

Australian Trade Commission
(Austrade)

AUSTRALIAN TRADE COMMISSION

Section 1: Overview, appropriations and budget measures summary

DEPARTMENT OVERVIEW

The Australian Trade Commission - Austrade - is the Federal Government's principal trade and international business facilitation agency. Operating as a statutory authority within the Foreign Affairs and Trade portfolio, and working closely with other Federal, State and Territory government agencies, Austrade helps Australian business reduce the time, cost and risk involved in entering and expanding overseas markets.

Austrade is committed in 2002-03 to:

- Working to achieve the Commonwealth's goal of doubling the number of exporters by 2006 by assisting Australian businesses (particularly small to medium enterprises (SME)) to identify and exploit export and investment opportunities in overseas markets;
- Expanding community awareness of the benefits of trade and investment to the Australian economy and standard of living; and
- Increasing the internationalisation of key knowledge-based sectors including Information and Communications Technologies, Biotechnology and Services.

Austrade will carry out these tasks in 2002-03 through a network of national and global offices - 15 across Australia (plus more than 30 TradeStart offices) and a further 94 throughout the world. This network allows Austrade to deliver sophisticated, "point-to-point" services to Australian business - directly linking, for example, an SME in regional Australia to a customer in a distant and otherwise difficult or inaccessible overseas market. Austrade also has an important role in providing advice, guidance and coordination to the Government and its agencies on export matters.

Austrade's outcomes and outputs have been revised to more accurately reflect the Government's operational directives as outlined in its trade policy documents, *Australians Exporting to the World* and the *Trade Outcomes and Objectives Statement (TOOS)*. These documents outline a number of objectives and commitments relating to the promotion and facilitation of Australian trade and investment. In the context of Austrade's work, the key elements of the policies relate to doubling the number of Australian companies exporting, and improving businesses' access to domestic trade promotion networks, services and grants.

Further information on Austrade's new outcomes and outputs is available at Map 1.

Key Objectives for 2002-03 include:

Over the coming year, Austrade will take the lead role in a whole of Government approach to facilitate more investment and export transactions by:

- Increasing community awareness of, and commitment to, the importance of trade and international business;
- Being a major contributor to doubling of the number of exporters by 2006;
- Significantly increasing the proportion of knowledge-based and services-focussed businesses going international; and
- Continuing to improve our existing service delivery to the Australian business community.

Further details of Austrade's key objectives for 2002-03 and the underlying purpose, philosophy and goals that guide these objectives and strategies can be found in Austrade's *Corporate Plan 2002-03 to 2004-05* and the *Operational Plan for 2002-03*. These documents can be obtained directly from Austrade.

Austrade works closely with other relevant agencies, such as Invest Australia, EFIC, DFAT, DITR, DoCITA, Defence, AFFA, and DEST on a range of specific sectoral initiatives. International negotiations over market access, tariff levels and the handling of WTO issues are the responsibility of Austrade's portfolio partner, DFAT. Austrade also works closely with DFAT and other relevant agencies such as DITR and AFFA to support DFAT in this role.

APPROPRIATIONS

The total appropriation for the Australian Trade Commission in the 2002-03 budget is \$318.9m (2001-02 \$324.5m). The components of the decrease in Austrade's funding relate to the amalgamation of the Export Access and TradeStart programmes into an enhanced TradeStart programme, an adjustment for previous foreign exchange transactions, inflation and parameter adjustments, foreign exchange rate movements to maintain purchasing power equivalent to 2001-02 and movement in accruals. Administered funding is \$150.4m (2001-02 \$150m).

Table 1.1 provides a summary of the resources applied to each of Austrade's outcomes for 2002-03 for administered and departmental. Table 1.2 provides a summary of the measures disclosed in the 2002-03 budget.

