

# **AUSTRALIAN TRADE COMMISSION (AUSTRADE)**



# Australian Trade Commission

## Section 1: Overview, variations and measures

### OVERVIEW

**There are no significant changes to Austrade's agency overview section, role/mission, outcomes and outputs, and/or its evaluation, competitive tendering and contracting and purchaser/provider practices as a result of Additional Estimates.**

### ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The Australian Trade Commission (Austrade) is seeking \$5.680m in additional estimates funding for 2000-2001 comprising:

- \$4.066m parameter adjustments for overseas inflation (\$1.143m) and foreign currency exchange rate movement (\$2.923m) to retain purchasing power equivalent to 1999-2000;
- \$0.285m adjustment for domestic price deflator;
- \$2.070m revision of capital use charge principally as a result of revaluation of assets using the deprival value methodology in 1999-2000;
- \$0.259m for movement in provisions; and
- offset by \$1m reduction in depreciation charge.

The total appropriation for the Australian Trade Commission in the 2000-2001 Budget (including Additional Estimates) is \$318.655m (May Budget \$312.975m).

That appropriation is allocated to a wide range of activities or outputs designed to provide maximum contribution to Austrade's outcomes.

### Measures

On 17 August 2000, the Government announced the continuation of the Export Market Development Grants (EMDG) scheme for a further five years from 2002-03. The EMDG scheme is a Commonwealth Government programme of financial assistance for export promotion. Current funding for the scheme ends in 2001-02. A review of the EMDG scheme was carried out this year with the review report tabled in Parliament

on 17 August 2000. The findings and recommendations of the EMDG scheme review report, including the financial implications of the scheme, will be considered by the Government in the 2001-02 Budget. An allowance for the continuation of the scheme is incorporated in the Contingency Reserve.

**Additional Estimates and Variations to Outcomes Measures**

	2000-01 (\$'000)	2000-02 (\$'000)	2000-03 (\$'000)	2000-04 (\$'000)
<b>Outcome 4</b>				
Export Market Development Grants scheme			nfp	nfp

**Other variations to appropriations**

**Additional Estimates and Variations to Outcomes Other Variations to Appropriations**

	2000-01 (\$'000)	2001-02 (\$'000)	2002-03 (\$'000)	2003-04 (\$'000)
<b>Outcomes - Departmental</b>				
Increase in departmental appropriations:				
Parameter adjustments for overseas inflation and foreign currency exchange rate movement	4,066	2,842	3,269	3,705
Revision of capital use charge as a result of revaluation of assets	2,070	1,708	1,714	1,714
Parameter adjustment for domestic price deflator	285	509	484	417
Movement in provisions	259	241	220	259
Reduction in depreciation	(1,000)	(400)	(400)	(400)
	<b>5,680</b>	<b>4,900</b>	<b>5,287</b>	<b>5,695</b>

## BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATIONS BILL

**Table 1.2 - Appropriation Bill (No 3) 2000-01**

	1999-00 Available \$'000	2000-01 Budget \$'000	2000-01 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>ADMINISTERED ITEMS</b>					
<b>Outcome 4:</b>					
Contribution to Australia's export trade performance by providing financial and other assistance to eligible Australian organisations through export market development schemes	150,350	151,468	151,468	0	0
<b>Total:</b>	<b>150,350</b>	<b>151,468</b>	<b>151,468</b>	<b>0</b>	<b>0</b>
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1:</b>					
Public understanding of Australia's trade and investment direction, government export programmes and promotion of Australia's image internationally	11,022	10,077	10,361	284	0
<b>Outcome 2:</b>					
Contribution to Australia's export trade performance by facilitating and encouraging trade and investment between Australia and foreign countries	134,998	143,711	148,870	5,159	0
<b>Outcome 3:</b>					
Australians informed about and provided access to consular, passport and immigration services in specific locations overseas	9,315	7,719	7,956	237	0
<b>Total:</b>	<b>155,335</b>	<b>161,507</b>	<b>167,187</b>	<b>5,680</b>	<b>0</b>
<b>Appropriation Bill No. 3 (Administered and Departmental) Total</b>	<b>305,685</b>	<b>312,975</b>	<b>318,655</b>	<b>5,680</b>	<b>0</b>

