

AUSTRALIAN TRADE COMMISSION

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AUSTRALIAN TRADE COMMISSION

Section 1: Overview

The Australian Trade Commission (Austrade) is the Australian Government's export and international business facilitation agency. It supports Australian companies to access overseas markets, export market development grants and international opportunities through Austrade offices overseas and across Australia and through partners across Australia. As the Australian Government's principal trade and international business facilitation agency, operating as a statutory agency within the Foreign Affairs and Trade portfolio, Austrade's mandate is to help Australian businesses reduce the time, cost and risks involved in entering overseas markets and expanding commerce in these markets.

Austrade delivers:

- international business opportunities to Australians;
- export and outward investment services;
- administration of the Export Market Development Grants (EMDG) scheme;
- programmes designed to improve community awareness of, and commitment to, trade and international investment;
- advice to the Australian Government about, and coordination of, its export and international business facilitation activities; and
- consular, passport and immigration services in designated locations.

Austrade delivers these services through a global network of offices, with representatives overseas in over 130 locations in more than 60 countries. In addition, across Australia Austrade operates 18 offices and a network of over 50 TradeStart offices in partnership with public and private sector ally organisations. Through this network Austrade works with Australian businesses to identify and capture export opportunities.

In 2006-07, Austrade will build upon the gains of the previous year. Responding to the Government's policy and priorities, Austrade's Corporate Plan has the following three priorities:

- drive export outcomes through existing free trade agreements (FTA). These include the Australia-United States Free Trade Agreement, Australia New Zealand

Closer Economic Relations Agreement, Thailand-Australia Free Trade Agreement, and Singapore-Australia Free Trade Agreement. Austrade is also increasing its focus on anticipated future FTA markets of China, United Arab Emirates, Malaysia and ASEAN (with New Zealand);

- expand Australia's international business in established markets and in key growth markets, such as China and India; and
- enhance export development through an industry focus in our onshore and offshore network and through alignment with industry allies and Government agencies.

These priorities for 2006-07 are within the broad objectives of the Corporate Plan, which are to drive growth in export value and double the number of Australian exporters through:

- assisting more Australian businesses to become sustainable exporters (primarily small-size businesses);
- growing established exporters to increase export value;
- providing more value to Australian businesses by expanding delivery of Austrade services through allies and partners; and
- raising awareness of the benefit of export among businesses and the community including working closely with DFAT to raise awareness in the Australian business community of opportunities resulting from FTAs and international business.

Aligned with these objectives, Austrade will implement the announced changes to the renewed EMDG scheme and continue the TradeStart programme.

Austrade will also implement the changes arising from its transition in governance arrangements from a governing board to executive management.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Outputs
Outcome 1		
Australians succeeding in international business with widespread community support.	<p>Austrade focuses its efforts and resources on delivering:</p> <ul style="list-style-type: none"> · International business opportunities to Australians; · Export and outward investment services; · Access to the Export Market Development Grants scheme as an incentive and support for Australian SMEs to enter export markets and become sustainable exporters; · Programs designed to improve community awareness of, and commitment to, trade and international investment; · Advice to the Australian Government about, and coordination of, its export and international business facilitation activities 	<p>Output 1.1 - Awareness raising: Community commitment to trade and investment; understanding of the Australian Government's export assistance programme and a positive image of Australia overseas</p> <p>Output 1.2 - Government advice and coordination: Advice to the Australian Government and coordination of Australia's export activities</p> <p>Output 1.3 - Services and Opportunities: Export and investment services and opportunities for Australians through a national and global network</p> <p>Output 1.4 - Austrade Administered: Export Market Development Grants for small to medium sized businesses and International Trade Enhancement Scheme (ITES) loans/advances</p>
Outcome 2		
Australians informed about and provided access to consular, passport and immigration services in specific locations overseas.	Consular, passport and immigration services in designated locations.	Output 2.1 - Consular, passport and immigration services

Section 2: Resources for 2006-07

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

The total appropriation for Austrade's outputs in the 2006-07 Budget is \$333.3 million.

Table 2.1: Appropriations and other resources 2006-07¹ ('000)

Agency/Outcome/ Non-operating	Departmental				Administered					Total
	Appropriation	Appropriation	Special	Receipts	Appropriation	Appropriation Bill No. 2	Special	Receipts	Total	
	Bill No. 1 \$'000	Bill No. 2 \$'000	Appropriation \$'000	(a) \$'000	Bill No. 1 \$'000	SPPs \$'000	Other (b) \$'000	Appropriation \$'000	(a) \$'000	
Outcome 1- Australians succeeding in international business with widespread community support	163,134	0	0	33,019	160,400	0	0	0	0	356,553
Outcome 2 - Australians informed about and provided access to consular, passport and immigration services in specific locations overseas	9,783	0	0	2,666	0	0	0	0	0	12,449
Equity injections	0	8,281	0	0	0	0	0	0	0	8,281
Loans	0	0	0	0	0	0	0	0	0	0
Previous years' outputs	0	0	0	0	0	0	0	0	0	0
Administered assets and liabilities	0	0	0	0	0	0	0	0	0	0
Special capital Appropriation	0	0	0	0	0	0	0	0	0	0
TOTAL	172,917	8,281	0	35,685	160,400	0	0	0	0	377,283

(a) Departmental and administered receipts from other sources (i.e. other than appropriation amounts) that are available to be used.

(b) Includes new administered expenses and administered assets and liabilities.

1. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.

Note: Refer to Budgeted Income Statement for application of agency revenue.

2.2 2006-07 BUDGET MEASURES

Budget measures relating to Austrade as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

Table 2.2 Austrade measures

Measure Title	Output affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
		Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense Measures													
<u>Outcome 1</u>													
India - enhancing Australia's commercial engagement	3	0.0	2,122.0	2,122.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tradestart - extension ^	3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Export Market Development	4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants scheme - continuation ^													
<u>Outcome 2</u>													
Overseas Consular and Crisis Response - strengthening assistance to Australians*	1	0.0	1,236.0	1,236.0	0.0	1,384.0	1,384.0	0.0	1,400.0	1,400.0	0.0	1,433.0	1,433.0
Total Expense Measures		0.0	3,358.0	3,358.0	0.0	1,384.0	1,384.0	0.0	1,400.0	1,400.0	0.0	1,433.0	1,433.0
Capital Measures													
<u>Outcome 1</u>													
India - enhancing Australia's commercial engagement	3	0.0	450.0	450.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Capital Measures		0.0	450.0	450.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total of All Measures		0.0	3,808.0	3,808.0	0.0	1,384.0	1,384.0	0.0	1,400.0	1,400.0	0.0	1,433.0	1,433.0

^ Provision for this funding has already been included in the forward estimates

* Represents a cross-portfolio measure. Other affected Agencies are DFAT and Attorney General's Department.

