



# Budget 2017-18

## **Portfolio Budget Statements 2017-18 Budget Related Paper No. 1.11**

### Immigration and Border Protection Portfolio

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

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**THE HON PETER DUTTON MP  
MINISTER FOR IMMIGRATION  
AND BORDER PROTECTION**

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

I hereby submit Portfolio Budget Statements in support of the 2017-18 Budget for the Immigration and Border Protection portfolio.

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

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Dutton'.

The Hon Peter Dutton MP  
Minister for Immigration and Border Protection

## 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nfp	not for publication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 Steven Groves, Chief Finance Officer, Department of Immigration and Border Protection on (02) 6264 1235.

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

**USER GUIDE  
TO THE  
PORTFOLIO BUDGET STATEMENTS**

# USER GUIDE

The purpose of the *2017-18 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.

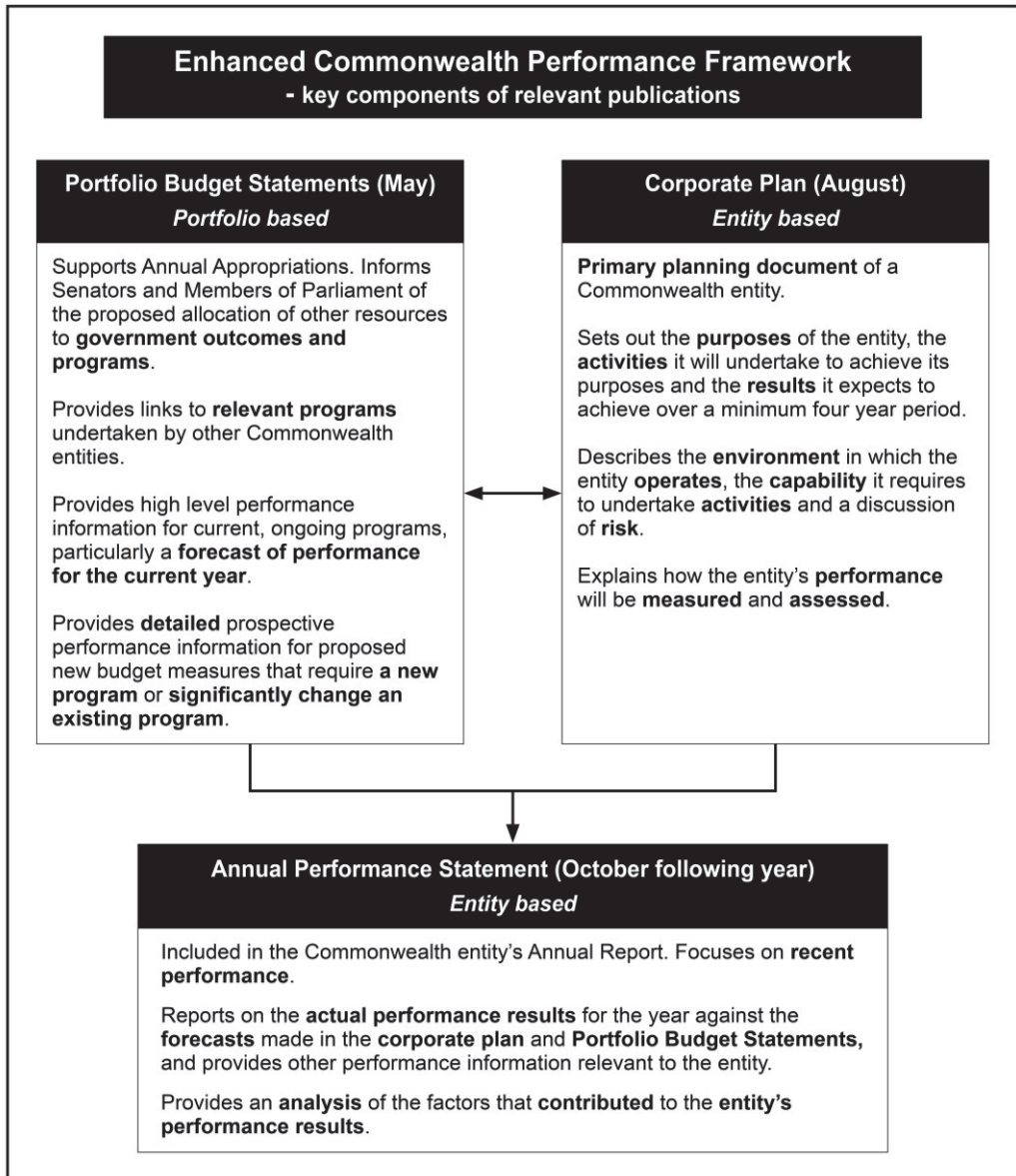
A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2017-18 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2017-18 for the parliamentary departments). In this sense, the PB Statements are Budget related 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.

## The Enhanced Commonwealth Performance Framework

The following diagram outlines the key components of the enhanced Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.







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# **PORTFOLIO OVERVIEW**



# IMMIGRATION AND BORDER PROTECTION PORTFOLIO OVERVIEW

## Ministers and portfolio responsibilities

The portfolio has two Ministers, the Hon Peter Dutton MP, the Minister for Immigration and Border Protection and the Hon Alex Hawke MP, Assistant Minister for Immigration and Border Protection.

The Department of Immigration and Border Protection (DIBP) is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability ACT 2013 (PGPA Act)*.

### **Department of Immigration and Border Protection**

DIBP provides policy, regulatory and corporate services as well as delivers intelligence and capability for the organisation. It has immigration responsibilities to manage the entry and stay of temporary and permanent migrants, to promote and confer citizenship and to meet Australia's humanitarian and refugee obligations. It also contributes to strong national security and the economy through effective border security control and the facilitation of seamless legitimate movement of people and goods across Australia's borders.

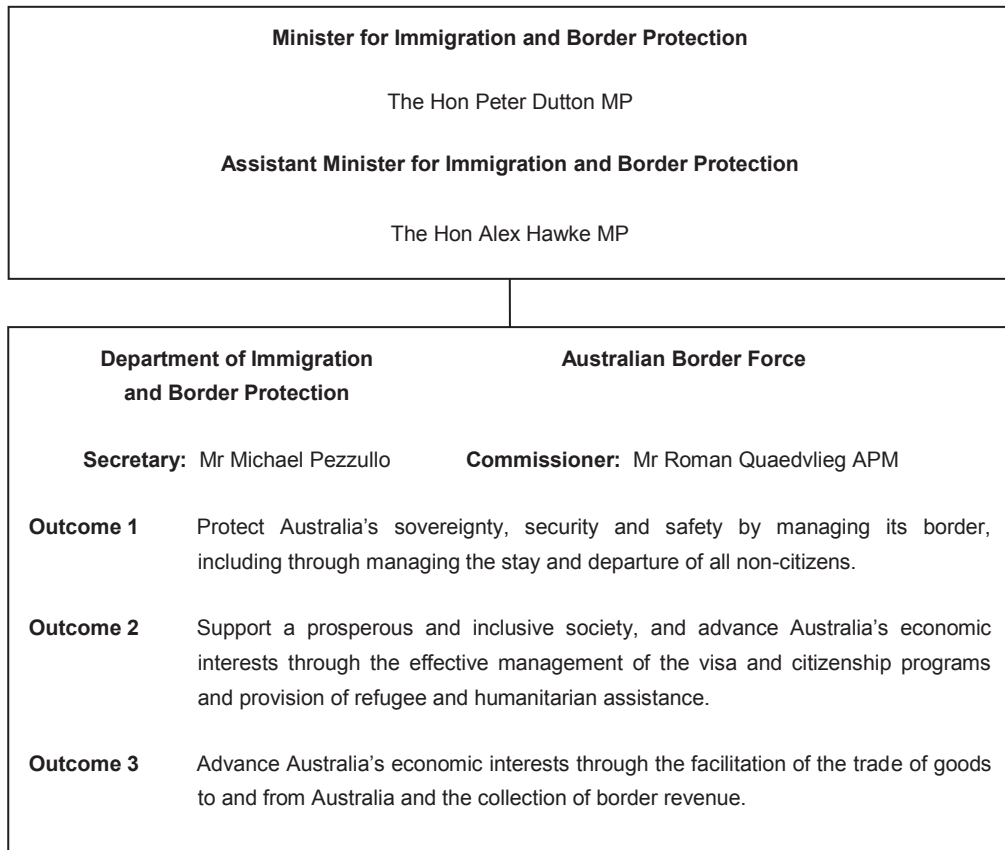
### **Australian Border Force**

The Australian Border Force (ABF) is the operational arm of DIBP and has statutory responsibilities to enforce the customs and migration laws and the protection of Australia's border.

As the operational enforcement arm within DIBP, the ABF is focused on the operational border, investigations, compliance, detention and enforcement functions offshore and onshore, across Australia's air and seaports, and land and maritime domains. It is also responsible for the collection of the majority of border-related revenue collected by DIBP.

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

**Figure 1: Immigration and Border Protection portfolio structure and outcomes**



**ENTITY RESOURCES AND  
PLANNED PERFORMANCE**

**DEPARTMENT OF IMMIGRATION AND BORDER PROTECTION ..... 7**





# **ENTITY RESOURCES AND PLANNED PERFORMANCE**



# DEPARTMENT OF IMMIGRATION AND BORDER PROTECTION

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# DEPARTMENT OF IMMIGRATION AND BORDER PROTECTION

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

DIBP's mission is to protect Australia's border and manage the movement of people and goods across it. As Australia's trusted global gateway, DIBP seeks to contribute to an Australia that is globally competitive, cohesive and secure. Our overarching purposes are to protect Australia, promote responsive migration, and advance trade and revenue.

In a world that is increasingly interconnected by technology, communications and people, Australia's border is a significant national security and economic asset. DIBP protects and manages the Australian border through the delivery of streamlined and effective processes that support the seamless and legal movement of people and goods into and out of Australia and enhance trade and migration.

The strategic environment in which DIBP operates is constantly evolving, with continually increasing volumes of people and goods crossing the border, and rapid advances in technology. This presents dynamic opportunities and risks to DIBP's operating model. To meet the challenges of an increasingly complex border environment, we will continue to invest in modernisation through increased automation, harnessing new digital technologies, enhanced data collection and analytics and the professionalisation of our staff.

In 2017-18 DIBP will achieve its strategic objectives through a comprehensive suite of strategic and operational measures encompassing border security and protection, migration and trade. We will continue to uphold Australia's sovereignty as we work across land and maritime domains to protect our border, and pursue collaborative relationships with domestic and international partners and industry to maximise immigration and border protection capability. DIBP's contribution to the successful delivery of whole-of-government priorities will mean a transition to digital processes, a focus on new and innovative ways to deliver policies and programmes, and a commitment to supporting regional Australia and the national economy.

DIBP will also seek to provide a seamless trade and traveller experience and concentrate our compliance and enforcement efforts where they are most required. We will protect and secure Australia, with an ABF that is ready and able to prevent the entry of those who pose a security threat and remove those who don't respect our laws and values. The ABF's ability to adapt and respond quickly will continue to be sustained through investment in specialised training and equipment. DIBP's holistic compliance approach will foster and enable a high level of voluntary compliance across migration, travel and trade, while dealing effectively with those who do not comply or seek to harm the Australian community. Our ability to identify those who

do not have good intentions will be enhanced over the coming years through the Government's investment in improved biometric capabilities for the Department.

DIBP's cooperative partnerships will ensure it is able to influence bilateral, regional and global agendas to facilitate cooperative agreements based on mutual recognition. This will deliver better access to international markets and allow an enhanced understanding of risks and threats. We will look to identify new threats that emerge in the context of increasingly complex supply chains, and will seek to develop comprehensive trade solutions.

DIBP will work with its regional partners to ensure the security of Australia's maritime border is safeguarded, and continue to prevent the unauthorised movement of people across the border. Vigilance in combatting people smugglers will remain a priority. DIBP will further contribute to a socially cohesive, safe and secure Australia through the refusal or cancellation of visas for non-citizens on character grounds. This mandate allows DIBP to act in the national interest and protect the community by seeking to confirm that those who cross our borders are law-abiding and genuinely seek to contribute to Australian society. The Government has agreed to enhance the requirements for people to become Australian Citizens, ensuring that migrants have the knowledge necessary to achieve strong migration outcomes. The 2017-18 Budget also brings into effect the Coalition's election commitment to introduce a new temporary sponsored parent visa, which provides for a stay of up to five years at a time (with a total cumulative stay period of ten years) in Australia. This new visa has been designed to allow families to reunite while ensuring that those visiting do not place a burden on Australian taxpayers.

DIBP will continue to deliver a balanced migration program, within the program ceiling that facilitates the legitimate movement and stay of people to support the economy and contribute to a cohesive Australian society. Changes to the settings for temporary and permanent migration will ensure that the programs continue to complement Australia's workforce, support the development of regional and rural areas and grow Australian businesses. These changes include the abolition of the 457 visa and replacement with the new temporary skill shortage visa, supported by the new *Skilling Australians Fund levy - introduction* measure to address national skill priorities.

We will contribute to the sustainable global management of refugees and displaced populations through the delivery of a humanitarian program which mitigates risks and supports successful integration and settlement of refugees in Australia. The Department will introduce a Community Support Programme, which follows the success of a pilot which has run over a number of years. This Programme provides 1,000 places within the Humanitarian Programme to sponsored refugees. Similar programs internationally have led to strong settlement outcomes for refugees through greater interaction with communities. The Humanitarian Programme for the 2017-18 year will be 16,250 places, an increase from the 2016-17 programme of 13,750 places.

DIBP will manage the collection of visa fees and customs duties to maximise revenue to the Government and minimise the regulatory burden of border protection on Australian businesses in line with the deregulation agenda. We will undertake reform within our visa programme to make it simpler for migrants to understand and more

cost effective for us to administer. These measures support the creation of Australian jobs, support regional Australia and local industry while enhancing the nation's global competitiveness for travellers, students, business and skilled migrants.

