-appropriation receipts	13,505	15,539
<i>Total special account receipts</i>	41,356	35,416
Total administered resourcing	125,172	132,391
Total resourcing for ACIAR	141,488	147,404
	2015-16	2016-17
Average staffing level (number)	74	74

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) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (c) 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'.
- (d) Appropriation Bill (No.2) 2016-17.
- (e) 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 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

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

Budgeted expenses for Outcome 1

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 2.1: Budgeted expenses for Outcome 1

	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
Program 1: International Agricultural Research and Development					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	81,629	93,993	95,780	97,503	99,356
Special accounts	21,480	24,010	18,365	16,837	18,410
Administered total	103,109	118,003	114,145	114,340	117,766
Departmental expenses					
Departmental appropriation	9,654	9,494	9,551	9,603	9,682
s 74 Retained revenue receipts (a)	1,787	1,627	1,787	1,962	2,126
Expenses not requiring appropriation in the Budget year (b)	336	491	494	497	493
Departmental total	11,777	11,612	11,832	12,062	12,301
Total expenses for program 1	114,886	129,615	125,977	126,402	130,067
	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
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	81,629	93,993	95,780	97,503	99,356
s74 Retained revenue receipts (a)	21,480	24,010	18,365	16,837	18,410
Administered total	103,109	118,003	114,145	114,340	117,766
Departmental expenses					
Departmental appropriation	9,654	9,494	9,551	9,603	9,682
s 74 Retained revenue receipts (a)	1,787	1,627	1,787	1,962	2,126
Expenses not requiring appropriation in the Budget year (b)	336	491	494	497	493
Departmental total	11,777	11,612	11,832	12,062	12,301
Total expenses for Outcome 1	114,886	129,615	125,977	126,402	130,067
	2015-16	2016-17			
Average staffing level (number)	74	74			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

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

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

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for the single program associated with Outcome 1. It also summarises how the program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – To achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through international agricultural research and training partnerships.		
Program 1 – International agricultural research for development for more productive and sustainable agriculture.		
Delivery	ACIAR’s delivery mechanism is as both a valued funder and knowledgeable research broker operating through establishing active working partnerships, supporting the empowerment of women and girls, and providing timely and consistent funding and strong technical backing. ACIAR will build on its current close working relations with regional and country agricultural research organisations and forums to support the development of national agricultural systems.	
Performance information		
Year	Performance criteria	Targets
2015-16	Productivity and profitability of agricultural systems	<ul style="list-style-type: none"> - Increased incomes and employment - Innovative and diversified enterprise options - Enhanced small-holder access to markets and value chains - Improved nutritional quality and diversity of diets - Increased productivity in agricultural systems - Increased quality of agricultural products
	Sustainability	<ul style="list-style-type: none"> - Improved natural resource management - Greater resilience and diversity of production systems - Increased ability to adapt to and mitigate climate change - Strengthened plant and animal biosecurity

Table continued on the following page.

Table 2.2: Performance criteria for Outcome 1 (continued)

	<p>Capability</p> <ul style="list-style-type: none"> - Increased research capacity amongst partner countries at the individual and institutional level - Improved evidence and capacity to support policy development - Improved social inclusion and greater empowerment of women and girls - Enhanced linkages between research partners <p>Institutional efficiency and effectiveness</p> <ul style="list-style-type: none"> - Effective strategic planning - Improved business practices - Effective stakeholder engagement and communications - Improved knowledge management 	
2016-17	As per 2015-16	As per 2015-16
2017-18 and beyond	As per 2016-17	As per 2016-17
Purpose	<p>ACIAR's purpose is to achieve more productive and sustainable agricultural systems for the benefit of developing countries and Australia through supporting international agricultural research and training partnerships.</p>	

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 Explanatory notes and analysis of budgeted financial statements

Departmental financial statements and schedule of administered activity

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

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

Appropriations in the budgeting framework

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

- Departmental appropriations: representing the Government's funding for agency programs;
- Departmental capital budget appropriations: representing the Government's funding through additional equity for the replacement of existing agency assets as they reach the end of their useful life;
- Departmental capital appropriations: for new investments by the Government through additional equity; and

ACIAR Budget Statements

- Administered expense appropriations: for the estimated administered expenses relating to specific programs.

Asset valuation

In accordance with current Australian accounting standards the Agency's assets are carried at fair value.

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
EXPENSES					
Employee benefits	7,682	7,843	8,000	8,160	8,323
Suppliers	3,790	3,309	3,369	3,437	3,517
Depreciation and amortisation	305	460	463	465	461
Total expenses	11,777	11,612	11,832	12,062	12,301
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,631	1,627	1,787	1,962	2,126
Total own-source revenue	2,631	1,627	1,787	1,962	2,126
Gains					
Other	31	31	31	32	32
Total gains	31	31	31	32	32
Total own-source income	2,662	1,658	1,818	1,994	2,158
Net (cost of)/contribution by services	(9,115)	(9,954)	(10,014)	(10,068)	(10,143)
Revenue from Government	9,654	9,494	9,551	9,603	9,682
Surplus/(deficit) attributable to the Australian Government	539	(460)	(463)	(465)	(461)
Total comprehensive income/(loss) attributable to the Australian Government	539	(460)	(463)	(465)	(461)

Table continued on the following page.