2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 below provides details of resources obtained by Austrade for provision of goods and services. These resources are approved for use by Austrade and are included in Table 2.1. The minor variance between the two Tables is due to Table 2.1 being prepared on a cash basis, and Table 2.3 being prepared on an accruals basis.

Table 2.3: Other resources available to be used¹

	Estimated resources 2005-06 \$'000	Budget estimate 2006-07 \$'000
Departmental other resources		
Sale of goods and services	28,160	29,705
Interest	2,456	2,456
Other	3,875	3,778
Total departmental other resources available to be used	34,491	35,939
Administered other resources		
Interest	40	0
Other	64	0
Total administered other resources available to be used	104	0

Notes:

1. This table replaces the former table 'Receipts from other sources'. It represents own source revenue available for use on departmental purposes.

2.4 MOVEMENT OF ADMINISTERED FUNDS FROM 2005-06 TO 2006-07

Not applicable to Austrade.

2.5 SPECIAL APPROPRIATIONS

Not applicable to Austrade.

2.6 SPECIAL ACCOUNTS

Not applicable to Austrade.

2.7 ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Government is providing a departmental equity injection of \$8.3 million in 2006-07. \$7.8 million will be spent on implementing security upgrades at overseas missions, including the relocation of some missions. \$0.5 million will be spent on establishing infrastructure associated with the new measure *India – enhancing Australia’s commercial engagement*.

Austrade has no administered capital or departmental loans.

Section 3: Outcomes

The map on the next page shows the relationship between Austrade's two outcomes and its five outputs. The Australian Government has set these outcomes, which are primarily directed to the economic well-being of the Australian community and job creation.

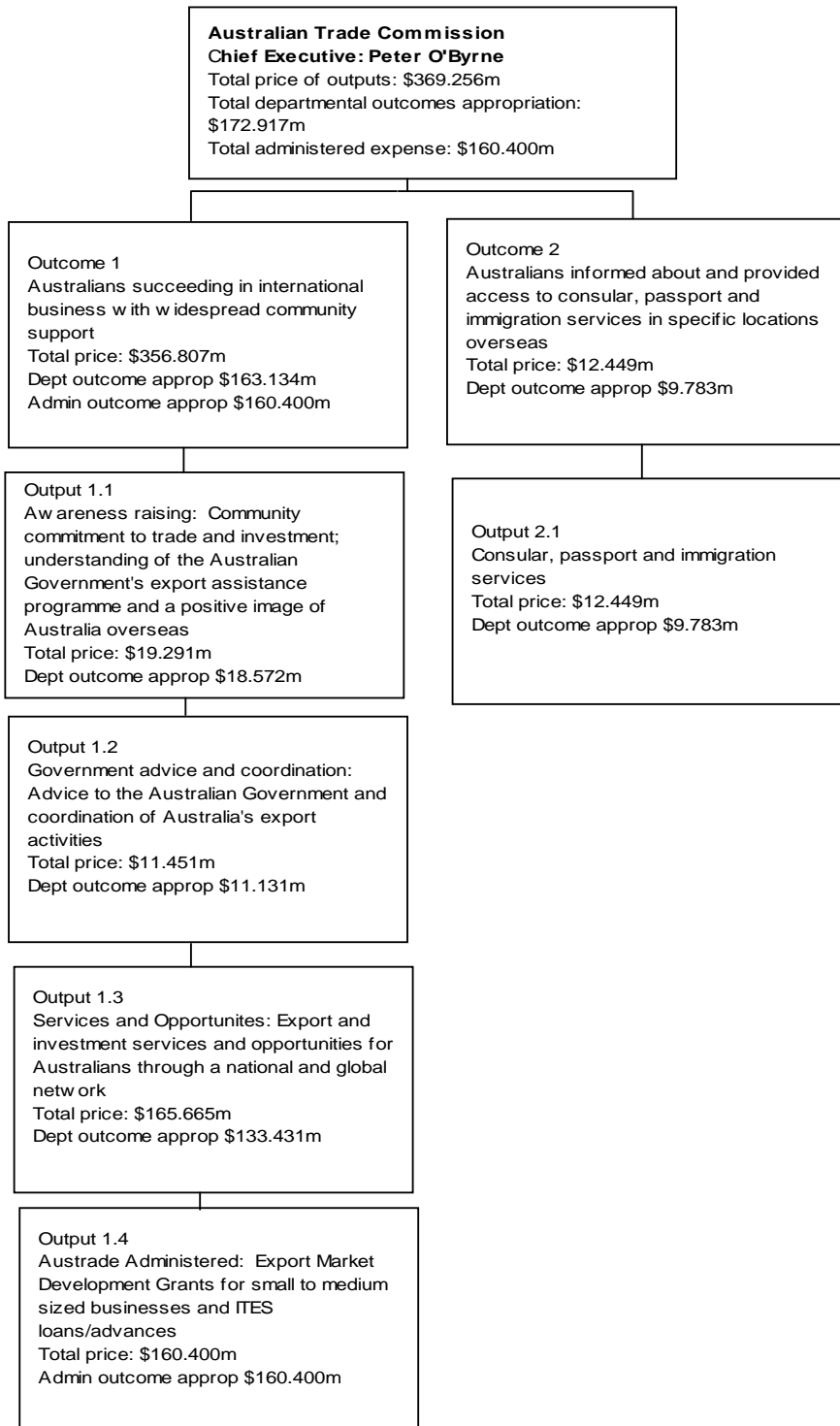
Austrade's performance is continually monitored using measures of performance at a corporate level, a unit level and individually through performance agreements with Austrade staff.

The services delivered to achieve Austrade's outputs are subject to market testing, where appropriate, to ensure they are delivered in the most efficient manner and in accordance with Government competitive tendering and contracting policy.

3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The relationship between the activities of Austrade and the outcomes is summarised in Figure 4. There has been no alteration to Austrade's outcome structure since the 2005-2006 Portfolio Budget Statements.