## 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 (that is, 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: DIBP resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	2016-17 <i>Estimated actual</i> \$'000	2017-18 Estimate  \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services <sup>a</sup>		
Prior year appropriations available <sup>b</sup>	377,725	261,500
Departmental appropriation <sup>c</sup>	2,412,468	2,426,073
s 74 retained revenue receipts <sup>d</sup>	177,421	174,999
Departmental capital budget <sup>e</sup>	120,519	114,636
Annual appropriations - other services - non-operating <sup>f</sup>		
Prior year appropriations available <sup>b</sup>	145,471	127,570
Equity injections <sup>g</sup>	183,860	170,522
<i>Total departmental annual appropriations</i>	<u>3,417,464</u>	<u>3,275,300</u>
<b>Total departmental resourcing</b>	<b>3,417,464</b>	<b>3,275,300</b>
<b>Administered</b>		
Annual appropriations - ordinary annual services <sup>a</sup>		
Prior year appropriations available <sup>b</sup>	1,001,153	927,703
Outcome 1	2,199,283	1,480,775
Outcome 2	51,550	32,769
Outcome 3	-	-
Administered capital budget <sup>h</sup>	18,856	19,272
Annual appropriations - other services - non-operating <sup>f</sup>		
Prior year appropriations available <sup>b</sup>	354,664	187,208
Administered assets and liabilities	124,374	5,590
<i>Total administered annual appropriations</i>	<u>3,749,880</u>	<u>2,653,317</u>
<i>Total administered special appropriations<sup>i</sup></i>	<u>420,000</u>	<u>420,000</u>
<b>Total administered resourcing</b>	<b>4,169,880</b>	<b>3,073,317</b>
<b>Total resourcing for agency DIBP</b>	<b>7,587,344</b>	<b>6,348,617</b>
	2016-17	2017-18
<b>Average staffing level (number)</b>	<b>14,000</b>	<b>13,755</b>

**Prepared on a resourcing (that is, appropriations available) basis.**

All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

- a. Appropriation Bill (No.1) 2017-18.
- b. Estimated adjusted balance carried from previous year for annual appropriations.
- c. Excludes departmental capital budget (DCB). Differs from "Revenue from Government" as represented in DIBP's Comprehensive Income Statement shown at Table 3.1 due to the timing of revenue recognition.
- d. Estimated retained revenue receipts under section 74 of the *PGPA Act*.
- e. 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'.
- f. Appropriation Bill (No.2) 2017-18.
- g. Equity injections represent capital funding for new Government measures.
- h. 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'.
- i. 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 tables in Section 2 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

The *Australian Population, Multicultural and Immigration Research Program Special Account* was repealed in the 2016-17 financial year.



### 1.3 BUDGET MEASURES

Budget measures in Part 1 relating to DIBP are detailed in Budget Paper No. 2 under the Immigration and Border Protection portfolio and are summarised below.

**Table 1.2: DIBP 2017-18 Budget measures**

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Revenue measures</b>						
Advanced Manufacturing Fund	3.1					
Administered revenues		(1,500)	(3,000)	(3,000)	(3,000)	(3,000)
Departmental revenues		-	-	-	-	-
<b>Total</b>		<b>(1,500)</b>	<b>(3,000)</b>	<b>(3,000)</b>	<b>(3,000)</b>	<b>(3,000)</b>
Aligning the tax treatment of roll your own tobacco and cigarettes	3.1					
Administered revenues		-	30,000	70,000	110,000	150,000
Departmental revenues		-	-	-	-	-
<b>Total</b>		-	<b>30,000</b>	<b>70,000</b>	<b>110,000</b>	<b>150,000</b>
Better targeting skilled visas	2.3,3.1					
Administered revenues		25,000	1,100	39,700	54,800	(16,000)
Departmental revenues		-	-	-	-	-
<b>Total</b>		<b>25,000</b>	<b>1,100</b>	<b>39,700</b>	<b>54,800</b>	<b>(16,000)</b>
Community Support Programme - establishment	2.3					
Administered revenues		-	6,000	6,000	6,000	6,000
Departmental revenues		-	-	-	-	-
<b>Total</b>		-	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>
Indexation of visa application charges	2.3					
Administered revenues		-	35,000	70,000	125,000	180,000
Departmental revenues		-	-	-	-	-
<b>Total</b>		-	<b>35,000</b>	<b>70,000</b>	<b>125,000</b>	<b>180,000</b>
Indonesia-Australia Comprehensive Economic Partnership Agreement - Elimination of tariffs on pesticides and herbicides	3.1					
Administered revenues		..	(1,200)	(1,200)	(600)	-
Departmental revenues		-	-	-	-	-
<b>Total</b>		..	<b>(1,200)</b>	<b>(1,200)</b>	<b>(600)</b>	-
Skilling Australians Fund levy - introduction	2.3					
Administered revenues		-	90,000	360,000	390,000	370,000
Departmental revenues		-	-	-	-	-
<b>Total</b>		-	<b>90,000</b>	<b>360,000</b>	<b>390,000</b>	<b>370,000</b>
Strengthening Australian Citizenship Arrangements	2.3					
Administered revenues		-	(2,081)	(1,523)	(1,487)	(1,462)
Departmental revenues		-	-	-	-	-
<b>Total</b>		-	<b>(2,081)</b>	<b>(1,523)</b>	<b>(1,487)</b>	<b>(1,462)</b>

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Temporary sponsored parent visa - establishment	2.3,3.1					
Administered revenues		-	5,000	25,100	30,600	31,900
Departmental revenues		-	-	-	-	-
<b>Total</b>		-	<b>5,000</b>	<b>25,100</b>	<b>30,600</b>	<b>31,900</b>
<b>Total revenue measures</b>						
Administered		23,500	160,819	565,077	711,313	717,438
Departmental		-	-	-	-	-
<b>Total</b>		<b>23,500</b>	<b>160,819</b>	<b>565,077</b>	<b>711,313</b>	<b>717,438</b>
<b>Expense measures</b>						
Better targeting skilled visas	2.3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	3,288	(1,250)	(323)	(8,107)
<b>Total</b>		-	<b>3,288</b>	<b>(1,250)</b>	<b>(323)</b>	<b>(8,107)</b>
Cape Class Patrol Boats - efficiencies	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		(2,700)	-	-	-	-
<b>Total</b>		<b>(2,700)</b>	-	-	-	-
Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Abuse	1.3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	(2,840)	nfp	nfp	nfp
<b>Total</b>		-	<b>(2,840)</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>
Community Support Programme - establishment	2.4					
Administered expenses		-	-	-	-	-
Departmental expenses		-	367	298	298	300
<b>Total</b>		-	<b>367</b>	<b>298</b>	<b>298</b>	<b>300</b>
Gold Coast 2018 Commonwealth Games - additional Australian Government support <sup>a</sup>	2.3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Immigration Reform - changes to Australia's visa processing arrangements	2.2-2.4					
Administered expenses		-	-	-	-	-
Departmental expenses		-	83,170	77,968	48,747	(89,921)
<b>Total</b>		-	<b>83,170</b>	<b>77,968</b>	<b>48,747</b>	<b>(89,921)</b>
Managing Asylum Seekers in Regional Processing Centres - continuation	1.4					
Administered expenses		-	19,018	-	-	-
Departmental expenses		-	2,224	-	-	-
<b>Total</b>		-	<b>21,242</b>	-	-	-

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
National Emissions Standards for Non-Road Spark Ignition Engines and Equipment - cost recovery	3.2					
Administered expenses		-	-	-	-	-
Departmental expenses		-	20	20	20	20
<b>Total</b>		-	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
Overseas Allowances for Australian Government Employees - efficiencies	2.2,2.3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	(419)	(1,095)	(1,709)	(2,099)
<b>Total</b>		-	<b>(419)</b>	<b>(1,095)</b>	<b>(1,709)</b>	<b>(2,099)</b>
Public Service Modernisation Fund - transformation and innovation stream <sup>b</sup>	All					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Regional Cooperation Arrangements - continuation	1.5					
Administered expenses		-	52,647	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	<b>52,647</b>	-	-	-
Resolving the Onshore Illegal Maritime Arrival Legacy Caseload	1.3					
Administered expenses		-	(57,775)	(37,656)	(7,354)	(39,940)
Departmental expenses		-	11,997	14,630	24,643	14,805
<b>Total</b>		-	<b>(45,778)</b>	<b>(23,026)</b>	<b>17,289</b>	<b>(25,135)</b>
Skilling Australians Fund levy - introduction	2.3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	274	-	-	-
<b>Total</b>		-	<b>274</b>	-	-	-
Strengthening Australian Citizenship Arrangements	2.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	1,408	(3,219)	(3,182)	(3,158)
<b>Total</b>		-	<b>1,408</b>	<b>(3,219)</b>	<b>(3,182)</b>	<b>(3,158)</b>
Temporary sponsored parent visa - establishment <sup>c</sup>	2.3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Total expense measures</b>						
Administered		-	13,890	(37,656)	(7,354)	(39,940)
Departmental		(2,700)	99,489	87,352	68,494	(88,160)
<b>Total</b>		<b>(2,700)</b>	<b>113,379</b>	<b>49,696</b>	<b>61,140</b>	<b>(128,100)</b>

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Capital measures</b>						
Better targeting skilled visas	2.3					
Administered capital		-	-	-	-	-
Departmental capital		-	4,968	-	-	-
<b>Total</b>		-	<b>4,968</b>	-	-	-
Immigration Reform - changes to Australia's visa processing arrangements	2.2-2.4					
Administered capital		-	-	-	-	-
Departmental capital		-	30,584	18,007	10,059	6,660
<b>Total</b>		-	<b>30,584</b>	<b>18,007</b>	<b>10,059</b>	<b>6,660</b>
National Emissions Standards for Non-Road Spark Ignition Engines and Equipment - cost recovery	3.2					
Administered capital		-	-	-	-	-
Departmental capital		-	28	-	-	-
<b>Total</b>		-	<b>28</b>	-	-	-
Skilling Australians Fund levy - introduction	2.3					
Administered capital		-	-	-	-	-
Departmental capital		-	964	-	-	-
<b>Total</b>		-	<b>964</b>	-	-	-
Strengthening Australian Citizenship Arrangements	2.1					
Administered capital		-	-	-	-	-
Departmental capital		-	1,598	-	-	-
<b>Total</b>		-	<b>1,598</b>	-	-	-
Temporary sponsored parent visa - establishment <sup>c</sup>	2.3					
Administered capital		-	-	-	-	-
Departmental capital		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Total capital measures</b>						
Administered		-	-	-	-	-
Departmental		-	38,142	18,007	10,059	6,660
<b>Total</b>		-	<b>38,142</b>	<b>18,007</b>	<b>10,059</b>	<b>6,660</b>
<b>Decisions taken but not yet announced</b>						

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.

- DIBP will absorb the cost of this measure (\$0.6 million in 2017-18).
- Funding of \$0.7 million in 2019-20 for this measure has already been provided for by the Government.
- DIBP will absorb the cost of this measure (\$14.6 million over five years from 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.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. 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 - to provide an entity's complete performance story.

The most recent corporate plan can be found at:

<http://www.border.gov.au/about/reports-publications/reports/corporate-plans>.

The most recent annual performance statement can be found at:

<http://www.border.gov.au/about/reports-publications/reports/annual/annual-report-2015-16/annual-performance-statement>.

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

**Outcome 1: Protect Australia’s sovereignty, security and safety by managing its border, including through managing the stay and departure of all non-citizens.**

### Linked Programs

The information provided below shows how Outcome 1 links with programs delivered by other Commonwealth entities to contribute to common government objectives.

#### **Attorney-General’s Department**

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

#### **Contribution to Outcome 1 made by linked programs**

The Attorney-General’s Department contributes to policy development and advice on transnational organised crime including people smuggling and human trafficking, law enforcement matters, provision of information of national security value, firearms, counter-terrorism, prohibited and restricted goods, illegal drug interdiction, money laundering and regional operations and intercountry adoption arrangements.

#### **Australian Criminal Intelligence Commission**

Program 1.1: Australian Criminal Intelligence Commission

#### **Contribution to Outcome 1 made by linked programs**

The Australian Criminal Intelligence Commission collects, correlates and analyses criminal information and intelligence, resulting in the dissemination of intelligence products. These products assist with the detection of harmful or illegal goods.

#### **Australian Federal Police**

Program 1.1: Federal Policing and National Security

#### **Contribution to Outcome 1 made by linked programs**

The Australian Federal Police support National Security and border enforcement activities through the provision of policing capability at major airports and Australia’s external territories (e.g. Christmas Island).

**Australian Fisheries Management Authority**

Program 1.1: Australian Fisheries Management Authority

**Contribution to Outcome 1 made by linked programs**

The Australian Fisheries Management Authority (AFMA) provides the fisheries focus within the Australian Government Civil Maritime Surveillance and Response Program and is responsible for the administration of legislation with respect to illegal foreign fishers. AFMA aims to deter and prevent illegal foreign fishing by carrying out prosecution of offenders, confiscation of boats, capacity building projects and cooperative enforcement operations.

**Australian Maritime Safety Authority**

Program 1.1: Seafarer and ship safety, environment protection and search and rescue

**Contribution to Outcome 1 made by linked programs**

The Australian Maritime Safety Authority is responsible for improving the standard of foreign flagged ships and Australian flagged ships (regulated under the Navigation Act 2012). The implementation and enforcement of improved standards supports the work DIBP undertakes in processing vessels crossing the border.

**Department of Agriculture and Water Resources**

Program 2.1: Biosecurity and Export Services

Program 2.2: Plant and Animal Health

**Contribution to Outcome 1 made by linked programs**

The Department of Agriculture and Water Resources (DAWR) manages biosecurity and imported food risks to ensure the safe movement into and out of Australia of people, animals, plants, food and cargo. DAWR also provide certification of exports to meet importing country requirements.