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

Note: Impact of net cash appropriation arrangements

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.	539	(460)	(463)	(465)	(461)
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	-	-	-	-	-
Total comprehensive income/(loss) - as per the statement of comprehensive income	539	(460)	(463)	(465)	(461)

(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
ASSETS					
Financial assets					
Cash and cash equivalents	84	84	84	84	84
Trade and other receivables	3,701	3,722	3,755	3,798	3,832
Total financial assets	3,785	3,806	3,839	3,882	3,916
Non-financial assets					
Land and buildings	1,295	1,161	1,079	1,056	977
Property, plant and equipment	174	245	269	236	265
Intangibles	818	668	513	356	198
Other non-financial assets	96	96	96	96	96
Total non-financial assets	2,383	2,170	1,957	1,744	1,536
Total assets	6,168	5,976	5,796	5,626	5,452
LIABILITIES					
Payables					
Suppliers	374	374	384	394	400
Other payables	413	373	333	293	253
Total payables	787	747	717	687	653
Provisions					
Employee provisions	2,357	2,418	2,481	2,554	2,622
Total provisions	2,357	2,418	2,481	2,554	2,622
Total liabilities	3,144	3,165	3,198	3,241	3,275
Net assets	3,024	2,811	2,598	2,385	2,177
EQUITY*					
Parent entity interest					
Contributed equity	1,986	2,233	2,483	2,735	2,988
Reserves	112	112	112	112	112
Retained surplus (accumulated deficit)	926	466	3	(462)	(923)
Total parent entity interest	3,024	2,811	2,598	2,385	2,177
Total equity	3,024	2,811	2,598	2,385	2,177

*'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 \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	926	112	1,986	3,024
Adjusted opening balance	926	112	1,986	3,024
Comprehensive income				
Surplus/(deficit) for the period	(460)	-	-	(460)
Total comprehensive income	(460)	-	-	(460)
of which:				
Attributable to the Australian Government	(460)	-	-	(460)
Departmental capital budget (DCB)	-	-	247	247
Sub-total transactions with owners	(460)	-	247	(213)
Closing balance attributable to the Australian Government	466	112	2,233	2,811

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
OPERATING ACTIVITIES					
Cash received					
Appropriations	9,631	9,473	9,518	9,560	9,648
Sale of goods and rendering of services	2,631	1,627	1,787	1,961	2,126
Net GST received	230	230	230	230	230
Total cash received	12,492	11,330	11,535	11,751	12,004
Cash used					
Employees	7,629	7,782	7,937	8,086	8,255
Suppliers	4,020	3,548	3,598	3,665	3,749
Total cash used	11,649	11,330	11,535	11,751	12,004
Net cash from/(used by) operating activities	843	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	1,252	247	250	252	253
Total cash used	1,252	247	250	252	253
Net cash from/(used by) investing activities	(1,252)	(247)	(250)	(252)	(253)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	409	247	250	252	253
Total cash received	409	247	250	252	253
Net cash from/(used by) financing activities	409	247	250	252	253
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	84	84	84	84	84
Cash and cash equivalents at the end of the reporting period	84	84	84	84	84

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
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	248	247	250	252	253
Equity injections - Bill 2	161	-	-	-	-
Total new capital appropriations	409	247	250	252	253
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	409	247	250	252	253
Total items	409	247	250	252	253
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	161	-	-	-	-
Funded by capital appropriation - DCB (b)	248	247	250	252	253
Funded internally from departmental resources (c)	843	-	-	-	-
TOTAL	1,252	247	250	252	253
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,252	247	250	252	253
Total cash used to acquire assets	1,252	247	250	252	253

(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) s 74 Retained revenue receipts.

Prepared on Australian Accounting Standards basis.

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

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2016				
Gross book value	1,421	439	1,482	3,342
Accumulated depreciation/ amortisation and impairment	(126)	(265)	(664)	(1,055)
Opening net book balance	1,295	174	818	2,287
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	197	50	247
Total additions	-	197	50	247
Other movements				
Depreciation/amortisation expense	(134)	(126)	(200)	(460)
Total other movements	(134)	(126)	(200)	(460)
As at 30 June 2017				
Gross book value	1,421	636	1,532	3,589
Accumulated depreciation/ amortisation and impairment	(260)	(391)	(864)	(1,515)
Closing net book balance	1,161	245	668	2,074

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

Prepared on Australian Accounting Standards basis.