Figure 4: Contributions to outcomes

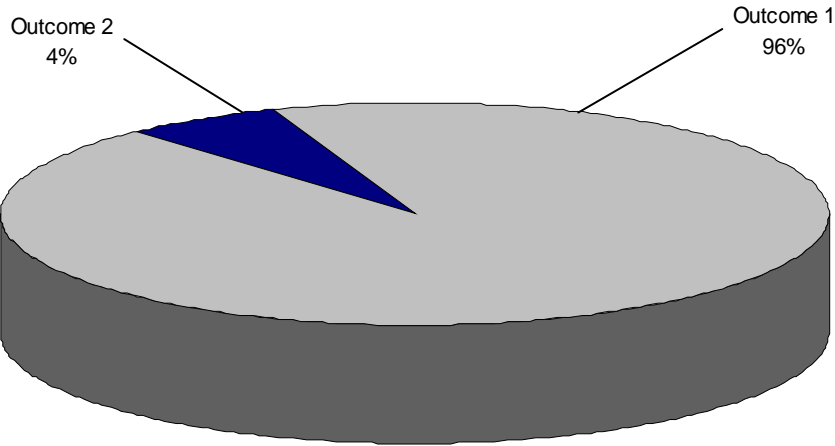


3.2 OUTCOMES — DEPARTMENTAL AND ADMINISTERED

Departmental appropriations by outcome

Figure 5 shows Departmental appropriations by outcome for 2006-07.

Figure 5: Departmental appropriations by outcome, 2006-07



Administered appropriations by outcome

Figure 6: Administered appropriations by outcome, 2006-07

Administered appropriations are solely attributable to Outcome 1. These administered appropriations total \$160.4 million.

3.3 OUTCOMES AND PERFORMANCE

Outcome 1 resourcing

Table 3.1 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

Table 3.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
Administered appropriations		
Output 1.4 - Austrade Administered	145,402	160,400
Total administered appropriations	145,402	160,400
Departmental appropriations		
Output 1.1 - Awareness Raising	18,320	18,572
Subtotal Output 1.1	18,320	18,572
Departmental appropriations		
Output 1.2 - Government advice and coordination	13,020	11,131
Subtotal Output 1.2	13,020	11,131
Departmental appropriations		
Output 1.3 - Services and opportunities	126,850	133,431
Subtotal Output 1.3	126,850	133,431
Total revenue from government (appropriations)	158,190	163,134
Contributing to price of departmental outputs	83.4%	83.1%
Resources from other sources		
Sale of goods and services	25,236	27,039
Interest	2,456	2,456
Other	3,875	3,778
Total resources from other sources	31,567	33,273
Total price from departmental outputs (Total revenue from government and from other sources)	189,757	196,407
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	335,159	356,807
	2005-06	2006-07
Average staffing level (number)	1,053	1,062

Measures affecting Outcome 1

India – enhancing Australia’s commercial engagement

Financial Impact: Austrade Outcome 1 will receive \$2.6 million in new funding in 2006-07 comprising \$2.1 million in expense funding and \$0.5 million in capital funding. The expense figure includes depreciation funding.

TradeStart - extension

Financial Impact: The Government will provide \$23.3 million over four years to enable the continuation of the TradeStart Programme. Provision for this funding has already been included in the forward estimates and as such no new funding is required. This measure will affect Austrade Outcome 1.

Export Market Development Grants Scheme – continuation

Financial Impact: The Government will provide \$752.0 million over five years to enable the continuation of the Export Market Development Grants scheme. Provision for this funding has already been included in the forward estimates and as such no new funding is provided. This measure will affect Austrade Outcome 1.

Further details of the above measures may be found in Budget Paper No. 2.

Contributions to achievement of Outcome 1

Austrade’s objective for the 2006-07 period is the delivery of services to assist Australians succeeding in international business with widespread community support. Within this context, Austrade is aiming to double the number of exporters ^[1] and drive growth in export value by maximising export and international business outcomes.

Footnotes:

[1] Externally reported measure by the Australian Bureau of Statistics. Not wholly within Austrade’s control.

Administered activities

Output 1.4 - Austrade Administered – Export Market Development Grants for small to medium sized businesses and ITES loans/advances.

The Export Market Development Grants scheme provides partial reimbursement for expenditure made by Australian small and medium enterprises on eligible export promotion activities, as an incentive for businesses to enter into export and grow to become sustainable exporters. A maximum of seven taxable grants of up to \$150,000 each per year may be paid to an individual grant recipient. The eligibility rules for the scheme are legislated in the *Export Market Development Grants Act 1997*. The

Agency Budget Statements – Outcomes – Austrade

contribution to this outcome is measured by the number of applicants attracted to the scheme and the number who become successful recipients of grant assistance.

Departmental outputs

Output 1.1 - Awareness Raising: Community commitment to trade and investment; understanding of the Australian Government's export assistance programmes and a positive business image of Australia overseas.

The contribution to this Outcome is measured by community awareness of the importance of the Government's trade and international business facilitation activities through Austrade. This awareness is assessed through an annual community attitudes survey.

Output 1.2 - Government advice and coordination: Advice to the Australian Government and coordination of Australia's export activities.

The contribution to this Outcome is measured by the number of briefs provided to Ministers, Parliament and public sector agencies. This contribution is also measured by the ability of Austrade to supply this material within agreed timeframes.

Output 1.3 - Services and Opportunities: Export and investment services and opportunities for Australians through a national and global network.

Austrade's Australian and overseas network offers advice, market intelligence and ongoing support and assistance to Australian businesses looking to develop international markets. The level of assistance provided is tailored to meet the needs of each business. The contribution to this Outcome is measured primarily through the number of Australian businesses that Austrade assists to achieve export deals and the overall value of those deals.

Performance information for Outcome 1

Performance information for administered items and individual outputs relating to Austrade are summarised in Table 3.2.

Table 3.2: Performance information for Outcome 1

Performance information for departmental outputs	
Output 1.1 —	
Aw areness Raising: Community commitment to trade and investment; understanding of the Australian Government's export assistance programs and a positive business image of Australia overseas	<i>Quality</i> Client satisfaction - Minister's Office ^[1]
	<i>Quantity</i> Community aw areness of the importance of the Government's trade and international business facilitation activities through Austrade ^[2] (75%) Proportion of Australians w ho believe exports make a major contribution to the economy ^[2] (80%)
[1] The measure of the Minister's satisfaction w ill be provided to the Chief Executive by the Minister	
[2] Not w holly w ithin Austrade's control	
Output 1.2 —	
Government advice and coordination: Advice to the Australian Government and coordination of Australia's export activities	<i>Quality</i> Client satisfaction - Minister's Office ^[1]
	<i>Quantity</i> Number of briefs (incl. submissions and Ministerials) provided to: Ministers, Parliament, public sector agencies (450) ^[3] Percentage of material prepared w ithin agreed timeframes (100%) ^[4]
[1] The measure of the Minister's satisfaction w ill be provided to the Chief Executive by the Minister	
[3] Estimate is a quantity based on historical performance	
[4] Target is a quantity based on planned levels of activity	

Table 3.2: Performance information for Outcome 1 (continued)