Part C: Agency Budget Statements — Austrade

Australian Trade Commission — appropriations 2002-03

Table 1.1: Appropriations and other revenue ('000)

Outcome	Departmental (price of outputs) ('\$000)					Administered (\$'000)			(\$'000)	
	Revenue from Government (appropriations)		Revenue from other sources ⁽⁴⁾	Price of outputs ⁽³⁾	Annual appropriations (\$'000)	Special appropriations ⁽⁵⁾	Total administered appropriations	Total appropriations		
	Bill No. 1	Special approps ⁽⁵⁾	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) ⁽²⁾			
	(A)	(B)	(C = A+B)	(D)	(E = C+D)	(F)	(G)	(H)	(I = F+G+H)	(J=C+I)
			(C1) ⁽¹⁾		(E1) ⁽¹⁾				(I1) ⁽¹⁾	
Outcome 1 - Australians succeeding in international business with widespread community support	158,842	-	158,842	26,699	185,541	150,400	-	-	150,400	309,242
			85.6%						100.0%	
Outcome 2 - Australians informed about and provided access to consular, passport and immigration services in specific locations overseas	9,648	-	9,648	1,100	10,748	-	-	-	-	9,648
			89.8%							
Total	168,490		168,490	27,799	196,289	150,400	-	-	150,400	318,890
									(K2) ⁽¹⁾	
									(K3) ⁽¹⁾	50
									(K4) ⁽¹⁾	
										318,940

Part C: Agency Budget Statements — Austrade

1. Cells C1, E1 and I1 refer to information provided in Table 2.1.1. Amounts K1, K2 to Budgeted Statement of Financial Performance, and amounts K3, K4 to Capital Budget Statements.
2. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
3. Refer to Budgeted Statement of Financial Performance for application of agency revenue.
4. Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services by agencies such as the Australian Bureau of Statistics (ABS) or the Australian Broadcasting Corporation (ABC)). Non-appropriated departmental and administered revenues are detailed in Appendix 1.

Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

Part C: Agency Budget Statements — Austrade

MEASURES — DEPARTMENT SUMMARY

Table 1.2: Summary of measures disclosed in the 2002-03 Budget

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2003-04 (\$'000)			Appropriations forward estimate 2004-05 (\$'000)			Appropriations forward estimate 2005-06 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
			Integration and Expansion of TradeStart and Export Access Programmes	1	1.3	5,000	-	5,000	5,500	-	5,500	5,500	-	5,500
Increase in the Export Market Development Grants minimum grant	1	1.5	400	-	400	400	-	400	400	-	400	400	-	400

ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

Austrade will receive a departmental equity injection of \$0.05 million in 2002-03. As indicated in Table 1.1 and as accounted for in the Capital Budget (see Tables 3.4 and 3.5), and Appropriation Bill No. 2 2002-03, these funds will be applied to assets including office leasehold improvements, and the purchase of computing equipment and motor vehicles. An amount of \$0.16 million was received in 1999-2000 for a similar purpose.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUTS

The map on the following page shows the relationship between the two outcomes.

Outcomes

The Federal Government has set the following outcomes, which are primarily directed to the economic well-being of the Australian community and job creation.

Outcome One

Australians succeeding in international business with widespread community support.

Outcome Two

Australians informed about and provided access to consular, passport and immigration services in specific locations overseas.

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

Austrade will ensure that these outcomes are delivered by producing the outputs discussed below.

Outputs

Austrade is committed to delivering six outputs under the outcome/output accrual budgeting framework to be introduced in July 2002.

The services delivered to achieve Austrade's outputs are subjected 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.

Part C: Agency Budget Statements — Austrade

The charts and tables on the following pages provide information on the two outcomes and the contributing outputs for Austrade.

Information on the division of administered and agency appropriations between Austrade's four outcomes for 2001-02 appears in Chart 1 (Appropriation by outcomes 2001-02, p 90) and for Austrade's two outcomes for 2002-03 appears in Chart 2 (Appropriation by outcomes 2002-03, p 90).

The relationship between the two outcomes and the contributing outputs for Austrade is shown at Map 1 (Outcomes and outputs, p 85).