**Department of Defence**

Program 1.3: Defence Contribution to National Support Tasks in Australia

**Contribution to Outcome 1 made by linked programs**

The Department of Defence (Defence) undertakes tasks that include: planning and conducting operations to provide security of Australia's maritime borders from unauthorised maritime arrivals, prohibited imports and exports, illegal exploitation of natural resources and other maritime threats to Australian sovereignty including counter-terrorism responses. Defence contributes to Maritime Border Command tasking, providing maritime surveillance and response assets that are tasked routinely in accordance with the Government's priorities.

**Department of the Environment and Energy**

Program 1.4: Conservation of Australia’s Heritage and the Environment

Program 1.6: Management of Hazardous Wastes, Substances and Pollutants

**Contribution to Outcome 1 made by linked programs**

The Departments of the Environment and Energy and DIBP work together to prevent illegal wildlife trade and control transboundary movements of hazardous wastes and their disposal.

**Department of Foreign Affairs and Trade**

Program 1.1: Foreign Affairs and Trade Operations

Program 2.2: Passport Services

**Contribution to Outcome 1 made by linked programs**

The Department of Foreign Affairs and Trade (DFAT) contributes to whole of government efforts bilaterally and regionally to counter people-smuggling and human trafficking. DFAT also negotiates, finalises and implements Australia’s free trade agreement (FTA) agenda and explores opportunities for FTAs with other trading partners. DFAT provides high-quality passport services which support international traveller facilitation.

**Department of Health**

Program 5.1: Protect the Health and Safety of the Community through Regulation

**Contribution to Outcome 1 made by linked programs**

The Department of Health works with DIBP to protect the health of the Australian community by managing health risks at the border. This includes the monitoring of incoming travellers for symptoms of communicable disease and providing communicable disease advice to DIBP to inform pre-migration screening policies.

**Department of Human Services**

Program 1.1: Services to the Community – Social Security and Welfare

**Contribution to Outcome 1 made by linked programs**

The Department of Human Services supports individuals, families and communities to achieve greater self-sufficiency by providing access to payments and services on behalf of government. This includes providing assistance to people living in the community while their immigration status is being resolved.



**Department of Industry, Innovation and Science**

Program 2: Growing Business Investment and Improving Business Capability

**Contribution to Outcome 1 made by linked programs**

The Department of Industry contributes to policy development and advice on matters relating to intellectual property rights, trademarks, anti-dumping, preferential and non-preferential trade schemes, regulated, prohibited and restricted goods and industry assistance.

**Department of the Prime Minister and Cabinet**

Program 1.1: Prime Minister and Cabinet

**Contribution to Outcome 1 made by linked programs**

The Department of the Prime Minister and Cabinet provides policy advice in key areas including strategic priorities, foreign, trade and aid policy and national security matters.

## 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 2.1.1: Budgeted expenses for Outcome 1**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 1.1: Border Enforcement</b>					
Departmental expenses					
Departmental appropriation <sup>a</sup>	915,390	912,855	890,012	893,527	884,359
s74 Retained revenue receipts <sup>b</sup>	13,602	9,672	9,672	9,672	9,672
Expenses not requiring appropriation in the Budget year <sup>c</sup>	130,149	130,562	124,325	115,883	103,203
<b>Departmental total</b>	<b>1,059,141</b>	<b>1,053,089</b>	<b>1,024,009</b>	<b>1,019,082</b>	<b>997,234</b>
<b>Total expenses for Program 1.1</b>	<b>1,059,141</b>	<b>1,053,089</b>	<b>1,024,009</b>	<b>1,019,082</b>	<b>997,234</b>
<b>Program 1.2: Border Management</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	8	8	8	8	8
<b>Administered total</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Departmental expenses					
Departmental appropriation <sup>a</sup>	212,457	200,205	191,710	194,780	176,575
s74 Retained revenue receipts <sup>b</sup>	2,682	2,199	2,199	2,199	2,199
Expenses not requiring appropriation in the Budget year <sup>c</sup>	26,897	25,695	24,338	24,201	23,368
<b>Departmental total</b>	<b>242,036</b>	<b>228,099</b>	<b>218,247</b>	<b>221,180</b>	<b>202,142</b>
<b>Total expenses for Program 1.2</b>	<b>242,044</b>	<b>228,107</b>	<b>218,255</b>	<b>221,188</b>	<b>202,150</b>
<b>Program 1.3: Onshore Compliance and Detention</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	1,020,470	793,434	701,787	655,289	597,493
Expenses not requiring appropriation in the Budget year <sup>c</sup>	58,220	54,657	50,403	43,004	40,924
<b>Administered total</b>	<b>1,078,690</b>	<b>848,091</b>	<b>752,190</b>	<b>698,293</b>	<b>638,417</b>
Departmental expenses					
Departmental appropriation <sup>a</sup>	454,196	401,532	356,374	351,268	343,532
s74 Retained revenue receipts <sup>b</sup>	8,749	5,957	5,957	5,957	5,957
Expenses not requiring appropriation in the Budget year <sup>c</sup>	27,014	24,375	26,384	23,996	21,681
<b>Departmental total</b>	<b>489,959</b>	<b>431,864</b>	<b>388,715</b>	<b>381,221</b>	<b>371,170</b>
<b>Total expenses for Program 1.3</b>	<b>1,568,649</b>	<b>1,279,955</b>	<b>1,140,905</b>	<b>1,079,514</b>	<b>1,009,587</b>

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 1.4: IMA Offshore Management</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	946,660	607,623	337,309	326,833	335,593
Expenses not requiring appropriation in the Budget year <sup>c</sup>	71,230	70,986	69,286	68,067	67,961
<b>Administered total</b>	<b>1,017,890</b>	<b>678,609</b>	<b>406,595</b>	<b>394,900</b>	<b>403,554</b>
Departmental expenses					
Departmental appropriation <sup>a</sup>	52,461	30,135	27,716	27,819	28,000
s74 Retained revenue receipts <sup>b</sup>	8,434	1,366	1,366	1,366	1,366
Expenses not requiring appropriation in the Budget year <sup>c</sup>	4,109	3,531	3,078	2,714	2,401
<b>Departmental total</b>	<b>65,004</b>	<b>35,032</b>	<b>32,160</b>	<b>31,899</b>	<b>31,767</b>
<b>Total expenses for Program 1.4</b>	<b>1,082,894</b>	<b>713,641</b>	<b>438,755</b>	<b>426,799</b>	<b>435,321</b>
<b>Program 1.5: Regional Cooperation</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	87,761	79,710	27,823	28,491	29,261
Expenses not requiring appropriation in the Budget year <sup>c</sup>	-	-	-	-	-
<b>Administered total</b>	<b>87,761</b>	<b>79,710</b>	<b>27,823</b>	<b>28,491</b>	<b>29,261</b>
Departmental expenses					
Departmental appropriation <sup>a</sup>	16,956	16,005	11,463	11,505	11,579
s74 Retained revenue receipts <sup>b</sup>	3,331	6,970	6,970	5,570	5,570
Expenses not requiring appropriation in the Budget year <sup>c</sup>	988	746	565	429	326
<b>Departmental total</b>	<b>21,275</b>	<b>23,721</b>	<b>18,998</b>	<b>17,504</b>	<b>17,475</b>
<b>Total expenses for Program 1.5</b>	<b>109,036</b>	<b>103,431</b>	<b>46,821</b>	<b>45,995</b>	<b>46,736</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	2,054,899	1,480,775	1,066,927	1,010,621	962,355
Expenses not requiring appropriation in the Budget year <sup>c</sup>	129,450	125,643	119,689	111,071	108,885
<b>Administered total</b>	<b>2,184,349</b>	<b>1,606,418</b>	<b>1,186,616</b>	<b>1,121,692</b>	<b>1,071,240</b>
Departmental expenses					
Departmental appropriation <sup>a</sup>	1,651,460	1,560,732	1,477,275	1,478,899	1,444,045
s74 Retained revenue receipts <sup>b</sup>	36,798	26,164	26,164	24,764	24,764
Expenses not requiring appropriation in the Budget year <sup>c</sup>	189,157	184,909	178,690	167,223	150,979
<b>Departmental total</b>	<b>1,877,415</b>	<b>1,771,805</b>	<b>1,682,129</b>	<b>1,670,886</b>	<b>1,619,788</b>
<b>Total expenses for Outcome 1</b>	<b>4,061,764</b>	<b>3,378,223</b>	<b>2,868,745</b>	<b>2,792,578</b>	<b>2,691,028</b>

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

<b>Movement of administered funds between years</b>	2016-17	2017-18	2018-19	2019-20	2020-21
Outcome 1: Administered					
Program 1.3: Onshore Compliance and Detention <sup>d</sup>	(117,810)	59,819	19,107	20,610	18,274
Program 1.4: IMA Offshore Management <sup>d</sup>	(26,574)	26,574	-	-	-
<b>Total movement of administered funds</b>	<b>(144,384)</b>	<b>86,393</b>	<b>19,107</b>	<b>20,610</b>	<b>18,274</b>

	2016-17	2017-18
<b>Average Staffing Level (number)</b>	<b>8,350</b>	<b>8,400</b>

- a. Departmental appropriation combines Ordinary annual services Appropriation Act No. 1 and Bill 3.
- b. Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act*.
- c. Expenses not requiring appropriation in the Budget year are made up of depreciation, amortisation, write-down and impairment of assets.
- d. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

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: Performance criteria for Outcome 1**

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1 – Protect Australia’s sovereignty, security and safety by managing its border, including through managing the stay and departure of all non-citizens.</b>		
<b>Program 1.1 – To protect Australia’s sovereignty, security and safety through the streamlining of legitimate trade and travel, prevention of illegal movement of people and goods, and coordination of whole-of-government efforts to detect and deter illegal activity in the maritime domain.</b>		
<b>Delivery</b>	Mechanisms through which program 1.1 will be delivered include: <ul style="list-style-type: none"> <li>• processing international air and sea passengers and crew;</li> <li>• providing eligible travellers with the option for self-processing and clearance through automated border control at a range of Australian international airports and seaports;</li> <li>• undertaking inspection and examination activity in the international mail, air cargo and sea cargo environments, to detect and prevent the import or export of prohibited items and control the movement of restricted items;</li> <li>• processing vessels crossing the border;</li> <li>• conducting land-based patrol and surveillance of the waterfront, remote areas and regional ports, including through the deployment of mobile teams;</li> <li>• investigating and potentially prosecuting breaches of Australian border laws; and</li> <li>• coordinating whole-of-government efforts to mitigate, or eliminate, the risks posed by civil maritime security threats by detecting, reporting and responding to potential or actual non-compliance with relevant laws in the Australian maritime jurisdiction.</li> </ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17 <sup>a</sup>	Threats are detected ahead, at and after the border.	85%-100% of high risk vessels where targeted operational responses were performed. <b>Achieving</b>
	The border is strengthened through the control and surveillance of the maritime domain.	3,320 vessel patrol days. <b>Partially achieving</b> Joint ABF and ADF aircraft coverage of 136 million (nm <sup>2</sup> ). <b>Partially achieving</b>
	The movement of people and goods is strengthened by effective regulatory and enforcement activities.	85%-95% of prosecution briefs completed as the result of a formal investigation resulted in a conviction. <b>Achieving</b>

<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17 <sup>a</sup>	Seamless border management facilitates the flow of legitimate travellers and goods.	92% of passengers processed within 30 minutes of joining the inwards queue. <b>Achieving</b> Traveller satisfaction with primary line services 95% or above. <b>Achieving</b> Less than 0.015% of the total passenger and crew arrivals are refused immigration clearance at airports and seaports. <b>Achieving</b>
2017-18 and beyond <sup>b</sup>	Similar to 2016-17.	Similar to 2016-17.
<b>Purposes<sup>b</sup></b>	Protect Australia, Promote responsive migration, Advance trade and revenue.	
<b>Material changes to Program 1.1 resulting from the following measures: Nil</b>		

- a. Performance criteria and targets for 2016-17 reflect the expected performance results. Actual results will be included in the 2016-17 Annual Report.
- b. The performance criteria, targets and purposes will be refined and published in the 2017-18 Corporate Plan.

Program 1.2 Border Management		
<p>To protect Australia's sovereignty, security and safety by developing strategy, legislation and policy that supports legitimate border movements, ensures compliance with border controls, strengthens visa and citizenship system integrity, and protects the Australian community from health risks.</p>		
<b>Delivery</b>	<p>Program 1.2 will be delivered by regulating and facilitating legitimate trade, migration and travel by:</p> <ul style="list-style-type: none"> <li>• development and delivery of portfolio strategy, legislation and policy, issuing broker, depot and warehouse licenses;</li> <li>• working with partner agencies to influence and develop policy and regulatory models in relation to community protection and consumer safety;</li> <li>• effective management of migration, traveller and cargo processes and information systems;</li> <li>• provision of migration, travel and import and export data and statistics; and</li> <li>• undertaking effective risk-based compliance activities to promote observance of Australian border laws as they relate to the movement of people and goods.</li> </ul>	
Performance Information		
Year	Performance Criteria	Targets
2016-17 <sup>a</sup>	Seamless border management facilitates the flow of legitimate travellers and goods.	<p>Percentage of import declarations assessed pre-clearance through the general monitoring program that are compliant.</p> <p><b>Partially achieving</b></p> <p>Percentage of export declarations assessed pre-clearance through the general monitoring program that are compliant.</p> <p><b>Achieving</b></p> <p>Number of tariff classification rulings completed.</p> <p><b>Partially achieving</b></p> <p>Number of valuation and origin rulings completed.</p> <p><b>Achieving</b></p> <p>Proportion of compliance activities identifying a significant breach.</p> <p><b>Partially achieving</b></p>

<b>Performance Information</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2016-17 <sup>a</sup>	The movement of people and goods is strengthened by effective regulatory and enforcement activities.	<p>More than 99% of temporary visa holder entries remain lawful whilst in Australia.</p> <p><b>Achieving</b></p> <p>Number of Illegal Warning Notices and/or Infringements issued under Employer Sanctions, Payment for Visa and Business Sponsor Obligations legislation frameworks.</p> <p><b>Achieving</b></p> <p>Percentage of prosecution briefs completed as the result of a formal investigation under Employer Sanctions, Payment for Visa and Business Sponsor Obligations legislation frameworks.</p> <p><b>Partially achieving</b></p>
2017-18 and beyond <sup>b</sup>	Similar to 2016-17.	Similar to 2016-17.
<b>Purposes<sup>b</sup></b>	Protect Australia, Promote responsive migration, Advance trade and revenue.	
<b>Material changes to Program 1.2 resulting from the following measures: Nil</b>		

- a. Performance criteria and targets for 2016-17 reflect the expected performance results. Actual results will be included in the 2016-17 Annual Report.
- b. The performance criteria, targets and purposes will be refined and published in the 2017-18 Corporate Plan.