Output 1.3 —	
Services and Opportunities - Export and investment services and opportunities for Australians through a national and global network	<p><i>Quality</i></p> <p>Client satisfaction (85%)</p> <p><i>Quantity</i></p> <p>Number of clients achieving export success with Austrade's assistance (5,500) ^[4]</p> <p>Number of new and irregular exporter clients achieving export success with Austrade's assistance (1,900) ^[4]</p> <p>Number of established clients achieving export success with Austrade's assistance (3,600) ^[4]</p> <p>Dollar value of those export successes achieved by clients with acknowledged assistance from Austrade (\$18.00b) ^[4]</p> <p>Total number of clients achieving outward investment success with Austrade's assistance (140) ^[3]</p> <p>Dollar value of those outward investment successes achieved by clients with acknowledged assistance by Austrade (\$1.80b) ^[3]</p> <p>Total number of businesses achieving export success indirectly through Austrade (600) ^[3]</p> <p>Total number of clients receiving services from Austrade (16,000) ^[3]</p>
	[3] Estimate is a quantity based on historical performance
	[4] Target is a quantity based on planned levels of activity

Performance information for administered items (including third party outputs)	
Output 1.4	
Austrade Administered - Export Market Development Grants for small to medium sized businesses and International Trade Enhancement Scheme (ITES) loans/advances	<p><i>Quantity</i></p> <p>Total number of grant applicants (4,000) ^[3]</p> <p>Total number of grant recipients (3,635) ^[3]</p> <p>Number of first-time grant applicants (1,590) ^[3]</p> <p>Number of first-time grant recipients (1,360) ^[3]</p>
	[3] Estimate is a quantity based on historical performance

Evaluations for Outcome 1

Planned evaluations and reviews affecting Austrade in 2006-07, include:

- Risk Management and Internal Audit – appropriate reviews will be undertaken in accordance with the internal audit and risk management plan to ensure that sound financial, legal and ethical decision making processes are adhered to and monitored.
- Australian National Audit Office (ANAO) Performance Audits – Austrade may participate in some reviews that will be commissioned by the ANAO.

Competitive tendering and contracting

Austrade is committed to achieving value for money with all procurement activity. Consistent with the revised Commonwealth Procurement Guidelines 2005 Austrade has developed robust procurement processes that include:

- the introduction of automated document templates for planning, evaluation, tendering and reporting tenders;
- full electronic tendering including distribution, receipt and both remote and centralised evaluation of tenders; and
- clustering procurement arrangements with other government agencies where possible to achieve efficiencies through increased buying power and shared resources. Austrade plans to continue this approach during 2006-07.

A key focus reflected in Austrade's operational plan has been the commencement of a strategic sourcing exercise, the first step of which has been to establish a number of panel arrangements to improve procurement efficiency. Major functions performed by external service providers include legal services, administrative support, office equipment and supplies, internal audit and IT systems.

All business opportunities over the relevant tender threshold are advertised on AusTender. Austrade has established a panel of procurement support service providers to assist business units to manage tendering processes.

Quality control is assured by the requirement to prepare, using standard templates, procurement plans, evaluation plans, request for tender documents and draft contracts before a tender can be advertised. Procurement plans must be signed by the delegate, project manager and procurement and contracts manager before being advertised.

Probity is addressed in the evaluation plan which contains sample templates for stakeholder signatures and notices to be sent to relevant staff to raise probity awareness.

A key focus in 2006-07 will be to continue strengthening contract management and reporting processes.

Outcome 2 resourcing

Table 3.1 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome 2, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

Table 3.1: Total resources for Outcome 2 (\$'000)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
Departmental appropriations		
Output 2.1 - Consular, passport and immigration services	7,060	9,783
Subtotal Output 2.1	7,060	9,783
Total revenue from government (appropriations)	7,060	9,783
Contributing to price of departmental outputs	70.7%	78.6%
Other resources available to be used		
Sale of goods and services	2,924	2,666
Total other resources available to be used	2,924	2,666
Total price from departmental outputs (Total revenue from government and from other sources)	9,984	12,449
Total estimated resourcing for Outcome 2 (Total price of outputs and administered appropriations)	9,984	12,449
	2005-06	2006-07
Average staffing level (number)	41	53

Measures affecting Outcome 2

Overseas Consular and Crisis Response – strengthening assistance to Australians

Financial Impact: Austrade Outcome 2 will receive \$1.2 million in expense funding in 2006-07, \$1.4 million in expense funding in 2007-08, \$1.4 million in expense funding in 2008-09 and \$1.4 million in 2009-10.

Further details of the above measure may be found in Budget Paper No. 2.

Contributions to achievement of Outcome 2

Austrade's specific objective for the 2006-07 period is the delivery of comprehensive, responsive, high quality consular and passport services in specific locations overseas.

Administered activities

There are no administered programmes run by Austrade under Outcome 2.

Departmental outputs

Output 2.1 – Consular, passport and immigration services.

In certain locations overseas, Austrade manages consulates for the Australian Government providing a range of consular, passport and immigration services. The contribution to this Outcome is measured by client satisfaction (DFAT and DIMA), as well as quantitative measures including the number of travel documents issued, the number of notarial acts prepared, the number of Australians assisted overseas and the number of visa applications received.

Performance information for Outcome 2

Performance information for administered items and individual outputs relating to Austrade are summarised in Table 3.2.

Table 3.2: Performance information for Outcome 2

Output 2.1 — Consular, passport and immigration services	<i>Quality</i>
	Client satisfaction (DFAT and DIMA)
	<i>Quantity</i>
	Number of travel documents issued Number of notarial acts Number of Australians assisted overseas (not receiving travel documents or notarial acts) Number of visa applications received

Evaluations for Outcome 2

- Refer to Evaluations under Outcome 1.

Competitive tendering and contracting

- Refer to Competitive Tendering and Contracting under Outcome 1.

Section 4: Other reporting requirements

4.1 PURCHASER-PROVIDER ARRANGEMENTS

1. Purchaser-provider arrangements – Where Austrade purchases cross agency services

Department of Foreign Affairs and Trade (DFAT)

Cross agency overview and responsibility

Common Administrative Services (CAS) - In conjunction with a number of Commonwealth departments and agencies, Austrade purchases Common Administrative Services (CAS) from the Department of Foreign Affairs and Trade at numerous DFAT managed overseas posts.

The present three year CAS Service Level Agreement will expire on 31 August 2007.

Resourcing

The purchase of CAS from DFAT is resourced through all outputs under Outcome 1.

Provision of Information and Communication Technology (ICT) Services - Under a Memorandum of Understanding with DFAT, Austrade purchases a limited range of Information and Communication Technology (ICT) services within Australia and at overseas posts.

The current MOU will expire on 30 June 2007.

The purchase of ICT services from DFAT is resourced through Outputs 1.2 and 1.3 under Outcome 1 and under Output 2.1 under Outcome 2.