Table 3.7: 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 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
EXPENSES					
Employee benefits	221	299	305	311	317
Suppliers	102,888	117,704	113,840	114,029	117,449
Total expenses administered on behalf of Government	103,109	118,003	114,145	114,340	117,766
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	13,505	15,539	16,277	17,051	17,485
Total non-taxation revenue	13,505	15,539	16,277	17,051	17,485
Total own-source revenue administered on behalf of Government	13,505	15,539	16,277	17,051	17,485
Total own-sourced income administered on behalf of Government	13,505	15,539	16,277	17,051	17,485
Net cost of/(contribution by) service:	89,604	102,464	97,868	97,289	100,281
Total comprehensive income/(loss)	89,604	102,464	97,868	97,289	100,281

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
ASSETS					
Financial assets					
Cash and cash equivalents	19,877	11,406	9,318	9,532	8,607
Taxation receivables	699	699	699	699	699
Total financial assets	20,576	12,105	10,017	10,231	9,306
Total assets administered on behalf of Government	20,576	12,105	10,017	10,231	9,306
LIABILITIES					
Payables					
Suppliers	2,950	2,960	3,000	3,100	3,200
Other payables	638	638	638	638	638
Total payables	3,588	3,598	3,638	3,738	3,838
Provisions					
Employee provisions	32	32	32	32	32
Total provisions	32	32	32	32	32
Total liabilities administered on behalf of Government	3,620	3,630	3,670	3,770	3,870
Net assets/(liabilities)	16,956	8,475	6,347	6,461	5,436

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 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	5,000	5,000	5,000	5,000	5,000
Other	13,505	15,539	16,277	17,051	17,485
Total cash received	18,505	20,539	21,277	22,051	22,485
Cash used					
Suppliers	102,894	117,694	113,800	113,929	117,349
Employees	221	299	305	311	317
Total cash used	103,115	117,993	114,105	114,240	117,666
Net cash from/(used by) operating activities	(84,610)	(97,454)	(92,828)	(92,189)	(95,181)
Net increase/(decrease) in cash held	(84,610)	(97,454)	(92,828)	(92,189)	(95,181)
Cash and cash equivalents at beginning of reporting period	27,852	19,877	11,406	9,318	9,532
Cash from Official Public Account for:					
- Appropriations	81,635	93,983	95,740	97,403	99,256
Total cash from Official Public Account	81,635	93,983	95,740	97,403	99,256
Cash to Official Public Account for:					
- Appropriations	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Total cash to Official Public Account	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Cash and cash equivalents at end of reporting period	19,877	11,406	9,318	9,532	8,607

Prepared on Australian Accounting Standards basis.

Australian Secret Intelligence Service (ASIS)

Entity resources and planned performance

AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

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AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

In 2016-17 the Australian Secret Intelligence Service (ASIS) will continue to enhance Government understanding of the overseas environment affecting Australia's vital interests. ASIS will take appropriate action, consistent with applicable legislation, to protect and promote Australia's vital interests through the provision of unique foreign intelligence services as directed by the Government.

The primary functions of ASIS are:

- (a) to obtain, in accordance with the Government's requirements, intelligence about the capabilities, intentions or activities of people or organisations outside Australia;
- (b) to communicate, in accordance with the Government's requirements, such intelligence;
- (c) to provide assistance to the Defence Force in support of military operations and to co-operate with the Defence Force on intelligence matters;
- (d) to conduct counter-intelligence activities;
- (e) to liaise with intelligence or security services, or other authorities, of other countries;
- (f) to co-operate with and assist ASD, AGO, ASIO and other Commonwealth and State authorities in the performance of their functions; and
- (g) to undertake such other activities as the responsible Minister directs relating to the capabilities, intentions or activities of people or organisations outside Australia.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total 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 departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: ASIS resource statement — Budget estimates for 2016-17 as at Budget May 2016

	2015-16 <i>Estimated actual</i> \$'000	2016-17 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	112,892	107,497
Departmental appropriation	240,063	240,526
s 74 retained revenue receipts (b)	51,500	53,500
Departmental capital budget (c)	16,846	18,499
Annual appropriations - other services - non-operating (d)		
Equity injection	10,964	48,513
<i>Total departmental annual appropriations</i>	<i>432,265</i>	<i>468,535</i>
Total departmental resourcing	432,265	468,535
Total resourcing for ASIS	432,265	468,535

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

(c) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(d) Appropriation Bill (No.2) 2016-17.

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.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Enhanced understanding for the Government of the overseas environment affecting Australia's interests through the provision of covert intelligence services about the capabilities, intentions or activities of people or organisations outside Australia.					
	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
Program 1.1: Secret Intelligence					
Departmental expenses					
Departmental appropriations	180,047	180,395	186,764	191,074	193,179
74 Retained revenue receipts (a)	38,625	40,125	40,875	41,625	42,375
Expenses not requiring appropriation in the Budget year (b)	15,472	17,945	26,161	30,259	31,622
Departmental total	234,144	238,465	253,800	262,958	267,176
Total expenses for program 1.1	234,144	238,465	253,800	262,958	267,176

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
Program 1.2: Other Services					
Departmental expenses					
Departmental appropriations 74 Retained revenue receipts (a)	60,016	60,131	62,255	63,692	64,393
Expenses not requiring appropriation in the Budget year (b)	12,875	13,375	13,625	13,875	14,125
	5,157	5,982	8,720	10,086	10,541
Departmental total	78,048	79,488	84,600	87,653	89,059
Total expenses for program 1.2	78,048	79,488	84,600	87,653	89,059
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriations 74 Retained revenue receipts (a)	240,063	240,526	249,019	254,766	257,572
Expenses not requiring appropriation in the Budget year (b)	51,500	53,500	54,500	55,500	56,500
	20,629	23,927	34,881	40,345	42,163
Departmental total	312,192	317,953	338,400	350,611	356,235
Total expenses for Outcome 1	312,192	317,953	338,400	350,611	356,235