**Table 1.4: Appropriation Bill (No.4) 2000-01**

Nil for AUSTRADE

## SUMMARY OF STAFFING CHANGES

**Table 1.4 - Average Staffing Level (ASL) - Australian Trade Commission**

	2000-01 Budget	2000-01 Revised	Variation
<b>DEPARTMENTAL OUTPUTS</b>			
<b>Outcome 1:</b>			
Public understanding of Australia's trade and investment direction, government export programmes and promotion of Australia's image internationally	62	62	0
<b>Outcome 2:</b>			
Contribution to Australia's export trade performance by facilitating and encouraging trade and investment between Australia and foreign countries	834	834	0
<b>Outcome 3:</b>			
Australians informed about and provided access to consular, passport and immigration services in specific locations overseas	75	75	0
<b>Total:</b>	<b>971</b>	<b>971</b>	<b>0</b>
<b>ADMINISTERED ITEMS</b>			
<b>Outcome 4:</b>			
Contribution to Australia's export trade performance by providing financial and other assistance to eligible Australian organisations through export market development schemes	71	71	0
<b>Total:</b>	<b>71</b>	<b>71</b>	<b>0</b>
<b>Grand total:</b>	<b>1,042</b>	<b>1,042</b>	<b>0</b>

## VARIATIONS TO REVENUE FROM OTHER SOURCES

Table 1.5 - Variations to Revenue from Other Sources

	Total Approp 2000-01 Budget	Total Approp 2000-01 Revised	Receipts from Independent Sources Budget	Receipts from Independent Sources Revised	Variation in Non-govt Revenue
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Departmental Outputs</b>					
<b>Outcome 1:</b> Public understanding of Australia's trade and investment direction, government export programmes and promotion of Australia's image internationally	10,077	10,361	1,054	1,141	87
<b>Outcome 2:</b> Contribution to Australia's export trade performance by facilitating and encouraging trade and investment between Australia and foreign countries	143,711	148,870	29,142	30,486	1,344
<b>Outcome 3:</b> Australians informed about and provided access to consular, passport and immigration services in specific locations overseas	7,719	7,956	1,208	1,277	69
<b>Total:</b>	161,507	167,187	31,404	32,904	1,500
<b>Administered Items</b>					
<b>Outcome 4:</b> Contribution to Australia's export trade performance by providing financial and other assistance to eligible Australian organisations through export market development schemes	151,468	151,468	1,708	1,708	0
<b>Total:</b>	151,468	151,468	1,708	1,708	0
<b>Grand Total:</b>	<b>312,975</b>	<b>318,655</b>	<b>33,112</b>	<b>34,612</b>	<b>1,500</b>

## Section 2: Revisions to Outcomes and Outputs

### OUTCOMES AND OUTPUT GROUPS

There have been no changes in definition to Outcomes.

As a result of Additional Estimates, a funding increase of \$5.159m will be provided for Outcome 2 – Contribution to Australia’s export trade performance by facilitating and encouraging trade and investment between Australia and foreign countries. This funding primarily adjusts overseas expenditure for foreign exchange and international deflators to allow Austrade to maintain its purchasing power and a revision of capital use charge as a result of revaluation of assets.

There are only minimal changes in funding allocations for the other output groups.