2. Provider Arrangements - Where Austrade supplies cross agency services

In 2006-07, Austrade will be providing services to:

- Department of Agriculture, Fisheries and Forestry;
- Department of Foreign Affairs and Trade;
- Department of Industry, Tourism and Resources;

- Department of Immigration and Multicultural Affairs; and
- Department of Education, Science and Training.

Department of Agriculture, Fisheries and Forestry

Wine Promotion

Austrade works closely with the Australian Wine and Brandy Corporation to develop strategies and undertake marketing and promotion activities in a number of markets to increase exports of Australian wine.

Resourcing and performance information for the provision of these services can be found under Outcome 1, Output 1.3.

Department of Foreign Affairs and Trade

Consular Services

DFAT is responsible for the provision of access to consular and passport services in Australia and overseas. In certain locations overseas, Austrade manages consulates for the Australian Government, providing a range of consular assistance, including passport services, notarial acts, medical evacuations, prison visits and general advice and assistance to Australians overseas.

Resourcing and performance information for the provision of these services can be found under Outcome 2, Output 2.1.

Department of Industry, Tourism and Resources

Investment Attraction

Invest Australia, part of the Department of Industry, Tourism and Resources, is the Australian Government's investment attraction agency. Under a memorandum of understanding (MOU) with Invest Australia, Austrade supports Invest Australia's inwards investment role and provides IT services. This is done through the Australian Trade Commissioner network overseas.

Resourcing and performance information for the provision of these services can be found under Outcome 1, Output 1.3.

Tourism

Tourism Australia is the Australian Government's statutory authority responsible for international and domestic tourism marketing as well as the delivery of research and forecasts for the sector.

Austrade and Tourism Australia have entered into a MOU which sets out the operating guidelines for both agencies in markets where both agencies have a presence and in markets where only Austrade is represented. Tourism Australia makes their *Aussie Enthusiast* collateral available to Austrade.

Resourcing and performance information for the provision of these services can be found under Outcome 1, Output 1.3.

Government Assistance Programmes

Under a Memorandum of Understanding, Austrade and AusIndustry have agreed to work together on a number of collaborative activities to enhance awareness among Australian businesses of Government assistance programmes. Joint activities, information sharing and streamlined communication channels between the two agencies in both local and overseas posts are covered under the provisions of the MOU.

Resourcing and performance information for the provision of these services can be found under Outcome 1, Output 1.3.

Department of Immigration and Multicultural Affairs

Visa Services

In a limited number of overseas locations, Austrade manages the delivery of immigration (visa) services on behalf of the Department of Immigration and Multicultural Affairs.

Resourcing and performance information for the provision of these services can be found under Outcome 2, Output 2.1.

Department of Education, Science and Training

Australian Education and Training Services

Australian Education International (AEI) is part of the Department of Education, Science and Training (DEST). AEI's mission is to advance the internationalisation of the Australian education and training industry and to promote the industry's services to international clients. Austrade has a Memorandum of Understanding with DEST which sets out the operating guidelines for both agencies and Austrade delivers generic marketing and promotion services on behalf of AEI in Europe and Latin America.

ICT Services

DEST has also entered into a Service Level Agreement with Austrade for the provision of ICT services. Under the Agreement, Austrade provides ICT services to AEI in a number of overseas posts.

Resourcing and performance information for the provision of these services can be found under Outcome 1, Output 1.3.

4.2 COST RECOVERY ARRANGEMENTS

Austrade's Cost Recovery Impact Statement process, or a modified process therein, will be undertaken in a timeframe consistent with the Government's five-year review schedule for existing arrangements, currently scheduled for 2007.

Austrade charges for some services delivered to Australian companies in support of trade promotion activities and events on a cost recovery basis, as determined under Austrade's policies.

4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)

Refer to Portfolio Table 1 in the 'Portfolio Overview' section.

Section 5: Budgeted financial statements

5.1 ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of Austrade's budgeted financial statements, as reflected in the budgeted Departmental financial statements and Administered schedules for 2006-07, is provided below.

Departmental financial statements

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

Budgeted departmental income statement

Austrade is budgeting for an operating loss for 2006-2007 of \$4.0 million. This represents a continuance of strategic expenditure to best position Austrade to fulfil its role to drive growth in export value and double the number of Australian exporters.

Total income in 2006-07 is estimated to be \$208.9 million, an increase of \$9.1 million from the 2005-06 estimated actual. The increase is primarily as a result of:

- Increased appropriation funding of \$3.4 million for new measures included in the 2006-07 Budget to enable delivery of more extensive export services in India and expanding consular services in designated countries;
- Reduced appropriation for earlier years measures of \$1.5 million;
- Increased appropriation of \$5.7 million for parameter adjustments including foreign exchange movements, inflation and the recovery of foreign exchange losses incurred in the 2005-06 year; and
- Increased revenue from services provided by Austrade of \$1.5 million.

Total expenses are estimated to be \$212.9 million, an increase of \$9.2 million from the 2005-06 estimated actual. The increase is primarily due to the impact of 2006-07 new measures, increased estimates due to parameter influences, and further expansion of services provided on behalf of others.

Budgeted departmental balance sheet

Austrade's budgeted net asset position of \$84.8 million represents an increase of \$4.3 million from the 2005-06 estimated actual.

Total assets are expected to increase by \$2.7 million to \$120.6 million, reflecting a projected increase in fixed assets of \$16.2 million primarily due to increased investment in security and information technology; offset by a decrease in financial assets of \$13.5 million utilised to fund fixed asset purchases and the planned operating loss.

Total liabilities are expected to decrease by \$1.6 million to \$35.8 million. Austrade's primary liabilities continue to be accrued employee leave entitlements of \$19.4 million, and general suppliers' liabilities for goods and services provided of \$7.8 million.

Budgeted departmental statement of cash flows

This statement shows the extent and nature of cash flows to and from Austrade's operating, investing, and financing activities. End of year cash is estimated to be \$13.5 million lower than the opening cash position. This is due to planned expenditure on fixed assets as well as cash expenditure associated with Austrade's budgeted operating loss.

Departmental statement of changes in equity — summary of movement

This statement shows changes in equity resulting from the net impact of movements in accumulated results, assets revaluation and other reserves, and contributed equity. Total equity in 2006-07 is estimated to be \$84.8 million, an increase of \$4.3 million from the 2005-06 estimated actual. This increase is a result of capital injection receivable in 2006-07 of \$8.3 million, partially offset by a projected operating loss of \$4.0 million.

Departmental capital budget statement

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

Departmental property, plant, equipment and intangibles — summary of movement

This statement shows budgeted acquisitions and disposals of non-financial assets during the budget year. The major movement to non-financial assets is from estimated additions of \$29.9 million in infrastructure, plant and equipment, and intangibles.