<b>Program 1.3 Onshore Compliance and Detention</b>		
<p>To protect Australia's sovereignty, security and safety by maximising adherence to the entry and stay requirements through an effective and appropriate program of prevention, deterrence and enforcement and resolving the immigration status of the legacy cohort of IMAs.</p>		
<b>Delivery</b>	<p>Program 1.3 will be delivered by regulating and facilitating legitimate trade, migration and travel by:</p> <ul style="list-style-type: none"> <li>• promoting voluntary compliance by Australian employers with employer sanctions legislation through the provision of targeted education and engagement activities;</li> <li>• providing services that facilitate status resolution including voluntary return to the person's country of origin and, where appropriate, reintegration assistance packages;</li> <li>• providing health and other support services for non-citizens awaiting status resolution; and</li> <li>• managing detention centres for the purposes of accommodating individuals that pose a risk to the community, while their status is being resolved.</li> </ul>	
<b>Performance Information</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2016-17 <sup>a</sup>	The movement of people and goods is strengthened by effective regulatory and enforcement activities.	<p>Unlawful non-citizens seeking status resolution are appropriately accommodated based on risk.</p> <p><b>Achieving</b></p> <p>Voluntary compliance is the primary approach to avoiding breaches of visa conditions, evidenced by:</p> <ul style="list-style-type: none"> <li>• Number of VEVO organisation checks</li> <li>• Number of VEVO self-checks</li> <li>• New VEVO registrations</li> </ul> <p><b>Achieving</b></p> <p>Employers are encouraged to voluntarily comply through the delivery of employer awareness activities.</p> <p><b>Achieving</b></p>
2017-18 and beyond <sup>b</sup>	Similar to 2016-17.	Similar to 2016-17.
<b>Purposes<sup>b</sup></b>	Promote responsive migration.	
<b>Material changes to Program 1.3 resulting from the following measures: Nil</b>		

a. Performance criteria and targets for 2016-17 reflect the expected performance results. Actual results will be included in the 2016-17 Annual Report.

b. The performance criteria, targets and purposes will be refined and published in the 2017-18 Corporate Plan.

<p><b>Program 1.4 IMA Offshore Management</b></p> <p>To protect Australia’s sovereignty, security and safety by supporting regional processing and settlement countries (partner countries) to implement the Memoranda of Understanding agreed with Australia, including building regional processing country capability to manage regional processing and settlement arrangements.</p>		
<b>Delivery</b>	<p>Mechanisms through which program 1.4 will be delivered include:</p> <ul style="list-style-type: none"> <li>• capability development for partner countries through training and mentoring;</li> <li>• construction and maintenance of facilities that support partner countries to manage and accommodate transferees and refugees and deliver services to these cohorts;</li> <li>• supporting the management of transferees and refugees residing in partner countries, including health, welfare and settlement services (as required);</li> <li>• supporting partner countries to determine the refugee status of transferees; and</li> <li>• support partner countries to voluntarily return persons or remove those found not to be refugees.</li> </ul>	
<b>Performance Information</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2016-17 <sup>a</sup>	Collaboration with partners within and outside Australia improves border security.	<p>Arrangements in place that:</p> <ul style="list-style-type: none"> <li>• support the regional processing country to assess the protection claims of transferees.</li> </ul> <p><b>Achieving</b></p> <ul style="list-style-type: none"> <li>• support the regional processing country to accommodate and provide services, including welfare and health, to transferees pending assessment of protection claims.</li> </ul> <p><b>Achieving</b></p> <ul style="list-style-type: none"> <li>• support regional partners to settle transferees found to be in need of international protection.</li> </ul> <p><b>Achieving</b></p> <ul style="list-style-type: none"> <li>• support regional processing countries to voluntarily return or remove those found not to be refugees.</li> </ul> <p><b>Achieving</b></p>
2017-18 and beyond <sup>b</sup>	Similar to 2016-17.	Similar to 2016-17.
<b>Purposes<sup>b</sup></b>	Protect Australia, promote responsive migration.	
<b>Material changes to Program 1.4 resulting from the following measures: Nil</b>		

- a. Performance criteria and targets for 2016-17 reflect the expected performance results. Actual results will be included in the 2016-17 Annual Report.
- b. The performance criteria, targets and purposes will be refined and published in the 2017-18 Corporate Plan.

<p><b>Program 1.5 Regional cooperation</b></p> <p>Protect Australia's sovereignty, security and safety by strengthening relationships with partner governments to improve migration and border management capabilities and by working collaboratively with international organisations providing services for irregular migrants.</p>		
<b>Delivery</b>	<p>Mechanisms through which program 1.5 will be delivered include:</p> <ul style="list-style-type: none"> <li>• supporting the Bali Process by co-managing and contributing to the Regional Support Office which implements a range of practical initiatives to combat people smuggling, human trafficking and transnational crime;</li> <li>• supporting through the International Organisation for Migration (IOM), the management of potential illegal immigrations in Indonesia under the Regional Cooperation Arrangement (RCA) program;</li> <li>• working collaboratively with the international community to enhance the migration, identity, immigration intelligence and border management capabilities of partner governments;</li> <li>• facilitating international exchanges on approaches to trade and revenue techniques and best practice; and</li> <li>• enhancing international systems, information sharing and analytical capabilities to support better threat and risk assessments in the flow of people and goods.</li> </ul>	
<b>Performance Information</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2016-17 <sup>a</sup>	Collaboration with partners within and outside Australia improves border security.	<p>50% of states receiving Australian assistance have implemented processes and/or systems that have led to an improvement in the management of migration and border outcomes, including the management of refugees.</p> <p><b>Partially achieving</b></p> <p>Training and capability development is successfully delivered to 1,500 counterparts globally, to enrich foreign counterpart and partner agency activities.</p> <p><b>Partially achieving</b></p>
2017-18 and beyond <sup>b</sup>	Similar to 2016-17.	Similar to 2016-17.
<b>Purposes<sup>b</sup></b>	Protect Australia.	
<b>Material changes to Program 1.5 resulting from the following measures: Nil</b>		

a. Performance criteria and targets for 2016-17 reflect the expected performance results. Actual results will be included in the 2016-17 Annual Report.

b. The performance criteria, targets and purposes will be refined and published in the 2017-18 Corporate Plan.

## 2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2

**Outcome 2: Support a prosperous and inclusive society, and advance Australia’s economic interests through the effective management of the visa and citizenship programs and provision of refugee and humanitarian assistance.**

### Linked Programs

The information provided below shows how Outcome 2 links with programs delivered by other Commonwealth entities to contribute to common government objectives.

#### **Attorney-General’s Department**

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

#### **Contribution to Outcome 2 made by linked programs**

The Attorney-General’s Department contributes to policy development and advice on transnational organised crime including people smuggling and human trafficking, law enforcement matters, provision of information of national security value, firearms, counter-terrorism, prohibited and restricted goods, illegal drug interdiction, money laundering and regional operations and intercountry adoption arrangements.

#### **Department of Education and Training**

Program 2.8: Building Skills and Capability

#### **Contribution to Outcome 2 made by linked programs**

The Department of Education and Training works with DIBP to provide clearer pathways and improved access to training for eligible migrants and humanitarian entrants.

#### **Department of Employment**

Program 1.1: Employment Services

#### **Contribution to Outcome 2 made by linked programs**

The Department of Employment fosters a productive and competitive labour market through employment policies and programs that assist job seekers, including eligible migrants and humanitarian entrants, into work, meet employer needs and increase Australia’s workforce participation.

**Department of Foreign Affairs and Trade**

Program 1.1: Foreign Affairs and Trade Operations

Program 2.2: Passport Services

**Contribution to Outcome 2 made by linked programs**

The Department of Foreign Affairs and Trade (DFAT) contributes to whole of government efforts bilaterally and regionally to counter people-smuggling and human trafficking. DFAT also negotiates, finalises and implements Australia's free trade agreement (FTA) agenda and exploring opportunities for FTAs with other trading partners. DFAT provide high-quality passport services which support international traveller facilitation.

**Department of Health**

Program 2.1: Mental Health

**Contribution to Outcome 2 made by linked programs**

The Department of Health contributes to supporting permanently resettled humanitarian entrants and those on certain visa products living in the Australian community through the provision of the Program of Assistance for Survivors of Torture and Trauma.

**Department of Human Services**

Program 1.1: Services to the Community - Social Security and Welfare

**Contribution to Outcome 2 made by linked programs**

The Department of Human Services supports individuals, families and communities to achieve greater self-sufficiency by providing access to payments and services on behalf of government. This includes providing assistance to people living in the community while their immigration status is resolved.

**Department of Social Services**

Program 2.1: Families and Communities

**Contribution to Outcome 2 made by linked programs**

The Department of Social Services delivers settlement support for humanitarian entrants and other eligible migrants in their first five years of life in Australia. Services promote economic and social well-being of clients by supporting them to become fully-functioning and self-reliant members of society as soon as possible after arrival in Australia.

## Budgeted expenses for Outcome 2

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 2.2.1: Budgeted expenses for Outcome 2**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 2.1: Citizenship</b>					
Departmental expenses					
Departmental appropriation <sup>a</sup>	66,939	54,779	50,731	50,967	49,985
s74 Retained revenue receipts <sup>b</sup>	1,995	1,858	1,858	1,858	1,858
Expenses not requiring appropriation in the Budget year <sup>c</sup>	7,264	7,806	7,906	8,105	9,566
<b>Departmental total</b>	<b>76,198</b>	<b>64,443</b>	<b>60,495</b>	<b>60,930</b>	<b>61,409</b>
<b>Total expenses for Program 2.1</b>	<b>76,198</b>	<b>64,443</b>	<b>60,495</b>	<b>60,930</b>	<b>61,409</b>
<b>Program 2.2: Migration</b>					
Departmental expenses					
Departmental appropriation <sup>a</sup>	214,625	265,114	242,121	218,892	192,112
s74 Retained revenue receipts <sup>b</sup>	47,896	59,236	61,634	64,152	66,796
Expenses not requiring appropriation in the Budget year <sup>c</sup>	21,619	21,601	21,545	21,449	21,765
<b>Departmental total</b>	<b>284,140</b>	<b>345,951</b>	<b>325,300</b>	<b>304,493</b>	<b>280,673</b>
<b>Total expenses for Program 2.2</b>	<b>284,140</b>	<b>345,951</b>	<b>325,300</b>	<b>304,493</b>	<b>280,673</b>
<b>Program 2.3: Visas</b>					
Departmental expenses					
Departmental appropriation <sup>a</sup>	342,351	316,944	285,577	264,353	227,893
s74 Retained revenue receipts <sup>b</sup>	33,705	33,557	34,754	36,040	37,421
Expenses not requiring appropriation in the Budget year <sup>c</sup>	43,310	43,069	40,866	38,462	35,863
<b>Departmental total</b>	<b>419,366</b>	<b>393,570</b>	<b>361,197</b>	<b>338,855</b>	<b>301,177</b>
<b>Total expenses for Program 2.3</b>	<b>419,366</b>	<b>393,570</b>	<b>361,197</b>	<b>338,855</b>	<b>301,177</b>
<b>Program 2.4: Refugee and Humanitarian Assistance</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	51,550	32,769	32,681	33,394	34,094
Expenses not requiring appropriation in the Budget year <sup>c</sup>	-	-	-	-	-
<b>Administered total</b>	<b>51,550</b>	<b>32,769</b>	<b>32,681</b>	<b>33,394</b>	<b>34,094</b>

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Departmental expenses					
Departmental appropriation <sup>a</sup>	110,202	99,539	95,224	92,348	92,992
s74 Retained revenue receipts <sup>b</sup>	8,022	7,645	7,645	7,645	7,645
Expenses not requiring appropriation in the Budget year <sup>c</sup>	4,249	4,043	3,852	3,722	3,839
<b>Departmental total</b>	<b>122,473</b>	<b>111,227</b>	<b>106,721</b>	<b>103,715</b>	<b>104,476</b>
<b>Total expenses for Program 2.4</b>	<b>174,023</b>	<b>143,996</b>	<b>139,402</b>	<b>137,109</b>	<b>138,570</b>
<b>Outcome 2 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	51,550	32,769	32,681	33,394	34,094
Expenses not requiring appropriation in the Budget year <sup>c</sup>	-	-	-	-	-
<b>Administered total</b>	<b>51,550</b>	<b>32,769</b>	<b>32,681</b>	<b>33,394</b>	<b>34,094</b>
Departmental expenses					
Departmental appropriation <sup>a</sup>	734,117	736,376	673,653	626,560	562,982
s74 Retained revenue receipts <sup>b</sup>	91,618	102,296	105,891	109,695	113,720
Expenses not requiring appropriation in the Budget year <sup>c</sup>	76,442	76,519	74,169	71,738	71,033
<b>Departmental total</b>	<b>902,177</b>	<b>915,191</b>	<b>853,713</b>	<b>807,993</b>	<b>747,735</b>
<b>Total expenses for Outcome 2</b>	<b>953,727</b>	<b>947,960</b>	<b>886,394</b>	<b>841,387</b>	<b>781,829</b>
	2016-17	2017-18			
<b>Average Staffing Level (number)</b>	<b>5,090</b>	<b>4,840</b>			

a. Departmental appropriation combines Ordinary annual services Appropriation Act No. 1 and Bill 3.

b. Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act*.

c. Expenses not requiring appropriation in the Budget year are made up of depreciation, amortisation, write-down and impairment of assets.