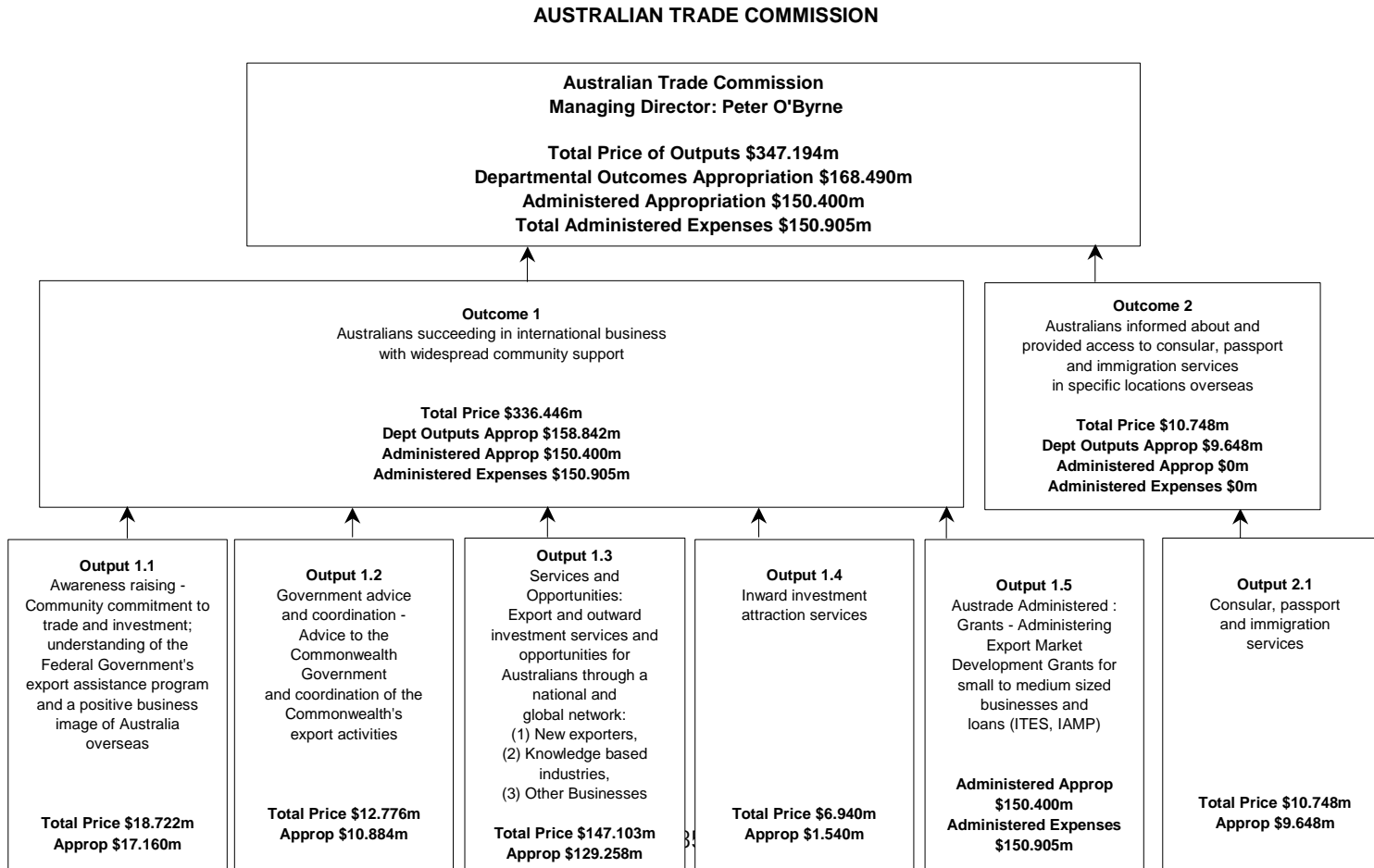
The relationship between the two outcomes and their contributing outputs is shown at Map 2 (Outcome 1 – Contributing outputs, p 86) and Map 3 (Outcome 2 – Contributing outputs, p 87).

Financial details for **Outcome 1** by outputs appears in Table 2.1.1 (Total Resources for Outcome 1, p 93) while non-financial information for Outcome 1 appears in Table 2.2.1 (Performance Information for Outcome 1, p 94-97).