Schedules of administered activity

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

Schedule of budgeted income and expenses administered on behalf of government

Austrade will have available appropriation revenue of \$160.4 million for payments it will administer on behalf of the government. Administered non-appropriation revenue will decrease to nil from the estimated actual of \$0.1 million in 2005-06, as loan repayments relating to the discontinued International Trade Enhancement Scheme have concluded.

Grant expenditure relating to the EMDG scheme is budgeted at \$152.4 million, representing an increase of \$15.3 million from the 2005-06 estimated actual. The increase is due to projected increased participation by eligible exporters in the grant scheme. The balance of \$8.0 million in expenditure relates to administrative costs of running the EMDG scheme on behalf of the Government.

Schedule of budgeted assets and liabilities administered on behalf of government

Total assets and liabilities administered by Austrade on behalf of the Commonwealth are expected to remain stable in 2006-07.

Schedule of budgeted administered cash flows

This schedule shows cash flows administered on behalf of the Government. All cash received is expected to be expended on the Export Market Development Grants scheme, with no resulting change to opening cash for the 2006-07 financial year.

Schedule of administered property, plant, equipment and intangibles — summary of movement

Not applicable to Austrade.

5.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental income statement for the period ended 30 June 2007

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government	165,250	172,917	171,557	170,888	172,558
Goods and services	28,160	29,705	29,479	29,479	29,479
Interest	2,456	2,456	2,556	2,756	2,756
Dividends	0	0	0	0	0
Rents	0	0	0	0	0
Royalties	0	0	0	0	0
Other	3,525	3,528	3,427	3,227	3,227
Total revenue	199,391	208,606	207,019	206,350	208,020
Gains					
Net foreign exchange gains	120	0	0	0	0
Reversals of previous asset write-downs	0	0	0	0	0
Net gains from sale of assets	230	250	250	250	250
Other					
Total gains	350	250	250	250	250
Total income	199,741	208,856	207,269	206,600	208,270
EXPENSE					
Employees	98,478	102,311	97,314	97,402	97,511
Suppliers	92,810	96,847	96,154	95,153	96,714
Grants	0	0	0	0	0
Subsidies	0	0	0	0	0
Depreciation and amortisation	11,983	13,298	13,401	13,645	13,645
Finance costs	0	0	0	0	0
Write-down of assets and impairment of assets	200	200	200	200	200
Net losses from sale of assets	200	200	200	200	200
Net foreign exchange losses	0	0	0	0	0
Other	0	0	0	0	0
Total expenses	203,671	212,856	207,269	206,600	208,270
Share of operating results of associates and joint ventures accounted for using the equity method	0	0	0	0	0

Table 5.1: Budgeted departmental income statement for the period ended 30 June 2007 (continued)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
Operating result from continuing operations	(3,930)	(4,000)	0	0	0
Operating result from discontinued operations	0	0	0	0	0
Gain (loss) on remeasuring discontinued operations	0	0	0	0	0
Operating result					
Minority interest in net surplus or (deficit)	0	0	0	0	0
Net surplus or (deficit) attributable to the Australian Government	(3,930)	(4,000)	0	0	0

**Table 5.2: Budgeted departmental balance sheet
as at 30 June 2007**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash	26,733	13,191	15,307	17,267	19,227
Receivables	6,686	6,690	6,690	6,690	6,690
Investments accounted for under the equity method	0	0	0	0	0
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	0	0	0	0	0
Other investments	0	0	0	0	0
Tax assets	0	0	0	0	0
Accrued revenues	0	0	0	0	0
Other	0	0	0	0	0
Total financial assets	33,419	19,881	21,997	23,957	25,917
Non-financial assets					
Land and buildings	27,104	26,834	26,564	26,294	26,024
Infrastructure, plant and equipment	35,951	48,944	51,876	50,291	48,706
Investment properties	7,713	7,713	7,713	7,713	7,713
Heritage and cultural assets	0	0	0	0	0
Inventories	0	0	0	0	0
Intangibles	10,133	13,603	14,072	14,454	14,836
Biological assets	0	0	0	0	0
Assets held for sale	0	0	0	0	0
Other	3,611	3,611	3,611	3,611	3,611
Total non-financial assets	84,512	100,705	103,836	102,363	100,890
Total assets	117,931	120,586	125,833	126,320	126,807
LIABILITIES					
Interest bearing liabilities					
Loans	0	0	0	0	0
Leases	0	0	0	0	0
Deposits	0	0	0	0	0
Overdraft	0	0	0	0	0
Other	0	0	0	0	0
Total interest bearing liabilities	0	0	0	0	0
Provisions					
Employees	19,933	19,433	20,933	22,433	23,933
Other	0	0	0	0	0
Total provisions	19,933	19,433	20,933	22,433	23,933
Payables					
Suppliers	8,607	7,789	6,971	6,153	5,335
Grants	0	0	0	0	0
Dividends	0	0	0	0	0
Finance costs	0	0	0	0	0
Other	8,883	8,575	8,267	7,959	7,651
Total payables	17,490	16,364	15,238	14,112	12,986
Liabilities included in disposal groups held for sale	0	0	0	0	0
Total liabilities	37,423	35,797	36,171	36,545	36,919

**Table 5.2: Budgeted departmental balance sheet
as at 30 June 2007 (continued)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	21,912	30,193	35,066	35,179	35,292
Reserves	69,758	69,758	69,758	69,758	69,758
Statutory funds	0	0	0	0	0
Retained surpluses or accumulated deficits	(11,162)	(15,162)	(15,162)	(15,162)	(15,162)
Total parent entity interest	80,508	84,789	89,662	89,775	89,888
Minority interest					
Contributed equity	0	0	0	0	0
Reserves	0	0	0	0	0
Statutory funds	0	0	0	0	0
Retained surpluses or accumulated deficits	0	0	0	0	0
Total minority interest	0	0	0	0	0
Total equity	80,508	84,789	89,662	89,775	89,888
Current assets	32,073	22,145	24,261	26,221	28,181
Non-current assets	85,858	98,441	101,572	100,099	98,626
Current liabilities	23,427	20,971	21,417	21,862	22,308
Non-current liabilities	13,996	14,826	14,754	14,683	14,611