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: Performance criteria for Outcome 2**

Table 2.2.2 below details the performance criteria for each program associated with Outcome 2. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 2 – Support a prosperous and inclusive society, and advance Australia’s economic interests through the effective management of the visa and citizenship programs and provision of refugee and humanitarian assistance.</b>		
<b>Program 2.1 – Citizenship</b>		
To support a prosperous and inclusive society through the promotion, delivery and effective management of the Australian citizenship program.		
<b>Delivery</b>	Mechanisms through which program 2.1 will be delivered include: <ul style="list-style-type: none"> <li>• delivery of the citizenship program within the parameters set by the Government;</li> <li>• supporting a strong and cohesive Australian society through the promotion of a unifying citizenship;</li> <li>• strengthening the integrity and efficiency of citizenship systems to attract quality applicants and meet the needs of the Australian community and economy; and</li> <li>• promoting the value of Australian citizenship.</li> </ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17 <sup>a</sup>	Australian citizenship is valued.	80% of citizenship conferral decisions made within service standards. <b>Partially achieving</b> Percentage of refusal decisions for Australian citizenship overturned through an appeal process is less than 1%. <b>Partially achieving</b> Visits to the Citizenship Wizard on DIBP’s web site reach 300,000 for the year. <b>Partially achieving</b>
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18 and beyond <sup>p</sup>	Similar to 2016-17.	Similar to 2016-17.
<b>Purposes<sup>b</sup></b>	Promote responsive migration.	
<b>Material changes to Program 2.1 resulting from the following measures:</b>		
<ul style="list-style-type: none"> <li>• <b>Strengthening Australian Citizenship Arrangements</b></li> </ul>		

a. Performance criteria and targets for 2016-17 reflect the expected performance results. Actual results will be included in the 2016-17 Annual Report.

b. The performance criteria, targets and purposes will be refined and published in the 2017-18 Corporate Plan.



<p><b>Program 2.2 Migration</b></p> <p>To support a prosperous and inclusive society and advance Australia's economic interests through the effective management and delivery of the Skilled and Family Migration Programs.</p>		
<p><b>Delivery</b></p>	<p>Mechanisms through which program 2.2 will be delivered include:</p> <ul style="list-style-type: none"> <li>• delivering the migration program within planning levels set by the Government, and maintain program integrity and intention; and</li> <li>• finalising visa applications within applicable standards and according to priority processing directions.</li> </ul>	
<p><b>Performance information</b></p>		
<p><b>Year</b></p>	<p><b>Performance criteria</b></p>	<p><b>Targets</b></p>
<p>2016-17<sup>a</sup></p>	<p>Australia's visa programs provide a strong foundation for social cohesion.</p>	<p>The non-skilled component of the managed migration program is delivered within planning levels set by the Government for each category.</p> <p><b>Partially achieving</b></p>
	<p>Australia's visa programs are responsive to the needs of the economy.</p>	<p>The skilled component of the managed migration program is delivered within planning levels set by the Government for each category.</p> <p><b>Achieving</b></p> <p>Migration and temporary entry programs do not increase risks to the safety of the Australian community.</p> <p><b>Partially achieving</b></p>
<p>2017-18 and beyond<sup>b</sup></p>	<p>Similar to 2016-17.</p>	<p>Similar to 2016-17.</p>
<p><b>Purposes<sup>b</sup></b></p>	<p>Promote responsive migration.</p>	
<p><b>Material changes to Program 2.2 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li>• <b>Immigration Reform – changes to Australia's visa processing arrangements</b></li> </ul>		

- a. Performance criteria and targets for 2016-17 reflect the expected performance results. Actual results will be included in the 2016-17 Annual Report.
- b. The performance criteria, targets and purposes will be refined and published in the 2017-18 Corporate Plan.

<b>Program 2.3 Visas</b> To advance Australia's economic interests and respond to Australia's changing security, economic, cultural and social needs through the effective management and delivery of temporary entry programs.		
<b>Delivery</b>	Mechanisms through which program 2.3 will be delivered include: <ul style="list-style-type: none"> <li>• supporting Australia's economic development and needs through sustainable growth in temporary visa programs;</li> <li>• ensuring temporary entry does not increase health risks or costs to the Australian community;</li> <li>• ensuring permanent and temporary entry does not increase risks to the security and good order of Australia or undermine the integrity of visa programs through the administration of the character provisions and cancellation powers;</li> <li>• increasing the use of biometrics and identity management services to facilitate the movement of legitimate travellers, and detect and deter those who pose a risk to the Australian community and national interest;</li> <li>• promoting a high level of confidence in the accurate identification of people entering and departing Australia and those likely to threaten the national interest;</li> <li>• pursuing system and capability improvements in order to effectively manage the growth in temporary entry caseloads; and</li> <li>• finalising visa applications within applicable standards and according to priority processing directions.</li> </ul>	
Performance information		
Year	Performance criteria	Targets
2016-17 <sup>a</sup>	Australia's visa programs are responsive to the needs of the economy.	The visitor visa program supports global tourism and business travel to Australia: <ul style="list-style-type: none"> <li>• Number of visitor visas granted.</li> </ul> <b>Achieving</b> <ul style="list-style-type: none"> <li>• 75% of visitor visa decisions made within service standards.</li> </ul> <b>Achieving</b> The student visa program supports the international student market in Australia: <ul style="list-style-type: none"> <li>• Number of student visas granted.</li> </ul> <b>Achieving</b> <ul style="list-style-type: none"> <li>• 70% of student visa decisions are made within service standards.</li> </ul> <b>Partially achieving</b>

Performance information		
Year	Performance criteria	Targets
2017-18 and beyond <sup>b</sup>	Similar to 2016-17.	Similar to 2016-17.
<b>Purposes<sup>b</sup></b>	Promote responsive migration.	
<b>Material changes to Program 2.3 resulting from the following measures:</b>		
<ul style="list-style-type: none"> <li>• <b>Immigration Reform – changes to Australia’s visa processing arrangements</b></li> <li>• <b>Better targeting skilled visas</b></li> </ul>		

- a. Performance criteria and targets for 2016-17 reflect the expected performance results. Actual results will be included in the 2016-17 Annual Report.
- b. The performance criteria, targets and purposes will be refined and published in the 2017-18 Corporate Plan.

Program 2.4 Refugee and Humanitarian Assistance		
The effective management and delivery of Australia’s Humanitarian Program reflects government priorities and Australia’s international protection obligations.		
<b>Delivery</b>	Mechanisms through which program 2.4 will be delivered include: <ul style="list-style-type: none"> <li>• contributing to the resettlement of refugees and those in humanitarian need through the delivery of the Humanitarian Program;</li> <li>• resettling humanitarian entrants living in protracted or refugee like situations who are in need of protection;</li> <li>• providing visa pathways to those needing Australia’s protection, including through the use of temporary visas for those who sought protection in Australia after arriving in an illegal manner; and</li> <li>• continuing to develop policy, program design and procedures to improve the efficiency, effectiveness, accountability and integrity of the Humanitarian Program.</li> </ul>	
Performance information		
Year	Performance criteria	Targets
2016-17 <sup>a</sup>	Australia contributes to the global management of refugees and displaced populations.	Deliver 13,750 places in the 2016-17 Humanitarian Program. <b>Achieving</b> Deliver places to Syrian and Iraqi refugees consistent with the Syrian and Iraqi Humanitarian Crisis measure. <b>Achieving</b>
2017-18 and beyond <sup>b</sup>	Similar to 2016-17.	Deliver 16,250 places in the 2017-18 Humanitarian Program.
<b>Purposes<sup>b</sup></b>	Promote responsive migration.	
<b>Material changes to Program 2.4 resulting from the following measures: Nil</b>		

- a. Performance criteria and targets for 2016-17 reflect the expected performance results. Actual results will be included in the 2016-17 Annual Report.
- b. The performance criteria, targets and purposes will be refined and published in the 2017-18 Corporate Plan.

## 2.3 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 3

**Outcome 3: Advance Australia’s economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.**

### Linked Programs

The information provided below shows how Outcome 3 links with programs delivered by other Commonwealth entities to contribute to common government objectives.

#### **Austrade**

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

#### **Contribution to Outcome 3 made by linked programs**

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.

#### **Australian Taxation Office**

Various Programs

#### **Contribution to Outcome 3 made by linked programs**

DIBP collects or administers on behalf of the Australian Taxation Office relevant taxes including Goods and Services Tax, Wine Equalisation Tax, Tourist Refund Scheme and Luxury Car Tax.

#### **Department of Foreign Affairs and Trade**

Program 1.1: Foreign Affairs and Trade Operations

Program 2.2: Passport Services

#### **Contribution to Outcome 3 made by linked programs**

The Department of Foreign Affairs and Trade (DFAT) contributes to whole of government efforts bilaterally and regionally to counter people-smuggling and human trafficking. DFAT also negotiates, finalises and implements Australia’s free trade agreement (FTA) agenda and exploring opportunities for FTAs with other trading partners. DFAT provide high-quality passport services which support international traveller facilitation.

**Department of the Treasury**

Various Programs

**Contribution to Outcome 3 made by linked programs**

The Department of the Treasury provides policy advice in key areas on the design of taxation laws including customs duty, Visa Application Charges (VAC), Passenger Movement Charge (PMC), Import Processing Charge (IPC) and duty refunds.

**Department of Industry, Innovation and Science**

Program 2: Growing Business Investment and Improving Business Capability

**Contribution to Outcome 3 made by linked programs**

The Department of Industry contributes to policy development and advice on matters relating to intellectual property rights, trademarks, anti-dumping, preferential and non-preferential trade schemes, regulated, prohibited and restricted goods and industry assistance.

### 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**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 3.1 Border- Revenue Collection</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	-	-	-	-	-
Expenses not requiring appropriation in the Budget year <sup>a</sup>	13,500	13,500	13,500	13,500	13,500
<b>Administered total</b>	<b>13,500</b>	<b>13,500</b>	<b>13,500</b>	<b>13,500</b>	<b>13,500</b>
Departmental expenses					
Departmental appropriation <sup>b</sup>	11,028	11,325	11,197	8,523	8,620
s74 Retained revenue receipts <sup>c</sup>	55,249	52,854	52,482	52,471	52,471
Expenses not requiring appropriation in the Budget year <sup>a</sup>	5,449	4,179	3,830	3,294	2,684
<b>Departmental total</b>	<b>71,726</b>	<b>68,358</b>	<b>67,509</b>	<b>64,288</b>	<b>63,775</b>
<b>Total expenses for Program 3.1</b>	<b>85,226</b>	<b>81,858</b>	<b>81,009</b>	<b>77,788</b>	<b>77,275</b>
<b>Program 3.2 Trade Facilitation and Industry Engagement</b>					
Departmental expenses					
Departmental appropriation <sup>b</sup>	52,109	56,931	56,748	54,983	52,514
s74 Retained revenue receipts <sup>c</sup>	495	415	415	415	415
Expenses not requiring appropriation in the Budget year <sup>a</sup>	2,391	2,523	2,559	2,254	1,876
<b>Departmental total</b>	<b>54,995</b>	<b>59,869</b>	<b>59,722</b>	<b>57,652</b>	<b>54,805</b>
<b>Total expenses for Program 3.2</b>	<b>54,995</b>	<b>59,869</b>	<b>59,722</b>	<b>57,652</b>	<b>54,805</b>

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Outcome 3 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	-	-	-	-	-
Expenses not requiring appropriation in the Budget year <sup>a</sup>	13,500	13,500	13,500	13,500	13,500
<b>Administered total</b>	<b>13,500</b>	<b>13,500</b>	<b>13,500</b>	<b>13,500</b>	<b>13,500</b>
Departmental expenses					
Departmental appropriation <sup>b</sup>	63,137	68,256	67,945	63,506	61,134
s74 Retained revenue receipts <sup>c</sup>	55,744	53,269	52,897	52,886	52,886
Expenses not requiring appropriation in the Budget year <sup>a</sup>	7,840	6,702	6,389	5,548	4,560
<b>Departmental total</b>	<b>126,721</b>	<b>128,227</b>	<b>127,231</b>	<b>121,940</b>	<b>118,580</b>
<b>Total expenses for Outcome 3</b>	<b>140,221</b>	<b>141,727</b>	<b>140,731</b>	<b>135,440</b>	<b>132,080</b>
	2016-17	2017-18			
<b>Average Staffing Level (number)</b>	<b>560</b>	<b>515</b>			

a. Expenses not requiring appropriation in the Budget year are made up of depreciation, amortisation, write-down and impairment of assets.

b. Departmental Appropriation combines Ordinary annual services Appropriation Act No. 1 and Bill 3.

c. 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 2.3.2: Performance criteria for Outcome 3**

Table 2.3.2 below details the performance criteria for each program associated with Outcome 3. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 3 – Advance Australia’s economic interests through the facilitation of the trade of goods to and from Australia and the collection of border revenue.</b>		
<b>Program 3.1 Border-Revenue Collection</b>		
To advance Australia’s economic interests through the effective collection and administration of customs duty and border charges.		
<b>Delivery</b>	Mechanisms through which program 3.1 will be delivered include: <ul style="list-style-type: none"> <li>• providing assurance that border revenue administered by DIBP and revenue collected on behalf of other agencies is correctly assessed, reported and paid;</li> <li>• providing assurance that revenue is protected by ensuring the correct application of refunds, concession and exemptions;</li> <li>• undertaking effective risk-based investigations and compliance activities, to promote observance of Australian border laws as they relate to revenue reporting and payment obligations;</li> <li>• collecting and administering the Passenger Movement Charge; and</li> <li>• administering the Tourist Refund Scheme.</li> </ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17 <sup>a</sup>	The collection of border revenue is managed and enhanced.	Percentage of refunds under the Refund Scheme that are delivered in accordance with client service standards. <b>Achieving</b> Percentage of drawbacks delivered in accordance with client service standards. <b>Achieving</b> Number of Infringement notices served. <b>Achieving</b>
2017-18 and beyond <sup>b</sup>	Similar to 2016-17.	Similar to 2016-17.
<b>Purposes<sup>b</sup></b>	Advance trade and revenue.	
<b>Material changes to Program 3.1 resulting from the following measures: Nil</b>		

a. Performance criteria and targets for 2016-17 reflect the expected performance results. Actual results will be included in the 2016-17 Annual Report.  
b. The performance criteria, targets and purposes will be refined and published in the 2017-18 Corporate Plan.