### Revised Performance Information and Level of Achievement 2000-01

The performance information that Austrade will use to assess the level of its achievement against Output 1.1 during 2000-01 is shown below:

Table 2.1 - Performance Information for Outputs Affected by Additional Estimates: Outcome 1

Output	Performance information	
	2000-01 budget	2000-01 revised
<b>Output 1.1</b> Ongoing programmes to: show Australians the benefits of overseas trade; raise awareness of the Federal Government's export assistance programmes; and promote a positive image of Australia internationally	Quality:	Satisfaction with performance of this output
		Community awareness of the Government's trade and investment activities through Austrade (62%)
		Unprompted awareness among potential exporters of Austrade as a source of advice/services (32%)
	Quantity:	Number of awareness raising events in Australia and overseas (1,128)
	Number of overseas customer enquiries (297,934)	Quantity: <i>No Change</i>
	Media mentions net positive (1,100)	
	Price: \$11.1m	Price: <b>\$11.5m</b> ( <i>minor adjustments</i> )

## Outcome 2 — Contribution to Australia’s export trade performance by facilitating and encouraging trade and investment between Australia and foreign countries

### Revised Performance Information and Level of Achievement 2000-01

The performance information that Austrade will use to assess the level of its achievement against the additional funding increase of \$5.159m referred to above is shown below. This includes revision of performance information outlined in Austrade’s 2000-01 Portfolio Budget Statement.

Table 2.2 - Performance Information for Outputs Affected by Additional Estimates: Outcome 2

Output	Performance information 2000-01 budget	Performance information 2000-01 revised
<b>Output 2.1</b> Export and outward investment services	Quality: Client satisfaction with Austrade services (85%)  Quantity: First point of contact with Austrade: (a) number of hotline callers minus nil action (38,000); (b) Number of Austrade on-line users (42,000)  Number of participants in Austrade organised events (23,955)  Number of general pieces of advice to exporters and potential exporters by Region (127,686)  Number of qualified opportunities delivered to Australian businesses (4,849)  Exports facilitated to cost of outputs (40:1)  Export impact (\$5,384m)  Export impact - number of transactions (1,768)  Outward investment (\$492m)  Number of tailored pieces of advice on selecting, understanding, entering and expanding into markets (12,819)	Quality: <i>No Change</i>  Quantity: <i>No Change</i>

Output	Performance information 2000-01 budget	Performance information 2000-01 revised
<b>Output 2.1</b> Export and outward investment services <i>(continued)</i>	<p>Number of exporters and potential exporters being serviced (5,475)</p> <p>Number of new companies assisted into exporting (1,289)</p> <p>Number of existing exporters assisted into new markets (3,680)</p> <p>Number of businesses in Export Access and Trade Start programs (550)</p> <p>Number of international trade exhibitions involving Austrade (124)</p> <p>Number of Australian companies participating in trade exhibitions involving Austrade (924)</p> <p>Price: \$148.6m</p>	<p>Price: <b>\$154.2m</b> <i>(adjustments to overseas expenditure for foreign exchange and deflators)</i></p>
<b>Output 2.2</b> Advice and guidance to Federal Government and coordination of Commonwealth export activities	<p>Quality: Client satisfaction with Austrade services (85%)</p> <p>100% of material prepared for Ministers and parliamentary committees complying with set timeframes</p> <p>Quantity: Number of briefs (including submissions and ministerials) provided to: Ministers, Parliament, public sector agencies (830)</p> <p>Number of appearances before parliamentary committees and attendances at Interdepartmental Committees (142)</p> <p>Number of ministerial or parliamentary visits coordinated (90)</p> <p>Price: \$10.6m</p>	<p>Quality: <i>No Change</i></p> <p>Quantity: <i>No Change</i></p> <p>Price: <b>\$11.0m</b> <i>(minor adjustments)</i></p>