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

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

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

Section 3: Budgeted financial statements

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

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
EXPENSES					
Total expenses	312,192	317,953	338,400	350,611	356,235
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	51,500	53,500	54,500	55,500	56,500
Total own-source revenue	51,500	53,500	54,500	55,500	56,500
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	51,500	53,500	54,500	55,500	56,500
Net (cost of)/contribution by services	(260,692)	(264,453)	(283,900)	(295,111)	(299,735)
Revenue from Government	240,063	240,526	249,019	254,766	257,572
Surplus/(deficit) attributable to the Australian Government	(20,629)	(23,927)	(34,881)	(40,345)	(42,163)
Total comprehensive income/(loss) attributable to the Australian Government	(20,629)	(23,927)	(34,881)	(40,345)	(42,163)

Note: Impact of net cash appropriation arrangements

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	20,629	23,927	34,881	40,345	42,163
Total comprehensive income/(loss) - as per the statement of comprehensive income	(20,629)	(23,927)	(34,881)	(40,345)	(42,163)

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

Prepared on Australian Accounting Standards basis.

Table 3.2: 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
ASSETS					
Financial assets	107,497	108,488	110,524	112,156	113,355
Non-financial assets	154,182	197,267	232,247	239,564	241,180
Total assets	261,679	305,755	342,771	351,720	354,535
LIABILITIES					
Payables	43,500	44,050	44,600	45,150	45,700
Interest bearing liabilities	-	-	-	-	-
Provisions	46,997	47,438	48,924	50,006	50,655
Total liabilities	90,497	91,488	93,524	95,156	96,355
Net assets	171,182	214,267	249,247	256,564	258,180
EQUITY*					
Parent entity interest					
Contributed equity	179,810	246,822	316,683	364,345	408,124
Reserves	76,000	76,000	76,000	76,000	76,000
Retained surplus (accumulated deficit)	(84,628)	(108,555)	(143,436)	(183,781)	(225,944)
Total parent entity interest	171,182	214,267	249,247	256,564	258,180
Total equity	171,182	214,267	249,247	256,564	258,180

*'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	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016					
Balance carried forward from previous period	(84,628)	-	76,000	179,810	171,182
Adjusted opening balance	(84,628)	-	76,000	179,810	171,182
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(23,927)	-	-	-	(23,927)
Total comprehensive income	(23,927)	-	-	-	(23,927)
of which:					
Attributable to the Australian Government	(23,927)	-	-	-	(23,927)
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	48,513	48,513
Departmental capital budget (DCB)	-	-	-	18,499	18,499
Sub-total transactions with owners	-	-	-	67,012	67,012
Estimated closing balance as at 30 June 2017	(108,555)	-	76,000	246,822	214,267
Closing balance attributable to the Australian Government	(108,555)	-	76,000	246,822	214,267

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
OPERATING ACTIVITIES					
Cash received					
Appropriations	245,566	239,535	246,982	253,134	256,374
Other	51,500	53,500	54,500	55,500	56,500
Total cash received	297,066	293,035	301,482	308,634	312,874
Cash used					
Other	297,066	293,035	301,482	308,634	312,874
Total cash used	297,066	293,035	301,482	308,634	312,874
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	27,810	67,012	69,861	47,661	43,779
Total cash used	27,810	67,012	69,861	47,661	43,779
Net cash from/(used by) investing activities	(27,810)	(67,012)	(69,861)	(47,661)	(43,779)
FINANCING ACTIVITIES					
Cash received					
Other	27,810	67,012	69,861	47,661	43,779
Total cash received	27,810	67,012	69,861	47,661	43,779
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	27,810	67,012	69,861	47,661	43,779
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	25,000	25,000	25,000	25,000	25,000
Cash and cash equivalents at the end of the reporting period	25,000	25,000	25,000	25,000	25,000

Prepared on Australian Accounting Standards basis.

Tourism Australia

Entity resources and planned performance

TOURISM AUSTRALIA

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TOURISM AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

Purpose and outcome

Tourism Australia is Australia’s national tourism marketing organisation that promotes Australia internationally as a compelling tourism destination for leisure and business events. The outcome of our activities is to grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing activities that target global consumers in key markets.

Industry outlook

Shifts impacting Australian tourism have been explored and addressed in the development of Tourism Australia’s strategies.