<b>Program 3.2 Trade Facilitation and Industry Engagement</b>		
To advance Australia's economic interests by co-designing services and policies that reduce the impact on legitimate movement of goods, and supports the Government's trade agenda.		
<b>Delivery</b>	Mechanisms through which program 3.2 will be delivered include: <ul style="list-style-type: none"> <li>development and delivery of portfolio strategy, legislation and policy, to support the facilitation of legitimate movement;</li> <li>provision of tariff classification, valuation and rules of origin advice services to importers and exporters;</li> <li>delivering the Australian Trusted Trader Programme; and</li> <li>provision of expert advice, support and guidance material for industry to support import and export of legitimate goods.</li> </ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17 <sup>a</sup>	Effective partnerships both within and outside Australia build a strong economy.	85% of classification, valuation and rules of origin advices completed within service standards. <b>Achieving</b>
	Seamless border management facilitates the flow of legitimate travellers and goods.	Participants in the ATT Programme include businesses considered as small medium enterprise; regional Australian; service providers; and large value/volume traders. <b>Achieving</b>
2017-18 and beyond <sup>b</sup>	Similar to 2016-17.	Similar to 2016-17.
<b>Purposes<sup>b</sup></b>	Advance trade and revenue.	
<b>Material changes to Program 3.2 resulting from the following measures: Nil</b>		

- a. Performance criteria and targets for 2016-17 reflect the expected performance results. Actual results will be included in the 2016-17 Annual Report.
- b. The performance criteria, targets and purposes will be refined and published in the 2017-18 Corporate Plan.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 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

An analysis of the primary source of movements influencing the financial statements published in the 2017-18 Portfolio Budget Statements is provided below.

##### **Departmental**

##### **Budget departmental comprehensive income statement**

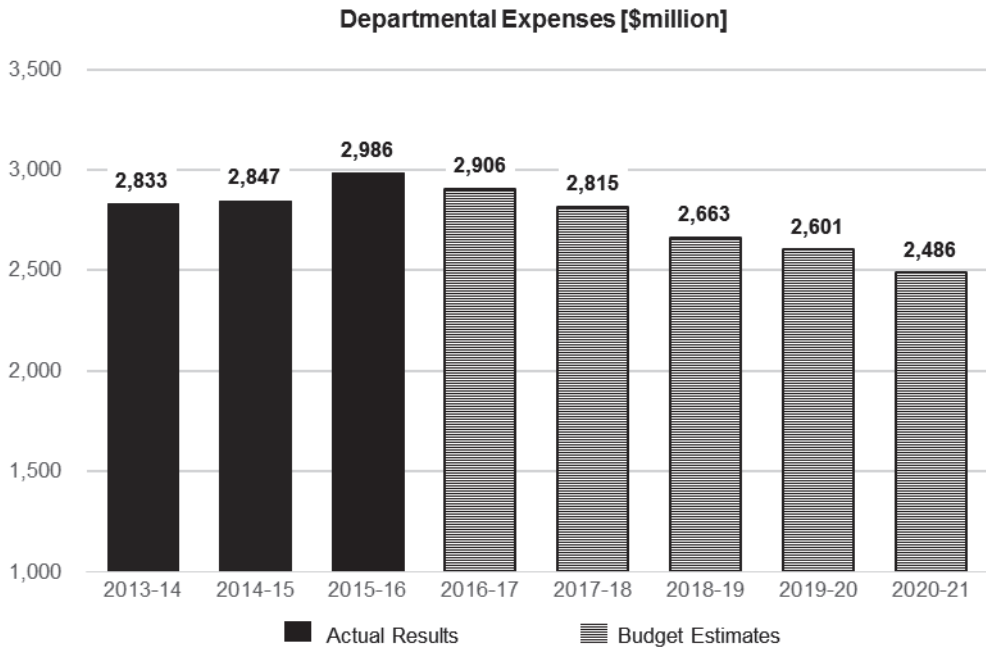
DIBP is budgeting for a break-even departmental operating result in 2017-18, adjusted for depreciation and amortisation expense.

This statement presents the expected financial result for DIBP and identifies expenses and revenues on a full accrual basis.

##### **Expenses**

In 2017-18, total departmental expenses are expected to decrease from \$2,906.3 million in 2016-17 to \$2,815.2 million, a decrease of \$91.1 million. This movement reflects an increase of \$102.2 million due to the impact of new budget measures including \$83.2 million for the *Immigration Reform – changes to Australia’s visa processing arrangements* measure, being offset by a decrease in expenses of \$193.3 million from other variations and decisions from previous budgets.

Further details of the additional funding for 2017-18 for new measures are provided in the tables in Section 1 of this document.

**Figure 2: Total departmental expenses as at 2017-18 Budget.**

## Income

The total departmental revenue is expected to decrease from \$2,632.9 million in 2016-17 to \$2,547.1 million in 2017-18. The decrease of \$85.8 million is primarily due to a decrease in Revenue from Government (appropriation revenue) of \$83.4 million and a decrease in DIBP's own source income of \$2.4 million.

## Budgeted departmental balance sheet

This statement reports the financial position of the department, its assets, liabilities and equity.

In 2017-18, total departmental assets are expected to increase from \$1,913.1 million to \$1,930.2 million. The movement of \$17.1 million is due to an increase in non-financial assets of \$32.5 million, offset by a decrease in financial assets of \$15.4 million.

Equity is also expected to increase from \$1,175.7 million to \$1,192.7 million in 2017-18. The increase of \$17.0 million in departmental equity mainly reflects the increase in contributed equity of \$285.2 million, being offset by a decrease in retained surplus (accumulated deficit) of \$268.1 million.

### Budgeted departmental statement of cash flows

The cash flow statement reports the extent and nature of cash flows, grouped according to operating, investing and financing activities.

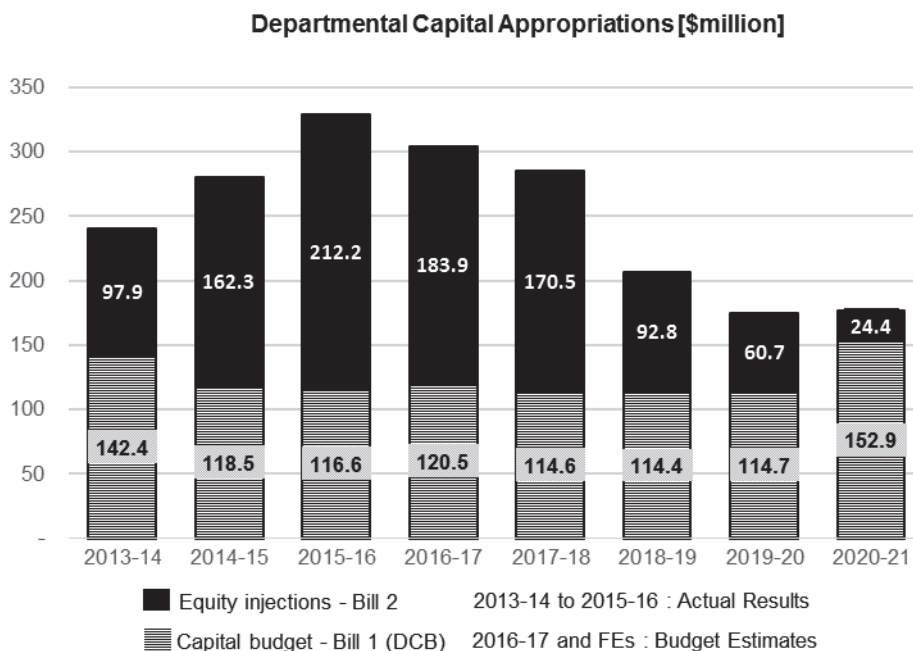
The budgeted cash flow reflect the impact of new measures, changes to own source revenue and changes in expenses and capital investment as reported in the income statement and balance sheet at Tables 3.1 and 3.2.

### Capital budget statement – departmental

This statement reports the forward plan for capital expenditure.

Total capital appropriations have reduced in 2017-18 by \$19.2 million as a result of an increase in capital measures of \$38.1 million, being offset by a decrease of \$57.3 million from other variations and decisions from previous budgets. A movement of funds of \$16.4 million has been agreed from 2016-17 to 2017-18 (\$13.4 million) and 2018-19 (\$3.0 million). This is reflected in Table 3.5.

**Figure 3: Total departmental capital appropriations as at 2017-18 Budget.**



**Statement of asset movements**

This statement reports the budgeted movements by asset class of DIBP’s non-financial assets during the current financial year.

The increase of \$32.5 million in the estimated net book balance from 1 July 2017 to 30 June 2018 is due to the net impact of an increase in asset purchases of \$300.6 million being offset by depreciation and amortisation expenses of \$268.1 million.

**Administered**

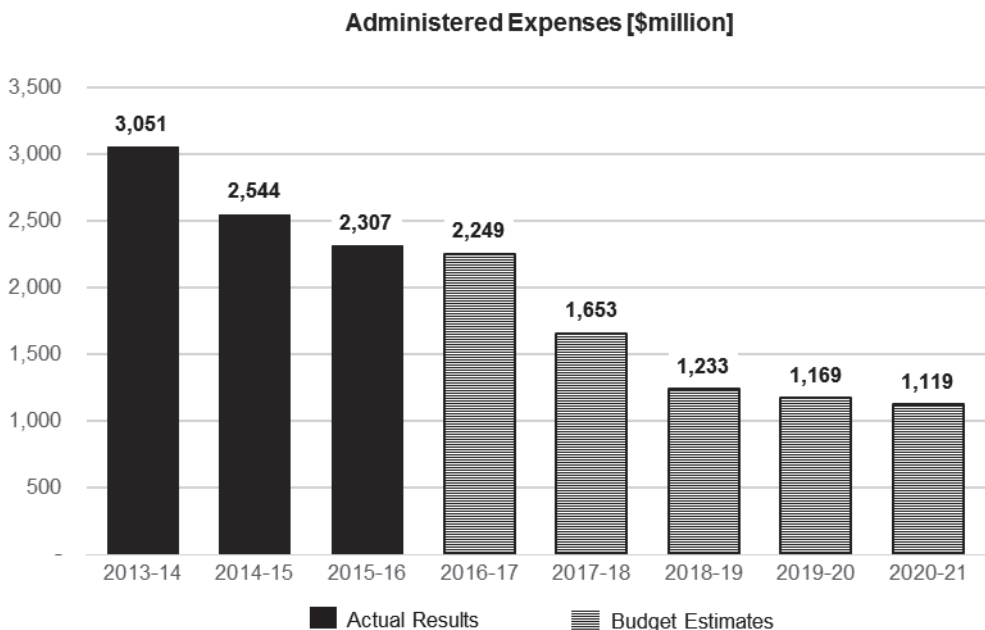
**Schedule of budgeted income and expenses administered on behalf of government**

This schedule identifies the main revenue and expense items administered by DIBP on behalf of the Government.

**Expenses**

In 2017-18, administered expenses are expected to decrease from \$2,249.4 million in 2016-17 to \$1,652.7 million, a decrease of \$596.7 million. The decrease in administered expenses reflects a reduced number of non-citizens being managed by DIBP and a more efficient and effective use of detention facilities since last year.

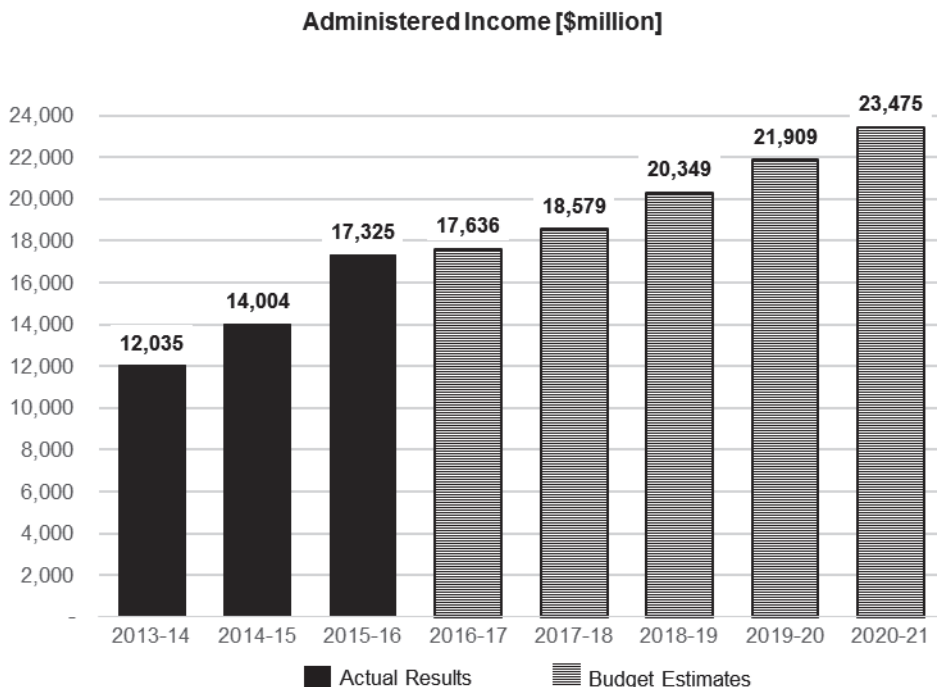
**Figure 4: Administered expenses as at 2017-18 Budget.**



**Income**

In 2017-18, the Department will administer the collection of revenue on behalf of the Government of an estimated \$18,579.3 million, which is an increase of \$943.3 million (or 5.3%) compared to 2016-17 estimates.