Output	Performance information 2000-01 budget	Performance information 2000-01 revised
<b>Output 2.3</b> Inwards investment attraction services	Quality: Number of new jobs created (1,565)  Values of exports/import substitution generated through investment (\$218m)  Value of inward investment projects commencing operations in Australia (\$915m)	Quality: <i>No Change</i>
	Quantity: Number of Australian investment briefs prepared (25)  Number of investment projects secured (67)  Number of investment projects in progress (234)  Number of target companies contacted overseas (1,905)  Number of target companies contacted in Australia (250)  Number of inward visits (163)  Number of pieces of advice delivered (1,428)	Quantity: <i>No Change</i>
	Price: \$13.7m	Price: <b>\$14.2m</b> ( <i>minor adjustments</i> )

## Revised Performance Information and Level of Achievement 2000-01

The performance information that Austrade will use to assess the level of its achievement against Output 3.1 during 2000-01 is shown below:

Output	Performance information 2000-01 budget	Performance information 2000-01 revised
<b>Output 3.1 Consular, passport and immigration services</b>	Quality: Client satisfaction (DFAT and DIMA) 85%	Quality: <i>No Change</i>
	Quantity: Number of travel documents issued	
	Number of notarial acts	
	Number of Australians assisted overseas (not receiving travel documents nor notarial acts)	Quantity: <i>No Change</i>
	Number of visa applications received	
Price: \$8.9m	Price: <b>\$9.2m</b> ( <i>minor adjustments</i> )	

### **Section 3: Budgeted Financial Statements**

The budgeted financial statements for the Australian Trade Commission will form the basis of the financial statements that will appear in its 2000-2001 annual report and the basis for the input into the Whole-of-Government accounts.

#### **Budget Statement of Revenues and Expenses (Budget Operating Statement)**

This statement shows expected financial results for the Commission by identifying full accrual expenses and revenues, which highlights whether Austrade is operating at a sustainable level in the short run.

#### **Budget Statement of Assets and Liabilities (Budget Balance Sheet)**

This statement shows the financial position of Austrade. It enables decision-makers to track the management of Austrade's assets and liabilities and, in conjunction with information on forecast cash flows, whether the Commission is financially viable in the long run.

#### **Budget Cash Flow Statement**

Budgeted cash flows, as reflected in the statement of cash flows, provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

#### **Capital Budget**

Shows all proposed capital expenditure funded either through the Budget as appropriation, by equity injections or as loans, and/or appropriations for administered capital, or as funds from internal sources or as funds from other sources.

**Table 3.1 - Budget Statement of Revenues and Expenses - Administered**

	Actual	Revised budget	Estimated		
	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000	2003-04 \$'000
<b>ADMINISTERED REVENUE AND EXPENSES</b>					
<b>Revenues</b>					
Sales of goods and services	750	1,122	513	346	43
Interest	1,712	586	350	159	0
Other sources of non-taxation revenues	281	0	0	0	0
Appropriations	143,227	151,468	150,423	0	0
<b>Total revenue</b>	<b>145,970</b>	<b>153,176</b>	<b>151,286</b>	<b>505</b>	<b>43</b>
<b>Expenses</b>					
Employees	5,108	4,708	4,430	0	0
Suppliers	3,495	3,110	3,070	505	43
Grants	135,689	143,650	142,500	0	0
Write-down of assets	(1,845)	0	0	0	0
<b>Total expenses</b>	<b>142,447</b>	<b>151,468</b>	<b>150,000</b>	<b>505</b>	<b>43</b>
Net cost to government	3,523	1,708	1,286	0	0
Accumulated surpluses at beginning of reporting period	6,170	0	0	0	0
Dividends and CUC	0	(23,942)	(15,993)	0	0
Transfer to/from reserves	0	24,608	15,553	0	0
Accumulated results after transfers	9,693	2,374	846	0	0
Opening accum results attributable to Cwlth	0	9,693	12,067	12,913	12,913
<b>Accumulated results at year end</b>	<b>9,693</b>	<b>12,067</b>	<b>12,913</b>	<b>12,913</b>	<b>12,913</b>