SHIFTS IMPACTING AUSTRALIAN TOURISM

GLOBAL ECONOMY	<ul style="list-style-type: none"> Increasing competitiveness of global tourism as countries identify tourism as a source of economic growth Increasing middle class in Asia, and compressed maturation cycle in new Asian markets
MEDIA LANDSCAPE	<ul style="list-style-type: none"> Globalisation of media agencies as agency networks consolidate Increasing use of performance advertising to target consumers Increasingly costly mass media markets, challenging ability to cut through
CONSUMER BEHAVIOUR	<ul style="list-style-type: none"> Increasing use of mobile technology Democratisation of insider information – increased access to unfiltered consumer messaging Rising demand for experiential travel with increasing demand for personalisation
TRAVEL INDUSTRY COMPOSITION	<ul style="list-style-type: none"> Rise of the sharing economy Rise of online travel agencies Changing configuration of global airlines – continued low cost carrier expansion

Tourism 2020

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

Tourism Australia Budget Statements

Tourism Australia works with industry and all levels of the Government across Australia to maximise the economic contribution of Australian tourism. The industry has set a goal to increase overnight tourism expenditure from \$70 billion in 2009 to more than \$115 billion in 2020.

Strategies

Customer strategy: Two target customers will continue to be at the heart of Tourism Australia's marketing – the leisure traveller and the business events traveller. Our leisure target customers are predisposed to travel to Australia for a holiday and are likely to spend more, do more and disperse more widely beyond capital city gateways. Tourism Australia's business events target customers in two sectors – association congresses and incentive events.

Market portfolio framework: Tourism Australia invests the majority of its effort and resources in a portfolio of priority markets which reflects growth potential, market maturity and Australia's competitive position. Markets fall into one of four categories with activity aimed at maximising the opportunity in each market.

MARKET PORTFOLIO FRAMEWORK

CATEGORIES	Build access and distribution	Full build	Partnership-led conversion	Maintain access and distribution
STRATEGIC OBJECTIVE	Focus on establishing access and distribution in early stage of activity	Continued focus on distribution supported by broad marketing, including with partners	Capitalise on established distribution, through integrated partnership marketing	Ongoing distribution and partnership focus in mature markets
COUNTRIES	Indonesia	China USA India	Hong Kong Singapore Malaysia UK Japan South Korea	Germany France Italy

Marketing strategy: This will be delivered through integrated global campaigns under the campaign umbrella *There's nothing like Australia*. Messaging will focus on the most important reasons for travel, including world class beauty and natural environments, food and wine and aquatic and coastal experiences. Competitive positioning will be strengthened by a range of support activities that promote Indigenous tourism, youth and premium tourism experiences. Marketing campaigns will be delivered through social media, content, our websites (Australia.com and Australia.cn), targeted global media buying and personalisation, taking advantage of changing consumer travel buying behaviours.

Business Events strategy: Through its specialist unit, Business Events Australia (BEA), Tourism Australia delivers partnership marketing and trade programs that target key decision-makers in the international incentives and associations sectors. BEA works in partnership with the Australian business events industry to drive awareness, intention and conversion of business via specific initiatives for each sector.

Distribution development strategy: Our distribution efforts drive increased conversion from intention to visitation, ensuring the target customer has the right information and can easily access and book quality Australian tourism products. This will be achieved by increasing the presence of Australian tourism experiences in the programs of international distributors, educating frontline sellers on how to best sell Australian tourism experiences and connecting buyers of Australian tourism product with sellers through trade events both in Australia and overseas.

Partnership strategy: Tourism Australia actively collaborates with industry and government partners. It secures commercial partnerships to extend its ability to target customers and facilitates their ability to buy Australian tourism product. Tourism Australia partners with state and territory tourism organisations (STOs) across a number of 'one voice' initiatives including global marketing campaigns, through the Aussie Specialist Program, supporting international media hosting and broadcast opportunities, trade events both in Australia and offshore and through a recently developed collaboration on consumer research.

Enabling Strategy: Tourism Australia's activity is underpinned by a committed workforce and high performing culture, government collaboration, industry engagement and effective systems and processes that support delivery of robust corporate governance.

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 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Tourism Australia resource statement — Budget estimates for 2016-17 as at Budget May 2016

	<i>2015-16 estimated actual \$'000</i>	<i>2016-17 estimate \$'000</i>
Opening balance/cash reserves at 1 July	-	-
Funds from Government		
Annual appropriations - ordinary annual services (a)		
Outcome 1 - Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets.	<i>144,018</i>	140,266
<i>Total annual appropriations</i>	<i>144,018</i>	<i>140,266</i>
Amounts received from related entities		
Amounts from portfolio department (b)	<i>14,000</i>	14,000
<i>Total amounts received from related entities</i>	<i>14,000</i>	<i>14,000</i>
Total funds from Government	<i>158,018</i>	154,266
Funds from industry sources		
Other	<i>16,574</i>	20,974
Total funds from industry sources	<i>16,574</i>	20,974
Funds from other sources		
Interest	<i>1,100</i>	1,100
Total funds from other sources	<i>1,100</i>	1,100
Total net resourcing for Tourism Australia	<i>175,692</i>	176,340
	<i>2015-16</i>	<i>2016-17</i>
Average staffing level (number)	<i>207</i>	<i>207</i>

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) Asia Marketing Fund

1.3 Budget measures

There are no budget measures in Part 1 relating to Tourism Australia.