**Figure 5: Administered income as at 2017-18 Budget.**



The major drivers that have contributed to the increase in the estimates between 2016-17 and 2017-18 are outlined below.

*Customs Duty*

In 2017-18 the Department estimates that it will collect \$14,729.3 million in customs duty, an increase of \$640.1 million (or 4.5%) over the 2016-17 estimates. This net increase is predominately due to the Tax Reform Package – *Tobacco excise – measures to improve health outcomes and combat illicit tobacco* measure agreed as part of the 2016-17 Budget process. This is offset by reductions in duty collections associated with a phased implementation for Free Trade Agreements (FTAs).

### *Other Taxes*

The Other Taxes estimate has increased from \$3,475.8 million in 2016-17 to \$3,780.8 million in 2017-18.

Revenue from Visa Application Charges (VAC) is expected to increase to \$2,275.6 million in 2017-18, an increase of \$190.1 million over the 2016-17 estimates. The increase is primarily due to the impacts of recent announcements and new measures on visa applications and pricing.

A further increase of \$114.8 million is due to increases in the revenue estimates for both the Passenger Movement Charge (PMC) and Import Processing Charge (IPC). The expected increase in collections of the PMC generally aligns with the expected growth in international passenger movements. The estimated increase in IPC is primarily due to the expected growth in imports which have the IPC applied.

### *Non-Taxation Revenue*

Non taxation Revenue is comprised of *Sale of goods and services; Fees and Fines* and *Other revenue*. The estimate for 2017-18 is \$69.3 million and remains relatively constant over the forward years.

## **Schedule of budgeted assets and liabilities administered on behalf of government**

This schedule reports assets and liabilities administered by DIBP on behalf of the Government.

In 2017-18, total administered assets are expected to decrease by \$77.7 million from \$2,015.3 million to \$1,937.6 million. The movement is due to the net decrease in non-financial assets, being mainly immigration detention facilities, offset by a slight increase in taxation receivables.

## **Schedule of budgeted administered cash flows**

This schedule shows the cash flow administered on behalf of the Government. The cash flows largely reflect the transactions of the schedule of income and expenses.

The budgeted cash flows reflect the impact of the expected increase in tax income collected being offset by an increase in cash to the Official Public Account to be used for Appropriations, and the decrease in funding required due to the reduction in unlawful non-citizens.

**Schedule for administered capital budget**

This statement reports the forward plan for capital expenditure.

Total capital appropriations have reduced in 2017-18 as a result of reductions to capital measures partially offset by a slight increase to Administered Capital Budget.

**Statement of administered asset movements**

This statement reports the budgeted movements by asset class of Administered non-financial assets during the 2017-18 financial year.

The decrease in the estimated net book balance from 1 July 2017 to 30 June 2018 is due to the net impact in expected purchases of \$24.9 million being offset by depreciation and amortisation expense of \$119.1 million.



### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	1,434,091	1,336,514	1,284,643	1,263,139	1,235,442
Suppliers	1,198,783	1,210,579	1,119,182	1,093,171	1,024,089
Depreciation and amortisation	273,439	268,130	259,248	244,509	226,572
<b>Total expenses</b>	<b>2,906,313</b>	<b>2,815,223</b>	<b>2,663,073</b>	<b>2,600,819</b>	<b>2,486,103</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	133,631	131,308	134,531	136,923	140,949
Rental income	3,208	3,178	3,178	3,178	3,178
Other revenue	47,221	47,172	47,173	47,173	47,173
<b>Total own-source revenue</b>	<b>184,060</b>	<b>181,658</b>	<b>184,882</b>	<b>187,274</b>	<b>191,300</b>
<b>Gains</b>					
Sale of assets	51	46	45	46	45
Foreign exchange gains	49	25	25	25	25
Other gains	-	-	-	-	-
<b>Total gains</b>	<b>100</b>	<b>71</b>	<b>70</b>	<b>71</b>	<b>70</b>
<b>Total own-source income</b>	<b>184,160</b>	<b>181,729</b>	<b>184,952</b>	<b>187,345</b>	<b>191,370</b>
<b>Net (cost of)/contribution by services</b>	<b>2,722,153</b>	<b>2,633,494</b>	<b>2,478,121</b>	<b>2,413,474</b>	<b>2,294,733</b>
Revenue from Government	2,448,714	2,365,364	2,218,873	2,168,965	2,068,161
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(273,439)</b>	<b>(268,130)</b>	<b>(259,248)</b>	<b>(244,509)</b>	<b>(226,572)</b>
<b>Total comprehensive income/(loss)</b>	<b>(273,439)</b>	<b>(268,130)</b>	<b>(259,248)</b>	<b>(244,509)</b>	<b>(226,572)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(273,439)</b>	<b>(268,130)</b>	<b>(259,248)</b>	<b>(244,509)</b>	<b>(226,572)</b>

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

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations <sup>a</sup>	273,439	268,130	259,248	244,509	226,572
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(273,439)</b>	<b>(268,130)</b>	<b>(259,248)</b>	<b>(244,509)</b>	<b>(226,572)</b>

a. From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,409	3,409	3,409	3,409	3,409
Trade and other receivables	529,330	513,903	508,038	508,038	508,038
Other financial assets	3,691	3,691	3,691	3,691	3,691
<b>Total financial assets</b>	<b>536,430</b>	<b>521,003</b>	<b>515,138</b>	<b>515,138</b>	<b>515,138</b>
<b>Non-financial assets</b>					
Land	24,291	30,294	32,809	36,742	40,382
Buildings	151,863	133,502	131,497	123,872	117,652
Property, plant and equipment	634,938	654,060	618,072	556,653	559,455
Intangibles	491,590	517,281	524,232	520,268	470,815
Other non-financial assets	74,018	74,018	74,018	74,018	74,018
<b>Total non-financial assets</b>	<b>1,376,700</b>	<b>1,409,155</b>	<b>1,380,628</b>	<b>1,311,553</b>	<b>1,262,322</b>
<b>Total assets</b>	<b>1,913,130</b>	<b>1,930,158</b>	<b>1,895,766</b>	<b>1,826,691</b>	<b>1,777,460</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	58,481	58,481	58,481	58,481	58,481
Other payables	216,094	209,374	209,374	209,374	209,374
<b>Total payables</b>	<b>274,575</b>	<b>267,855</b>	<b>267,855</b>	<b>267,855</b>	<b>267,855</b>
<b>Provisions</b>					
Employee provisions	417,970	424,690	424,690	424,690	424,690
Other provisions	44,911	44,911	44,911	44,911	44,911
<b>Total provisions</b>	<b>462,881</b>	<b>469,601</b>	<b>469,601</b>	<b>469,601</b>	<b>469,601</b>
<b>Total liabilities</b>	<b>737,456</b>	<b>737,456</b>	<b>737,456</b>	<b>737,456</b>	<b>737,456</b>
<b>Net assets</b>	<b>1,175,674</b>	<b>1,192,702</b>	<b>1,158,310</b>	<b>1,089,235</b>	<b>1,040,004</b>
<b>EQUITY<sup>a</sup></b>					
<b>Parent entity interest</b>					
Contributed equity	2,410,844	2,696,002	2,920,858	3,096,292	3,273,633
Reserves	241,702	241,702	241,702	241,702	241,702
Retained surplus (accumulated deficit)	(1,476,872)	(1,745,002)	(2,004,250)	(2,248,759)	(2,475,331)
<b>Total parent entity interest</b>	<b>1,175,674</b>	<b>1,192,702</b>	<b>1,158,310</b>	<b>1,089,235</b>	<b>1,040,004</b>
<b>Total Equity</b>	<b>1,175,674</b>	<b>1,192,702</b>	<b>1,158,310</b>	<b>1,089,235</b>	<b>1,040,004</b>

a. '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 2017-18)**

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	(1,476,872)	241,702	2,410,844	1,175,674
<b>Adjusted opening balance</b>	<b>(1,476,872)</b>	<b>241,702</b>	<b>2,410,844</b>	<b>1,175,674</b>
<b>Comprehensive income</b>				
Surplus (deficit) for the period	(268,130)	-	-	(268,130)
Other	-	-	-	-
<b>Total comprehensive income</b>	<b>(268,130)</b>	<b>-</b>	<b>-</b>	<b>(268,130)</b>
of which:				
Attributable to the Australian Government	(268,130)	-	-	(268,130)
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Equity Injection - Appropriation	-	-	170,522	170,522
Departmental Capital Budget (DCB)	-	-	114,636	114,636
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>285,158</b>	<b>285,158</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>(1,745,002)</b>	<b>241,702</b>	<b>2,696,002</b>	<b>1,192,702</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(1,745,002)</b>	<b>241,702</b>	<b>2,696,002</b>	<b>1,192,702</b>

Prepared on Australian Accounting Standards basis.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	2,436,794	2,340,824	2,084,717	2,028,965	2,208,288
Sale of goods and rendering of services	122,966	120,016	123,526	133,264	137,437
Net GST received	115,113	115,689	115,920	116,152	116,268
Other	47,908	45,851	45,713	47,351	47,203
<b>Total cash received</b>	<b>2,722,781</b>	<b>2,622,380</b>	<b>2,369,876</b>	<b>2,325,732</b>	<b>2,509,196</b>
<b>Cash used</b>					
Employees	1,445,433	1,326,720	1,272,928	1,253,123	1,233,218
Suppliers	1,288,253	1,280,233	1,091,083	1,072,609	1,275,978
<b>Total cash used</b>	<b>2,733,686</b>	<b>2,606,953</b>	<b>2,364,011</b>	<b>2,325,732</b>	<b>2,509,196</b>
<b>Net cash from/(used by) operating activities</b>	<b>(10,905)</b>	<b>15,427</b>	<b>5,865</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	293,474	300,585	213,078	175,434	177,341
<b>Total cash used</b>	<b>293,474</b>	<b>300,585</b>	<b>213,078</b>	<b>175,434</b>	<b>177,341</b>
<b>Net cash from/(used by) investing activities</b>	<b>(293,474)</b>	<b>(300,585)</b>	<b>(213,078)</b>	<b>(175,434)</b>	<b>(177,341)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	304,379	285,158	207,213	175,434	177,341
Other	-	-	-	-	-
<b>Total cash received</b>	<b>304,379</b>	<b>285,158</b>	<b>207,213</b>	<b>175,434</b>	<b>177,341</b>
<b>Net cash from/(used by) financing activities</b>	<b>304,379</b>	<b>285,158</b>	<b>207,213</b>	<b>175,434</b>	<b>177,341</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	3,409	3,409	3,409	3,409	3,409
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,409</b>	<b>3,409</b>	<b>3,409</b>	<b>3,409</b>	<b>3,409</b>

Prepared on Australian Accounting Standards basis.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	120,519	114,636	114,431	114,739	152,907
Equity injections - Bill 2	183,860	170,522	92,782	60,695	24,434
<b>Total new capital appropriations</b>	<b>304,379</b>	<b>285,158</b>	<b>207,213</b>	<b>175,434</b>	<b>177,341</b>
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>304,379</i>	<i>285,158</i>	<i>207,213</i>	<i>175,434</i>	<i>177,341</i>
<b>Total items</b>	<b>304,379</b>	<b>285,158</b>	<b>207,213</b>	<b>175,434</b>	<b>177,341</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>a</sup>	172,955	185,977	98,647	60,695	24,434
Funded by capital appropriation - DCB <sup>b</sup>	120,519	114,608	114,431	114,739	152,907
<b>TOTAL</b>	<b>293,474</b>	<b>300,585</b>	<b>213,078</b>	<b>175,434</b>	<b>177,341</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	293,474	300,585	213,078	175,434	177,341
<b>Total cash used to acquire assets</b>	<b>293,474</b>	<b>300,585</b>	<b>213,078</b>	<b>175,434</b>	<b>177,341</b>

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

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

Note: Capital funds of \$16.4 million have been moved from 2016-17 to 2017-18 (\$13.4 million) and 2018-19 (\$3.0 million).

Prepared on Australian Accounting Standards basis.