**Table 3.1 - Budget Statement of Revenues and Expenses - Departmental**

	Actual	Revised	Estimated		
		budget	2001-02	2002-03	2003-04
	1999-00	2000-01	2001-02	2002-03	2003-04
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>DEPARTMENTAL REVENUE AND EXPENSES</b>					
<b>Revenues</b>					
Revenue from government					
Ordinary annual appropriations (net appropriations)	151,126	167,187	161,279	158,897	160,453
Revenue from other sources					
Sales of goods and services	28,750	24,654	26,750	26,750	26,750
Interest	4,681	4,000	2,300	2,200	2,100
Other revenue from other sources	4,396	4,250	4,250	4,250	4,250
<b>Total revenue</b>	<b>188,953</b>	<b>200,091</b>	<b>194,579</b>	<b>192,097</b>	<b>193,553</b>
<b>Expenses</b>					
Employees	86,337	85,414	84,092	85,236	86,502
Suppliers	80,065	90,037	90,905	91,497	91,687
Depreciation and amortisation	4,167	5,600	5,600	5,600	5,600
Grants	3,579	4,157	4,224	0	0
Other	855	400	400	400	400
<b>Total expenses</b>	<b>175,003</b>	<b>185,608</b>	<b>185,221</b>	<b>182,733</b>	<b>184,189</b>
<b>Operating result before abnormal items and capital user charge</b>	<b>13,950</b>	<b>14,483</b>	<b>9,358</b>	<b>9,364</b>	<b>9,364</b>
Abnormal items	5,820	0	0	0	0
<b>Net surplus</b>	<b>19,770</b>	<b>14,483</b>	<b>9,358</b>	<b>9,364</b>	<b>9,364</b>
Net surplus attributable to					
Commonwealth	19,770	14,483	9,358	9,364	9,364
Accumulated deficits at beginning of reporting period	(18,707)	0	0	0	0
<b>Total available for appropriation</b>	<b>1,063</b>	<b>14,483</b>	<b>9,358</b>	<b>9,364</b>	<b>9,364</b>
Revenue dividend paid	(4,100)	(5,125)	0	0	0
Capital use provided	(7,255)	(9,358)	(9,358)	(9,364)	(9,364)
<b>Accumulated results at year end</b>	<b>(10,292)</b>	<b>(10,292)</b>	<b>(10,292)</b>	<b>(10,292)</b>	<b>(10,292)</b>

**Table 3.2 - Budget Statement of Assets and Liabilities - Departmental**

	Revised		Estimated		
	Actual	Budget	2001-02	2002-03	2003-04
	1999-00	2000-01	2001-02	2002-03	2003-04
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>DEPARTMENTAL ASSETS AND LIABILITIES</b>					
<b>Provisions and payables</b>					
Employees	25,676	27,576	29,476	31,376	33,276
Supplies	7,797	8,000	8,000	8,000	8,000
Other	706	0	0	0	0
<b>Total provisions and payables</b>	<b>34,179</b>	<b>35,576</b>	<b>37,476</b>	<b>39,376</b>	<b>41,276</b>
<b>Equity</b>					
Accumulated results	(10,292)	(10,292)	(10,292)	(10,292)	(10,292)
Reserves	88,275	88,275	88,275	88,325	88,325
<b>Total equity</b>	<b>77,983</b>	<b>77,983</b>	<b>77,983</b>	<b>78,033</b>	<b>78,033</b>
<b>Total liabilities and equity</b>	<b>112,162</b>	<b>113,559</b>	<b>115,459</b>	<b>117,409</b>	<b>119,309</b>
<b>Financial assets</b>					
Cash	40,943	44,663	46,163	47,713	49,213
Receivables	6,235	7,000	7,000	7,000	7,000
Investments	0	0	0	0	0
<b>Total financial assets</b>	<b>47,178</b>	<b>51,663</b>	<b>53,163</b>	<b>54,713</b>	<b>56,213</b>
<b>Non-financial assets</b>					
Land & buildings	42,335	40,503	40,133	39,763	39,393
Infrastructure, plant and equipment	12,353	13,023	13,993	14,963	15,933
Intangibles	5,270	4,870	4,670	4,470	4,270
Other	5,026	3,500	3,500	3,500	3,500
<b>Total non-financial assets</b>	<b>64,984</b>	<b>61,896</b>	<b>62,296</b>	<b>62,696</b>	<b>63,096</b>
<b>Total assets</b>	<b>112,162</b>	<b>113,559</b>	<b>115,459</b>	<b>117,409</b>	<b>119,309</b>