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

<p>Outcome 1: Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets</p>

Linked programs

<p>Department of Foreign Affairs and Trade (DFAT)</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.8 - Programs to promote Australia's International Tourism Interests
<p>Contribution to Tourism Australia's Outcome 1 made by linked programs This program provides funding to Tourism Australia to deliver Outcome 1.</p>
<p>Austrade</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.2 - Programs to promote Australia's export and other international economic interests
<p>Contribution to Tourism Australia's Outcome 1 made by linked programs Austrade provides research and policy support to Tourism Australia's activities of promoting the export of Australian tourism services. These exports contribute to Australia's prosperity.</p>
<p>Department of Immigration and Border Protection (DIBP)</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 3.2 - Trade Facilitation and Industry Engagement
<p>Contribution to Tourism Australia's Outcome 1 made by linked programs Tourism Australia works with the DIBP by providing advice on visa and traveller facilitation policy relevant to the Australian tourism industry.</p>

Table continued on following page.

Linked programs (continued)

Department of Infrastructure and Regional Development
Programs <ul style="list-style-type: none">• Program 2.4 – Air Transport
An efficient, sustainable, competitive, safe and secure air transport system contributes to increasing international visitor arrivals and expenditure, and growing demand for Australia as a destination for tourism and business events.
Programs <ul style="list-style-type: none">• Program 3.1 – Regional development
Contribution to Tourism Australia’s Outcome 1 made by linked programs <p>Tourism Australia works in partnership with State and Territory Governments, industry and commercial partners to build demand and increase visitor arrivals and spend in Australia and encouraging international visitor to disperse beyond our gateway cities into regional areas.</p>

Budgeted expenses for Outcome 1

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.

Tourism Australia has one program and one outcome with Departmental funding sources only.

Table 2.1.1: Budgeted expenses for Outcome 1

	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
Outcome 1 totals by resource type					
Program 1.1: Supporting Outcome 1					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	144,018	140,266	141,291	144,417	147,462
Payment from related entities	14,000	14,000	14,000	14,000	14,000
Revenues from industry sources	16,574	20,974	20,974	20,974	20,974
Revenues from other independent sources	1,100	1,100	1,100	1,100	1,100
Total expenses for Outcome 1 and Program 1.1	175,692	176,340	177,365	180,491	183,536
Outcome 1 and Program 1.1 totals by resource type					
Average staffing level (number)	207	207			

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

<i>Program component 1.1.1: Grow demand</i>
<i>Program component 1.1.2: Industry development</i>

Program 1.1: Supporting Outcome 1

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
1.1.1 - Component 1 (Grow demand)					
Annual departmental expenses:					
Program Support	153,724	154,291	155,188	157,923	160,587
Total component 1 expenses	153,724	154,291	155,188	157,923	160,587
1.1.2 - Component 2: (Industry development)					
Annual departmental expenses:					
Program Support	21,968	22,049	22,177	22,568	22,949
Total component 2 expenses	21,968	22,049	22,177	22,568	22,949
Total program expenses	175,692	176,340	177,365	180,491	183,536

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.

Outcome 1 – Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets		
Program component 1.1.1 – Grow demand		
Objective: Identify and target best prospect consumers, inspire them to travel to Australia. To focus activities and resources, utilise a dedicated market categorisation approach.		
Delivery	<p><i>Target groups</i></p> <p>The leisure traveller in key international markets:</p> <ul style="list-style-type: none"> • Consumer research to build knowledge about what motivates the target customer when choosing a travel destination • Campaigns in partnership with commercial partners, state and territory tourism organisations and convention and visitor bureaux • Marketing activities to stimulate target customers, including brand advertising and promotions, broadcasts, public relations, international media hosting program, content development and social media • Work in partnership with Government and industry to align efforts and activities increasing Australia’s collective share of voice in global marketplace to achieve efficiency and effectiveness <p>Business events travellers in key international markets:</p> <ul style="list-style-type: none"> • Consumer research to build knowledge of the needs of corporate and association decision makers when choosing a destination for meetings, associations and incentives, and to understand the needs and decision patterns of individual delegates. • Deliver program of activities to promote Australia as a business events destination, including trade events, buyer and agent familiarisation visits, direct marketing and public relations. 	
Performance information		
Year	Performance criteria	Targets
2015-16	Tourism 2020 Goal: Overnight Tourism Expenditure (international and domestic overnight total trip spend) Source: IVS & NVS	\$94.5bn (12mths to Dec15) Up 10.5%
	Total International Expenditure Source: IVS	\$36.6bn (12mths to Dec15) Up 17.7%
	Total International Expenditure from TA markets Source: IVS	\$29.5bn (12mths to Dec15) Up 20.7%
	Total International Expenditure from leisure visitors from TA markets Source: IVS	\$14.9bn (12mths to Dec15) Up 20.0%
	Total International Expenditure from business event visitors from select TA markets Source: IVS	\$2.0bn (12mths to Dec15) Up 1.1%

Table continued on following page.