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June 2007

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	28,160	29,701	29,479	29,479	29,479
Appropriations	165,250	172,917	171,557	170,888	172,558
Interest	2,456	2,456	2,556	2,756	2,756
Dividends	0	0	0	0	0
Other	14,626	8,421	8,291	8,047	8,118
Total cash received	210,492	213,495	211,883	211,170	212,912
Cash used					
Employees	95,424	102,811	95,814	95,788	96,011
Suppliers	97,105	97,973	97,280	96,393	97,840
Grants	0	0	0	0	0
Financing costs	0	0	0	0	0
Other	4,855	4,893	4,864	4,820	4,892
Total cash used	197,384	205,677	197,958	197,001	198,743
Net cash from or (used by) operating activities	13,108	7,818	13,925	14,169	14,169
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	230	250	250	250	250
Proceeds from sales of financial instruments	0	0	0	0	0
Bills of exchange and promissory notes	0	0	0	0	0
Repayments of loans made	0	0	0	0	0
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	0	0	0	0	0
Other	0	0	0	0	0
Total cash received	230	250	250	250	250
Cash used					
Purchase of property, plant and equipment	25,775	29,891	16,932	12,572	12,572
Purchase of financial instruments	0	0	0	0	0
Bills of exchange and promissory notes	0	0	0	0	0
Loans made	0	0	0	0	0
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	0	0	0	0	0
Other	0	0	0	0	0
Total cash used	25,775	29,891	16,932	12,572	12,572
Net cash from or (used by) investing activities	(25,545)	(29,641)	(16,682)	(12,322)	(12,322)

Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June 2007 (continued)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	8,669	8,281	4,873	113	113
Proceeds from issuing financial instruments	0	0	0	0	0
Proceeds from loans	0	0	0	0	0
Other	0	0	0	0	0
Total cash received	8,669	8,281	4,873	113	113
Cash used					
Repayments of debt	0	0	0	0	0
Dividends paid	0	0	0	0	0
Other	0	0	0	0	0
Total cash used	0	0	0	0	0
Net cash from or (used by) financing activities	8,669	8,281	4,873	113	113
Net increase or (decrease) in cash held	(3,768)	(13,542)	2,116	1,960	1,960
Cash at the beginning of the reporting period	30,501	26,733	13,191	15,307	17,267
Effect of exchange rate movements on cash at the beginning of reporting period	0	0	0	0	0
Cash at the end of the reporting period	26,733	13,191	15,307	17,267	19,227

Table 5.4: Departmental statement of changes in equity — summary of movement (Budget 2006-07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	(11,162)	27,451	42,307	21,912	80,508
Adjustment for changes in accounting policies	0	0	0	0	0
Adjusted opening balance	(11,162)	27,451	42,307	21,912	80,508
Income and expense					
Income and expenses recognised directly in equity:					0
Gain/loss on revaluation of property	0	0	0	0	0
Sub-total income and expense	(11,162)	27,451	42,307	21,912	80,508
Net operating result	(4,000)	0	0	0	(4,000)
Total income and expenses recognised directly in equity	(15,162)	27,451	42,307	21,912	76,508
Transactions with owners					
<i>Distribution to owners</i>					
Returns on capital					
Dividends	0	0	0	0	0
Returns of capital					
Restructuring	0	0	0	0	0
Other	0	0	0	0	0
<i>Contribution by owners</i>					
Appropriation (equity injection)	0	0	0	8,281	8,281
Other:					
Restructuring	0	0	0	0	0
Sub-total transactions with owners	0	0	0	8,281	8,281
Transfers between equity components	0	0	0	0	0
Estimated closing balance as at 30 June 2007	(15,162)	27,451	42,307	30,193	84,789

Table 5.5: Departmental capital budget statement

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	8,669	8,281	4,873	113	113
Total loans	0	0	0	0	0
Total capital appropriations	8,669	8,281	4,873	113	113
Represented by:					
Purchase of non-financial assets	8,669	8,281	4,873	113	113
Other	0	0	0	0	0
Total represented by	8,669	8,281	4,873	113	113
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	8,669	8,281	4,873	113	113
Funded internally by Departmental resources	17,106	21,610	12,059	12,459	12,459
Total	25,775	29,891	16,932	12,572	12,572

Table 5.6: Departmental property, plant, equipment and intangibles - summary of movement (Budget year 2006-07)

	Land	Investment	Buildings	Specialist	Other	Heritage	Computer	Other	Total
	property	property		military	infrastructure	and cultural	software	intangibles	
				equipment	plant and	assets			
					equipment				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006									
Gross book value	18,179	7,713	9,194	0	38,583	0	23,167	0	96,836
Accumulated depreciation	0	0	269	0	2,632	0	13,034	0	15,935
Opening net book value	18,179	7,713	8,925	0	35,951	0	10,133	0	80,901
Additions:									
by purchase	0	0	0	0	22,942	0	6,949	0	29,891
by finance lease	0	0	0	0	0	0	0	0	0
internally developed	0	0	0	0	0	0	0	0	0
from acquisitions of entities or operations (including restructuring)	0	0	0	0	0	0	0	0	0
Revaluations and impairment through equity	0	0	0	0	0	0	0	0	0
Reclassifications					0		0		0
Depreciation/amortisation expense	0	0	270	0	9,549	0	3,479	0	13,298
Impairments recognised in operating result	0	0	0	0	0	0	0	0	0
Other movements	0	0	0	0	200	0	0	0	200
Disposals:									
from disposal of entities or operations (including restructuring)	0	0	0	0	0	0	0	0	0
other disposals	0	0	0	0	200	0	0	0	200
As at 30 June 2007									
Gross book value	18,179	7,713	9,194	0	61,125	0	30,116	0	126,327
Accumulated depreciation	0	0	539	0	12,181	0	16,513	0	29,233
Estimated closing net book value	18,179	7,713	8,655	0	48,944	0	13,603	0	97,094

Table 5.7: Schedule of budgeted income and expenses administered on behalf of government for the period ended 30 June 2007

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Income tax	0	0	0	0	0
Indirect tax	0	0	0	0	0
Other taxes, fees and fines	0	0	0	0	0
Total taxation	0	0	0	0	0
Non-taxation					
Goods and services	0	0	0	0	0
Interest	40	0	0	0	0
Dividends	0	0	0	0	0
Other sources of non-taxation revenues	64	0	0	0	0
Rents	0	0	0	0	0
Royalties	0	0	0	0	0
Total non-taxation	104	0	0	0	0
Total revenues administered on behalf of Government	104	0	0	0	0
Gains					
Net foreign exchange gains	0	0	0	0	0
Net gains from sale of assets	0	0	0	0	0
Other gains	0	0	0	0	0
Total gains administered on behalf of Government	0	0	0	0	0
Total income administered on behalf of Government	104	0	0	0	0
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	137,090	152,380	142,880	142,880	142,880
Subsidies	0	0	0	0	0
Personal benefits	0	0	0	0	0
Employees	5,976	5,792	5,350	5,350	5,350
Suppliers	2,336	2,228	2,170	2,170	2,170
Depreciation and amortisation	0	0	0	0	0
Write down and impairment of assets	0	0	0	0	0
Finance costs	0	0	0	0	0
Other	0	0	0	0	0
Losses					
Net foreign exchange losses	0	0	0	0	0
Net loss from sale of assets	0	0	0	0	0
Other losses	0	0	0	0	0
Total expenses administered on behalf of Government	145,402	160,400	150,400	150,400	150,400

Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government as at 30 June 2007

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	7,438	7,438	7,438	7,438	7,438
Receivables	27	27	27	27	27
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	0	0	0	0	0
Accrued revenues	0	0	0	0	0
Other financial assets	0	0	0	0	0
Total financial assets	7,465	7,465	7,465	7,465	7,465
Non-financial assets					
Land and buildings	0	0	0	0	0
Infrastructure, plant and equipment	0	0	0	0	0
Investment properties	0	0	0	0	0
Heritage and cultural assets	0	0	0	0	0
Inventories	0	0	0	0	0
Intangibles	0	0	0	0	0
Biological assets	0	0	0	0	0
Assets held for sale	0	0	0	0	0
Other	0	0	0	0	0
Total non-financial assets	0	0	0	0	0
Total assets administered on behalf of Government	7,465	7,465	7,465	7,465	7,465
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Australian Government securities	0	0	0	0	0
Loans	0	0	0	0	0
Leases	0	0	0	0	0
Deposits	0	0	0	0	0
Overdraft	0	0	0	0	0
Other	0	0	0	0	0
Total interest bearing liabilities	0	0	0	0	0
Provisions					
Employees	1,907	1,907	1,907	1,907	1,907
Taxation refunds provided	0	0	0	0	0
Australian currency on issue	0	0	0	0	0
Other provisions	0	0	0	0	0
Total provisions	1,907	1,907	1,907	1,907	1,907

Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government as at 30 June 2007 (continued)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
Payables					
Suppliers	224	224	224	224	224
Grants and subsidies	0	0	0	0	0
Dividends	0	0	0	0	0
Finance costs	0	0	0	0	0
Personal benefits payable	0	0	0	0	0
Taxation refunds due	0	0	0	0	0
Other payables	0	0	0	0	0
Total payables	224	224	224	224	224
Liabilities included in disposal groups held for sale	0	0	0	0	0
Total liabilities administered on behalf of Government	2,131	2,131	2,131	2,131	2,131

Table 5.9: Schedule of budgeted administered cash flows for the period ended 30 June 2007

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Income tax	0	0	0	0	0
Indirect tax	0	0	0	0	0
Other taxes, fees and fines	0	0	0	0	0
Sales of goods	0	0	0	0	0
Rendering of services	0	0	0	0	0
Interest	40	0	0	0	0
Dividends	0	0	0	0	0
Other	344	200	195	195	195
Total cash received	384	200	195	195	195
Cash used					
Financing costs					
Employees	5,976	5,792	5,350	5,350	5,350
Grant payments	137,090	152,380	142,880	142,880	142,880
Interest paid	0	0	0	0	0
Subsidies paid	0	0	0	0	0
Personal benefits	0	0	0	0	0
Suppliers	2,336	2,228	2,170	2,170	2,170
Other	210	200	195	195	195
Total cash used	145,612	160,600	150,595	150,595	150,595
Net cash from or (used by) operating activities	(145,228)	(160,400)	(150,400)	(150,400)	(150,400)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment and intangibles	0	0	0	0	0
Proceeds from sales of equity instruments	0	0	0	0	0
Proceeds from sales of investments	0	0	0	0	0
Repayments of advances	0	0	0	0	0
Transfers from other entities	0	0	0	0	0
Investments (s.39 FMA Act, s.18 CAC Act, s.19 CAC Act)	0	0	0	0	0
Other	0	0	0	0	0
Total cash received	0	0	0	0	0

Table 5.9: Schedule of budgeted administered cash flows for the period ended 30 June 2007 (continued)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forw ard estimate 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000
Cash used					
Purchase of property, plant and equipment and intangibles	0	0	0	0	0
Purchase of equity instruments	0	0	0	0	0
Advances and loans made	0	0	0	0	0
Transfers to other entities	0	0	0	0	0
Investments (s.39 FMA Act, s.18 CAC Act, s.19 CAC Act)	0	0	0	0	0
Other	0	0	0	0	0
Total cash used	0	0	0	0	0
Net cash from or (used by) investing activities	0	0	0	0	0
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrow ing	0	0	0	0	0
Cash from Official Public Account	0	0	0	0	0
Other	0	0	0	0	0
Total cash received	0	0	0	0	0
Cash used					
Net repayment of borrow ings	0	0	0	0	0
Dividends paid	0	0	0	0	0
Cash to Official Public Account	0	0	0	0	0
Other	0	0	0	0	0
Total cash used	0	0	0	0	0
Net cash from or (used by) financing activities	0	0	0	0	0
Net increase or (decrease) in cash held	(145,228)	(160,400)	(150,400)	(150,400)	(150,400)
Cash at beginning of reporting period	7,264	7,438	7,438	7,438	7,438
Cash from Official Public Account for:					
- appropriations	145,402	160,400	150,400	150,400	150,400
- special accounts	0	0	0	0	0
Transfers from other entities (Finance - Whole of Government)	0	0	0	0	0
Cash to Official Public Account for:					
- appropriations	0	0	0	0	0
- special accounts	0	0	0	0	0
Transfers to other entities (Finance - Whole of Government)	0	0	0	0	0
Effect of exchange rate movements on cash at beginning of reporting period	0	0	0	0	0
Cash at end of reporting period	7,438	7,438	7,438	7,438	7,438

Table 5.10: Schedule of administered capital budget

Not applicable to Austrade.

**Table 5.11: Schedule of administered property, plant, equipment and intangibles
— summary of movement
(Budget year 2006-07)**

Not applicable to Austrade.

5.3 NOTES TO THE FINANCIAL STATEMENTS

Departmental Financial Statements and Schedule of Administered Activity

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

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

Appropriations in the accrual budgeting framework

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

- Departmental price of outputs appropriations: representing the Government's funding for outputs from agencies;
- Departmental capital appropriations: for investments by the Government for either additional equity or loans in agencies;
- Administered expense appropriations: for the estimated Administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- Administered capital appropriations: for increases in Administered equity through funding non-expense Administered payments.

Special appropriations fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to State governments).

Administered investments in controlled entities

Each Australian Government Department is required to show an Administered investment in each *Commonwealth Authority and Company (CAC) Act 1997* entity within their portfolio. These Administered investments should be valued at the Australian Government's ownership interest in the net assets of those CAC entities, fixed at a notional acquisition date of 30 June 1997.

Asset valuation

All Austrade's assets are carried at fair value.