**Table 3.2 - Budget Statement of Assets and Liabilities - Administered**

	Actual	Revised		Estimated		
		1999-00	budget			2001-02
	\$'000	2000-01	\$'000	\$'000	\$'000	\$'000
<b>ADMINISTERED ASSETS AND LIABILITIES</b>						
<b>Provisions and payables</b>						
Employee	1,650	1,888	1,917	1,917	0	0
Suppliers	9	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total provisions and payables</b>	<b>1,659</b>	<b>1,888</b>	<b>1,917</b>	<b>1,917</b>	<b>0</b>	<b>0</b>
<b>Equity</b>						
Accumulated results	9,693	12,067	12,913	12,913	12,913	12,913
Reserves	38,461	13,853	(1,700)	(3,082)	(3,464)	(3,464)
<b>Total equity</b>	<b>48,154</b>	<b>25,920</b>	<b>11,213</b>	<b>9,831</b>	<b>9,449</b>	<b>9,449</b>
<b>Total liabilities and equity</b>	<b>49,813</b>	<b>27,808</b>	<b>13,130</b>	<b>11,748</b>	<b>9,449</b>	<b>9,449</b>
<b>Financial assets</b>						
Cash	19,420	12,529	8,016	9,544	9,449	9,449
Receivables	30,393	15,279	5,114	2,204	0	0
Investments	0	0	0	0	0	0
<b>Total financial assets</b>	<b>49,813</b>	<b>27,808</b>	<b>13,130</b>	<b>11,748</b>	<b>9,449</b>	<b>9,449</b>
<b>Non-financial assets</b>						
Other non-financial assets	0	0	0	0	0	0
<b>Total non-financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total assets</b>	<b>49,813</b>	<b>27,808</b>	<b>13,130</b>	<b>11,748</b>	<b>9,449</b>	<b>9,449</b>

**Table 3.3 - Budget Cash Flow - Administered**

	Actual 1999-00 \$'000	Revised budget 2000-01 \$'000	2001-02 \$'000	Estimated 2002-03 \$'000	2003-04 \$'000
<b>ADMINISTERED CASH FLOWS</b>					
<b>Operating activities</b>					
<b>Cash received</b>					
Sales of goods & services	1,475	1,122	513	346	43
Interest and dividends	1,588	586	350	159	0
Appropriations receipts	143,227	151,468	150,423	0	0
Loan repayments	20,184	0	0	0	0
<b>Total cash received</b>	<b>166,474</b>	<b>153,176</b>	<b>151,286</b>	<b>505</b>	<b>43</b>
<b>Cash used</b>					
Employees	4,974	4,470	4,401	0	0
Suppliers	3,751	3,110	3,070	505	43
Grants	135,718	143,650	142,500	0	0
Other	0	0	0	0	0
<b>Total cash used</b>	<b>144,443</b>	<b>151,230</b>	<b>149,971</b>	<b>505</b>	<b>43</b>
<b>Net cash from operating activities</b>	<b>22,031</b>	<b>1,946</b>	<b>1,315</b>	<b>0</b>	<b>0</b>
<b>Investing activities</b>					
<b>Cash received</b>					
Repayment of advances Official Public Account					
Other investing activities	0	15,105	10,165	2,910	2,204
<b>Total cash received</b>	<b>0</b>	<b>15,105</b>	<b>10,165</b>	<b>2,910</b>	<b>2,204</b>
<b>Cash used</b>					
Advances made Purchase of equity instruments Official Public Account					
Other investing activities	0	0	0	0	0
<b>Total cash used</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net cash from investing activities</b>	<b>0</b>	<b>15,105</b>	<b>10,165</b>	<b>2,910</b>	<b>2,204</b>
<b>Financing activities</b>					
<b>Cash received</b>					
Proceeds from borrowings Consolidated revenue fund Other					
<b>Total cash received</b>					
<b>Cash used</b>					
Repayments to Department of Finance & Administration	28,790	23,942	15,993	1,382	0
Other	0	0	0	0	0
<b>Total cash used</b>	<b>28,790</b>	<b>23,942</b>	<b>15,993</b>	<b>1,382</b>	<b>0</b>
<b>Net cash from financing activities</b>	<b>28,790</b>	<b>23,942</b>	<b>15,993</b>	<b>1,382</b>	<b>0</b>
Net increase/decrease in cash held	(6,759)	(6,891)	(4,513)	1,528	2,204
Add cash as at 1 July	26,179	19,420	12,529	8,016	9,544
<b>Cash as at 30 June</b>	<b>19,420</b>	<b>12,529</b>	<b>8,016</b>	<b>9,544</b>	<b>11,748</b>