Table 2.1.3: Performance criteria for Outcome 1 (continued)

2015-16	Earned Advertising Value (EAV) (AU\$ value of TA PR activities in selected international markets) Source: PR coverage reporting	\$226mil (12mths to Jun15)
	Total Unique Visitors (UVs) to TA websites Source: Adobe	28.4mil (12mths to Mar16) Down 6.3%
	Return on marketing investment (AU\$ visitor spend returned from \$1 of marketing investment) Source: External agency research	\$16:1(FY1415 Campaigns)
2016-17	Tourism 2020: Overnight Tourism Expenditure	\$100.7bn (12mths to Dec16)
	Total International Expenditure	\$40.7bn (12mths to Dec16)
	Total International Expenditure from TA markets	\$33.5bn (12mths to Dec16)
	Total International Expenditure from leisure visitors from TA markets	\$17.0bn (12mths to Dec16)
	Total International Expenditure from business event visitors from select TA markets	\$2.2bn (12mths to Dec16)
	Earned Advertising Value (EAV)	\$265mil (12mths to Jun17)
	Total Unique Visitors (UVs) to TA websites	31.3mil (12mths to Mar17)
2017-18 and beyond	Tourism 2020: Overnight Tourism Expenditure	\$115bn (12mths to Dec20)
	Total International Expenditure	\$57.0bn (12mths to Dec20)
	Total International Expenditure from TA markets	\$49.4bn (12mths to Dec20)
	Total International Expenditure from leisure visitors from TA markets	\$25.5bn (12mths to Dec20)
	Total International Expenditure from business event visitors from select TA markets	\$3.2bn (12mths to Dec20)
	Earned Advertising Value (EAV)	TBA
	Total Unique Visitors (UVs) to TA websites	45.7mil (12mths to Mar21)
	Return on marketing investment	\$16:1 (FY2021 Campaigns)

Program component 1.1.2 – Industry development		
Objective: An Australian tourism industry that is competitive and sustainable and delivers on the needs of the target customer.		
Delivery	<p><i>Target group:</i> The Australian tourism industry and trade and distribution partners in key markets overseas</p> <p><i>Key activities:</i></p> <ul style="list-style-type: none"> • Development of the distribution system • Provision of platforms to do business • Support of supply-side industry goals • Dissemination of tourism insights and engagement of industry stakeholders 	
Performance information		
Year	Performance criteria	Targets
2015-16	Stakeholder indicate that TA add value to their business (% of stakeholders indicating TA activities provide excellent, very good or good value to their business) Source: stakeholder surveys	91% (Average of FY1516 results)
2016-17	Stakeholder indicate that TA add value to their business	>90% (FY1617)
2017-18 and beyond	Stakeholder indicate that TA add value to their business	>90% (FY1617)

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

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

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

Budgeted departmental comprehensive income statement

Total operating revenue for 2016-17 is estimated at \$176.3 million and is made up of Government appropriations of \$140.3 million, Asia Marketing Fund from Government of \$14 million and revenue from other sources of \$22 million. The revenue from industry sources has increased by \$4.4 million from the 2015-16 estimated actual of \$16.6 million.

The change includes:

- Appropriation for 2016-17 reflects normal level of funding for Tourism Australia adjusted for the efficiency dividend.
- Impact of wage cost index applied to appropriations.

Corresponding total expenses are also estimated to be \$176.3 million, an increase of \$0.6 million from the 2015-16 estimated actual of \$175.7 million due to the funding of foreign exchange impacts for 2015-16.

Budgeted departmental balance sheet

Tourism Australia is budgeting a net asset position of \$19.5 million in 2016-17. Net assets are projected to remain the same beyond 2016-17.

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 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	30,473	31,150	31,649	31,649	31,648
Suppliers	136,486	136,457	136,983	140,109	143,155
Grants	-	-	-	-	-
Depreciation and amortisation	4,500	4,500	4,500	4,500	4,500
Finance costs	33	33	33	33	33
Write-down and impairment of assets	-	-	-	-	-
Losses from asset sales	-	-	-	-	-
Other expenses	4,200	4,200	4,200	4,200	4,200
Total expenses	175,692	176,340	177,365	180,491	183,536
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	1,100	1,100	1,100	1,100	1,100
Other	16,574	20,974	20,974	20,974	20,974
Total own-source revenue	17,674	22,074	22,074	22,074	22,074
Gains					
Sale of assets	-	-	-	-	-
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	17,674	22,074	22,074	22,074	22,074
Net (cost of)/contribution by services	(158,018)	(154,266)	(155,291)	(158,417)	(161,462)
Revenue from Government	158,018	154,266	155,291	158,417	161,462
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-	-	-	-	-

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 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	13,929	13,896	13,896	13,896	13,896
Trade and other receivables	5,954	5,954	5,954	5,954	5,954
Total financial assets	19,883	19,850	19,850	19,850	19,850
Non-financial assets					
Land and buildings	3,675	3,675	3,675	3,675	3,675
Property, plant and equipment	740	740	740	740	740
Intangibles	8,476	8,476	8,476	8,476	8,476
Other non-financial assets	4,794	4,794	4,794	4,794	4,794
Total non-financial assets	17,685	17,685	17,685	17,685	17,685
Assets held for sale					
Total assets	37,568	37,535	37,535	37,535	37,535
LIABILITIES					
Payables					
Suppliers	6,544	6,511	6,511	6,511	6,511
Other payables	5,481	5,481	5,481	5,481	5,481
Total payables	12,025	11,992	11,992	11,992	11,992
Provisions					
Employee provisions	5,275	5,275	5,275	5,275	5,275
Other provisions	766	766	766	766	766
Total provisions	6,041	6,041	6,041	6,041	6,041
Total liabilities	18,066	18,033	18,033	18,033	18,033
Net assets	19,502	19,502	19,502	19,502	19,502