**Table 3.6: Statement of asset movements (Budget year 2017-18)**

	Asset Category				Total
	Land	Buildings	Other property, plant and equipment	Computer software and Intangibles	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>					
Gross book value	24,291	238,436	799,745	1,251,336	<b>2,313,808</b>
Accumulated depreciation/ amortisation and impairment	-	(86,573)	(164,807)	(759,746)	<b>(1,011,126)</b>
<b>Opening net book balance</b>	<b>24,291</b>	<b>151,863</b>	<b>634,938</b>	<b>491,590</b>	<b>1,302,682</b>
<b>Capital asset additions</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - appropriation equity <sup>a</sup>	6,003	17,375	111,677	165,530	<b>300,585</b>
<b>Total additions</b>	<b>6,003</b>	<b>17,375</b>	<b>111,677</b>	<b>165,530</b>	<b>300,585</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	(35,736)	(92,555)	(139,839)	<b>(268,130)</b>
Other	-	-	-	-	-
<b>Total other movements</b>	<b>-</b>	<b>(35,736)</b>	<b>(92,555)</b>	<b>(139,839)</b>	<b>(268,130)</b>
<b>As at 30 June 2018</b>					
Gross book value	30,294	255,811	911,422	1,416,866	<b>2,614,393</b>
Accumulated depreciation/ amortisation and impairment	-	(122,309)	(257,362)	(899,585)	<b>(1,279,256)</b>
<b>Closing net book balance</b>	<b>30,294</b>	<b>133,502</b>	<b>654,060</b>	<b>517,281</b>	<b>1,335,137</b>

a. 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2017-18.  
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)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Suppliers	1,702,855	1,269,576	911,515	915,664	873,185
Grants	21,790	15,100	15,251	15,405	15,593
Personal benefits	381,804	228,868	172,842	112,946	107,671
Depreciation and amortisation	122,908	119,101	113,147	111,071	108,885
Write-down and impairment of assets	20,042	20,042	20,042	13,500	13,500
Other expenses	-	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>2,249,399</b>	<b>1,652,687</b>	<b>1,232,797</b>	<b>1,168,586</b>	<b>1,118,834</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Taxation revenue</b>					
Customs duty	14,089,200	14,729,250	15,939,450	17,249,450	18,709,450
Other taxes	3,475,847	3,780,760	4,331,170	4,587,022	4,693,523
<b>Total taxation revenue</b>	<b>17,565,047</b>	<b>18,510,010</b>	<b>20,270,620</b>	<b>21,836,472</b>	<b>23,402,973</b>
<b>Non-taxation revenue</b>					
Fees and fines	55,766	49,860	50,418	52,733	52,758
Other revenue	15,182	19,462	19,149	19,335	19,335
<b>Total non-taxation revenue</b>	<b>70,948</b>	<b>69,322</b>	<b>69,567</b>	<b>72,068</b>	<b>72,093</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>17,635,995</b>	<b>18,579,332</b>	<b>20,340,187</b>	<b>21,908,540</b>	<b>23,475,066</b>
<b>Gains</b>					
Sale of assets	-	-	8,598	-	-
<b>Total gains administered on behalf of Government</b>	<b>-</b>	<b>-</b>	<b>8,598</b>	<b>-</b>	<b>-</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>17,635,995</b>	<b>18,579,332</b>	<b>20,348,785</b>	<b>21,908,540</b>	<b>23,475,066</b>
<b>Net (cost of)/contribution by services</b>	<b>15,386,596</b>	<b>16,926,645</b>	<b>19,115,988</b>	<b>20,739,954</b>	<b>22,356,232</b>
<b>Surplus/(deficit) after income tax</b>	<b>15,386,596</b>	<b>16,926,645</b>	<b>19,115,988</b>	<b>20,739,954</b>	<b>22,356,232</b>
<b>Total comprehensive income/(loss)</b>	<b>15,386,596</b>	<b>16,926,645</b>	<b>19,115,988</b>	<b>20,739,954</b>	<b>22,356,232</b>

Prepared on Australian Accounting Standards basis.



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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	45,609	45,609	45,609	45,609	45,609
Taxation receivables	327,652	344,152	360,652	367,152	367,152
Trade and other receivables	21,500	21,500	21,500	21,500	21,500
Other financial assets	15,725	15,725	15,725	15,725	15,725
<b>Total financial assets</b>	<b>410,486</b>	<b>426,986</b>	<b>443,486</b>	<b>449,986</b>	<b>449,986</b>
<b>Non-financial assets</b>					
Land	47,598	47,598	47,598	47,598	47,598
Buildings	1,360,915	1,280,174	1,185,273	1,105,984	1,028,775
Property, plant and equipment	169,961	156,463	143,440	131,824	120,656
Other non-financial assets	26,361	26,361	26,361	26,361	26,361
<b>Total non-financial assets</b>	<b>1,604,835</b>	<b>1,510,596</b>	<b>1,402,672</b>	<b>1,311,767</b>	<b>1,223,390</b>
<b>Total assets administered on behalf of Government</b>	<b>2,015,321</b>	<b>1,937,582</b>	<b>1,846,158</b>	<b>1,761,753</b>	<b>1,673,376</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	15,475	15,475	15,475	15,475	15,475
Personal benefits	20,310	20,310	20,310	20,310	20,310
Grants	66	66	66	66	66
Other payables	234,143	234,143	234,143	234,143	234,143
<b>Total payables</b>	<b>269,994</b>	<b>269,994</b>	<b>269,994</b>	<b>269,994</b>	<b>269,994</b>
<b>Interest bearing liabilities</b>					
Loans	68,791	68,791	68,791	68,791	68,791
<b>Total interest bearing liabilities</b>	<b>68,791</b>	<b>68,791</b>	<b>68,791</b>	<b>68,791</b>	<b>68,791</b>
<b>Provisions</b>					
Other provisions	9,200	9,200	9,200	9,200	9,200
<b>Total provisions</b>	<b>9,200</b>	<b>9,200</b>	<b>9,200</b>	<b>9,200</b>	<b>9,200</b>
<b>Total liabilities administered on behalf of Government</b>	<b>347,985</b>	<b>347,985</b>	<b>347,985</b>	<b>347,985</b>	<b>347,985</b>
<b>Net assets/(liabilities)</b>	<b>1,667,336</b>	<b>1,589,597</b>	<b>1,498,173</b>	<b>1,413,768</b>	<b>1,325,391</b>

Prepared on Australian Accounting Standards basis.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services	55,966	50,060	50,618	48,033	48,058
Taxes	17,985,791	18,900,103	20,660,713	22,234,065	23,842,973
Net GST received	88,611	89,054	89,232	89,410	89,499
Other	13,340	17,620	17,307	24,035	24,035
<b>Total cash received</b>	<b>18,143,708</b>	<b>19,056,837</b>	<b>20,817,870</b>	<b>22,395,543</b>	<b>24,004,565</b>
<b>Cash used</b>					
Personal benefits	381,804	228,868	172,842	112,946	107,671
Suppliers	1,791,466	1,358,630	1,000,747	1,005,074	962,684
Grant	21,790	15,100	15,251	15,405	15,593
Other	500,000	500,000	500,000	500,000	500,000
<b>Total cash used</b>	<b>2,695,060</b>	<b>2,102,598</b>	<b>1,688,840</b>	<b>1,633,425</b>	<b>1,585,948</b>
<b>Net cash from/(used by) operating activities</b>	<b>15,448,648</b>	<b>16,954,239</b>	<b>19,129,030</b>	<b>20,762,118</b>	<b>22,418,617</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sale of property plant and equipment	-	-	23,069	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>23,069</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	186,134	24,862	19,694	20,166	20,508
<b>Total cash used</b>	<b>186,134</b>	<b>24,862</b>	<b>19,694</b>	<b>20,166</b>	<b>20,508</b>
<b>Net cash from/(used by) investing activities</b>	<b>(186,134)</b>	<b>(24,862)</b>	<b>3,375</b>	<b>(20,166)</b>	<b>(20,508)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital injections	143,230	24,862	19,694	20,166	20,508
<b>Total cash received</b>	<b>143,230</b>	<b>24,862</b>	<b>19,694</b>	<b>20,166</b>	<b>20,508</b>
<b>Net cash from/(used by) financing activities</b>	<b>143,230</b>	<b>24,862</b>	<b>19,694</b>	<b>20,166</b>	<b>20,508</b>
<b>Net increase/(decrease) in cash held</b>	<b>15,405,744</b>	<b>16,954,239</b>	<b>19,152,099</b>	<b>20,762,118</b>	<b>22,418,617</b>

Prepared on Australian Accounting Standards basis.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
Cash and cash equivalents at beginning of reporting period	45,609	45,609	45,609	45,609	45,609
Cash from Official Public Account for:					
- Appropriations	2,653,395	2,017,586	1,603,650	1,544,015	1,522,056
<b>Total cash from Official Public Account</b>	<b>2,653,395</b>	<b>2,017,586</b>	<b>1,603,650</b>	<b>1,544,015</b>	<b>1,522,056</b>
Cash to Official Public Account for:					
- Appropriations	18,059,139	18,971,825	20,755,749	22,306,133	23,940,673
<b>Total cash to Official Public Account</b>	<b>18,059,139</b>	<b>18,971,825</b>	<b>20,755,749</b>	<b>22,306,133</b>	<b>23,940,673</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>45,609</b>	<b>45,609</b>	<b>45,609</b>	<b>45,609</b>	<b>45,609</b>

Prepared on Australian Accounting Standards basis.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (ACB)	18,856	19,272	19,694	20,166	20,508
Administered Assets and Liabilities - Bill 2	124,374	5,590	-	-	-
<b>Total new capital appropriations</b>	<b>143,230</b>	<b>24,862</b>	<b>19,694</b>	<b>20,166</b>	<b>20,508</b>
<b>Provided for:</b>					
<i>Purchase of non-financial assets</i>	<i>143,230</i>	<i>24,862</i>	<i>19,694</i>	<i>20,166</i>	<i>20,508</i>
<b>Total items</b>	<b>143,230</b>	<b>24,862</b>	<b>19,694</b>	<b>20,166</b>	<b>20,508</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>a</sup>	162,584	5,590	-	-	-
Funded by capital appropriation - ACB <sup>b</sup>	23,550	19,272	19,694	20,166	20,508
<b>TOTAL AMOUNT SPENT</b>	<b>186,134</b>	<b>24,862</b>	<b>19,694</b>	<b>20,166</b>	<b>20,508</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total accrual purchases	186,134	24,862	19,694	20,166	20,508
<b>Total cash used to acquire assets</b>	<b>186,134</b>	<b>24,862</b>	<b>19,694</b>	<b>20,166</b>	<b>20,508</b>

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

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

Prepared on Australian Accounting Standards basis.

**Table 3.11: Statement of administered asset movements (Budget year 2017-18)**

	Asset Category				Total
	Land	Buildings	Other property, plant and equipment	L&B, IP&E held for sale	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>					
Gross book value	47,598	1,581,887	199,155	25,135	<b>1,853,775</b>
Accumulated depreciation/amortisation and impairment	-	(220,972)	(29,194)	-	<b>(250,166)</b>
<b>Opening net book balance</b>	<b>47,598</b>	<b>1,360,915</b>	<b>169,961</b>	<b>25,135</b>	<b>1,603,609</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - appropriation equity <sup>a</sup>	-	23,920	942	-	24,862
<b>Total additions</b>	<b>-</b>	<b>23,920</b>	<b>942</b>	<b>-</b>	<b>24,862</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	(104,661)	(14,440)	-	<b>(119,101)</b>
<b>Total other movements</b>	<b>-</b>	<b>(104,661)</b>	<b>(14,440)</b>	<b>-</b>	<b>(119,101)</b>
<b>As at 30 June 2018</b>					
Gross book value	47,598	1,605,807	200,097	25,135	<b>1,878,637</b>
Accumulated depreciation/amortisation and impairment	-	(325,633)	(43,634)	-	<b>(369,267)</b>
<b>Closing net book balance</b>	<b>47,598</b>	<b>1,280,174</b>	<b>156,463</b>	<b>25,135</b>	<b>1,509,370</b>

a. 'Appropriation equity' refers to Administered Assets and Liabilities provided through Appropriation Bill (No. 2) 2017-18.

Prepared on Australian Accounting Standards basis.



## **PORTFOLIO GLOSSARY**

Term	Meaning
Administered items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered revenue includes Customs Duty, VAC and other taxes. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party agencies.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Appropriation	An authorisation by Parliament to spend monies from the Consolidated Revenue Fund (CRF), for a particular purpose.
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.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one CRF. The CRF is not a bank account. The Official Public Accounts reflects most of the operations of the CRF.
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing program 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.
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.

## Glossary

Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Decreases in economic benefits in the form of outflows or depletions of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.
Forward estimates period	The three years following the Budget year. For example if 2017-18 is the Budget year, 2018-19 is forward year 1, 2019-20 is forward year 2 and 2020-21 is forward year 3. This period does not include the current or Budget year.
<i>PGPA Act</i>	The <i>PGPA Act 2013</i> is the principal legislation concerning the governance, performance and accountability of, and the use and management of public resources by the Commonwealth.
Measure	A new policy or savings decision of the Government with financial impacts on the Government's underlying cash balance, fiscal balance, operating balance, headline cash balance, net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in Budget Paper No. 2, and in the Mid-Year Economic and Fiscal Outlook (MYEFO).
<i>Migration Act</i>	<i>Migration Act 1958.</i>
Special account	Balances existing within the CRF that are supported by standing appropriations <i>PGPA Act</i> s.78, s.79 and s.80. Special Accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s. 78 of the <i>PGPA Act</i> ) or through an Act of Parliament (referred to in s. 80 of the <i>PGPA Act</i> ).



# INDEX

<b>Acronym</b>	<b>Description</b>
ABF	Australian Border Force
ACB	Administered Capital Budget
CRF	Consolidated Revenue Fund
DCB	Departmental Capital Budget
DIBP	Department of Immigration and Border Protection
FTA	Free Trade Agreement
GST	Goods and Services Tax
IPC	Import Processing Charge
IMA	Illegal Maritime Arrival
MP	Member of Parliament
MYEFO	Mid-Year Economic and Fiscal Outlook
nm <sup>2</sup>	Nautical Square Miles
OTM	Other Trust Monies
PB Statements	Portfolio Budget Statements
PMC	Passenger Movement Charge
SOETM	Services for Other Entities and Trust Moneys
SOG	Services for Other Government and Non-agency Bodies accounts
VAC	Visa Application Charge
VEVO	Visa Entitlement Verification Online