**Table 3.3 - Budget Cash Flow - Departmental**

	Actual 1999-00 \$'000	Revised budget 2000-01 \$'000	2001-02 \$'000	Estimated 2002-03 \$'000	2003-04 \$'000
<b>DEPARTMENTAL CASH FLOWS</b>					
<b>Operating activities</b>					
<b>Cash received</b>					
Appropriations	155,335	167,187	161,279	158,897	160,453
Sales of goods and services	34,599	20,989	23,560	23,460	23,450
Interest	4,589	4,000	2,300	2,200	2,100
GST input credit receipts	0	2,400	2,800	2,900	2,900
GST receipts from customers	0	250	140	140	150
Cash received - other	0	4,250	4,250	4,250	4,250
<b>Total cash received</b>	<b>194,523</b>	<b>199,076</b>	<b>194,329</b>	<b>191,847</b>	<b>193,303</b>
<b>Cash used</b>					
Employees	82,477	83,514	82,192	83,336	84,602
Suppliers	87,161	85,258	88,115	88,557	88,787
Grants	3,541	4,863	4,224	0	0
GST payments (agency)	0	250	140	140	150
GST payments to suppliers	0	2,800	2,800	2,900	2,900
<b>Total cash used</b>	<b>173,179</b>	<b>176,685</b>	<b>177,471</b>	<b>174,933</b>	<b>176,439</b>
<b>Net cash from operating activities</b>	<b>21,344</b>	<b>22,391</b>	<b>16,858</b>	<b>16,914</b>	<b>16,864</b>
<b>Investing activities</b>					
<b>Cash received</b>					
Proceeds from sale of property, plant and equipment	394	1,312	0	0	0
Other	0	0	0	0	0
<b>Total cash received</b>	<b>394</b>	<b>1,312</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	4,378	5,500	6,000	6,000	6,000
<b>Total cash used</b>	<b>4,378</b>	<b>5,500</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>
<b>Net cash from investing activities</b>	<b>(3,984)</b>	<b>(4,188)</b>	<b>(6,000)</b>	<b>(6,000)</b>	<b>(6,000)</b>
<b>Financing activities</b>					
<b>Cash received</b>					
Equity appropriation	160	0	0	50	0
Other	0	0	0	0	0
<b>Total cash received</b>	<b>160</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>0</b>
<b>Cash used</b>					
Capital use paid	(7,617)	(9,358)	(9,358)	(9,364)	(9,364)
Revenue dividend	(4,100)	(5,125)	0	0	0
Other	0	0	0	0	0
<b>Total cash used</b>	<b>(11,717)</b>	<b>(14,483)</b>	<b>(9,358)</b>	<b>(9,364)</b>	<b>(9,364)</b>
<b>Net cash from financing activities</b>	<b>(11,557)</b>	<b>(14,483)</b>	<b>(9,358)</b>	<b>(9,314)</b>	<b>(9,364)</b>
Net increase/decrease in cash held	5,803	3,720	1,500	1,600	1,500
Add cash as at 1 July	35,140	40,943	44,663	46,163	47,763
<b>Cash as at 30 June</b>	<b>40,943</b>	<b>44,663</b>	<b>46,163</b>	<b>47,763</b>	<b>49,263</b>