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EQUITY*					
Parent entity interest					
Contributed equity	1,543	1,543	1,543	1,543	1,543
Reserves	1,990	1,990	1,990	1,990	1,990
Retained surplus (accumulated deficit)	15,969	15,969	15,969	15,969	15,969
Total parent entity interest	19,502	19,502	19,502	19,502	19,502
Total equity	19,502	19,502	19,502	19,502	19,502

*Equity is the residual interest in assets after the 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	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016					
Balance carried forward from previous period	15,969	1,990	-	1,543	19,502
Adjusted opening balance	15,969	1,990	-	1,543	19,502
Comprehensive income					
Surplus/(deficit) for the period	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
of which:					
Attributable to the Australian Government	-	-	-	-	-
Estimated closing balance as at 30 June 2017	15,969	1,990	-	1,543	19,502
Closing balance attributable to the Australian Government	15,969	1,990	-	1,543	19,502

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 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	144,018	140,266	141,291	144,798	147,462
Receipts from Government	14,000	14,000	14,000	14,000	14,000
Sale of goods and rendering of services					
Interest	1,100	1,100	1,100	1,100	1,100
Dividends					
Net GST received					
Other	17,767	20,974	20,974	20,974	20,974
Total cash received	176,885	176,340	177,365	180,872	183,536
Cash used					
Employees	30,473	31,150	31,649	31,649	31,648
Suppliers	137,679	136,490	137,016	140,523	143,188
Other	4,233	4,233	4,200	4,200	4,200
Total cash used	172,385	171,873	172,865	176,372	179,036
Net cash from/(used by) operating activities	4,500	4,467	4,500	4,500	4,500
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	4,500	4,500	4,500	4,500	4,500
Total cash used	4,500	4,500	4,500	4,500	4,500
Net cash from/(used by) investing activities	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)

Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June) (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	-	-	-	-	-
Net increase/(decrease) in cash held	-	(33)	-	-	-
Cash and cash equivalents at the beginning of the reporting period	13,929	13,929	13,896	13,896	13,896
Effect of exchange rate movements on cash and cash equivalents at the beginning of reporting period					
Cash and cash equivalents at the end of the reporting period	13,929	13,896	13,896	13,896	13,896

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 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources (a)	4,500	4,500	4,500	4,500	4,500
TOTAL	4,500	4,500	4,500	4,500	4,500
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	4,500	4,500	4,500	4,500	4,500
Total cash used to acquire assets	4,500	4,500	4,500	4,500	4,500

(a) Includes the following sources of funding:

- current Bill 1;
- internally developed assets;
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

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

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2016				
Gross book value	8,737	4,898	45,337	58,972
Accumulated depreciation/amortisation and impairment	(5,062)	(4,158)	(36,861)	(46,081)
Opening net book balance	3,675	740	8,476	12,891
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	500	100	3,900	4,500
Total additions	500	100	3,900	4,500
Other movements				
Depreciation/amortisation expense	(500)	(100)	(3,900)	(4,500)
Total other movements	(500)	(100)	(3,900)	(4,500)
As at 30 June 2017				
Gross book value	9,237	4,998	49,237	63,472
Accumulated depreciation/ amortisation and impairment	(5,562)	(4,258)	(40,761)	(50,581)
Closing net book balance	3,675	740	8,476	12,891

Prepared on Australian Accounting Standards basis.

PORTFOLIO GLOSSARY

Term	Meaning
Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Administered	Revenues, expenses, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Annual appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Appropriation	An authorisation by Parliament to spend monies from the Consolidated Revenue Fund for a particular purpose.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF).
Departmental	Revenue, expenses, assets and liabilities that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.

Glossary

Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness indicators	Measure the joint or independent contribution of programmes to the achievement of their specified outcome.
Efficiency indicators	Measure the adequacy of an agency's management of its programmes. Includes price, quality and quantity indicators. The interrelationship between the three efficiency indicators of any one programme should be considered when judging efficiency.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	Valuation methodology: the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Operating result	Equals revenue less expense.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end results or impacts actually achieved.
Price	One of the three key efficiency indicators. The amount the Government or the community pays for the delivery of programmes.
Programme	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.

Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between the user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include: the size of a programme; count or volume measures; how many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Account	Special Accounts allow money in the Consolidated Revenue Fund to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (section 78 of the <i>Public Governance, Performance and Accountability (PGPA) Act 2013</i>) or through an Act of Parliament (section 80 of the <i>PGPA Act 2013</i>).
Special Appropriations (including Standing Appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For Special Appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year. Standing Appropriations are a sub-category consisting of ongoing Special Appropriations - the amount appropriated will depend on circumstances specified in the legislation.