**Table 3.4 - Departmental Capital Budget**

	<b>Actual</b>	<b>Revised</b>	<b>Estimated</b>		
	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Departmental</b>					
Total equity injections	160			50	
Total loans					
Appropriations of previous years carryover					
<b>Total capital appropriations</b>	<b>160</b>			<b>50</b>	
<b>Represented by</b>					
Purchase of non-current assets	160			50	
Other					
<b>Total departmental</b>	<b>160</b>			<b>50</b>	
<b>Purchase of non-current assets</b>					
Funded by capital appropriation	160	-	-	50	-
Funded internally by Austrade	4,372	5,500	6,000	6,000	6,000
<b>Total items</b>	<b>4,532</b>	<b>5,500</b>	<b>6,000</b>	<b>6,050</b>	<b>6,000</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Basis of accounting

The agency budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

#### *Departmental and Administered Financial Statements*

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

- Departmental assets, liabilities, revenues and expenses in relation to an agency or authority are those which 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 which 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 Commonwealth's accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the Government's purchase of 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 continue under the accrual appropriation framework, and fund the majority of payments from the Consolidated Revenue Fund.

### *Capital-Use Charge*

A Capital-Use Charge is levied on agencies and authorities to reflect the cost of the Commonwealth's investment in those entities. It is levied on those agencies closing Departmental net assets (equity) at a rate of 12%.

Funding for the Capital-Use Charge is included in agencies' and authorities' departmental price of outputs appropriations. The Capital Use Charge is accounted for as a 'below Operating Result line' dividend payment.

### *Cash transfers to Official Public Account (OPA)*

Administered revenues, such as taxes, fees and fines, which are collected by agencies and authorities, are passed onto the Commonwealth's Official Public Account (OPA). These transfers are shown in the Administered Operating Statement as 'Cash transfers to OPA', which is a 'below Operating Result line' expense.

### *Asset Valuation*

Commonwealth agencies and authorities are required to value Property, Plant & Equipment and other Infrastructure assets using the deprival method of valuation. This essentially reflects the current cost the entity would face in replacing that asset.

### *Goods and Services Tax*

Goods and services tax is reported in accordance with Urgent Issues Group Abstract 31 (January 2000). Revenues, expenses and assets are recognised net of the amount of recoverable goods and services tax. Receivables and Payables are stated with the amount of goods and services tax included.

**Appendix 1**  
**Non-Appropriation Departmental and Administered Revenue**

	Budget Estimate	Revised Estimate
	2000-01	2000-01
	\$'000	\$'000
<b>Departmental Revenue</b>		
Sale of goods and services	28,904	24,654
Interest	2,500	4,000
Other revenue from other sources	0	4,250
<b>Total non-appropriation departmental revenue</b>	<b>31,404</b>	<b>32,904</b>
Appropriations	161,507	167,187
<b>Total Departmental Revenue</b>	<b>192,911</b>	<b>200,091</b>
<b>Administered Revenue</b>		
Sale of goods and services	1,122	1,122
Interest	586	586
<b>Total non-appropriation administered revenue</b>	<b>1,708</b>	<b>1,708</b>
Appropriations	151,468	151,468
<b>Total Administered Revenue</b>	<b>153,176</b>	<b>153,176</b>