Financial details for **Outcome 2** by outputs appears in Table 2.1.2 (Total Resources for Outcome 2, p 99) while non-financial information for Outcome 2 appears in Table 2.2.2 (Performance Information for Outcome 2, pp 100).

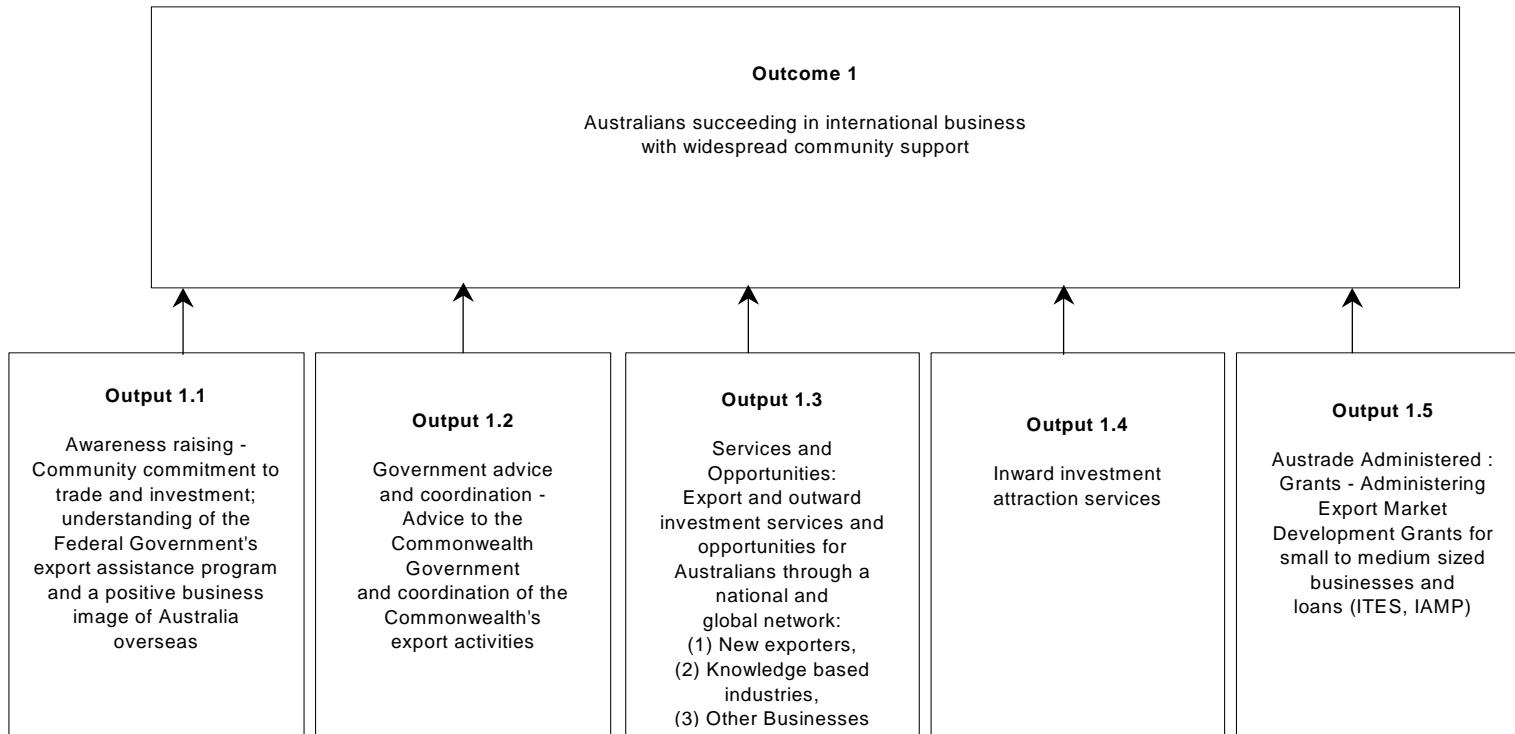
Part C: Agency Budget Statements — Austrade

Map 1: Outcomes and outputs

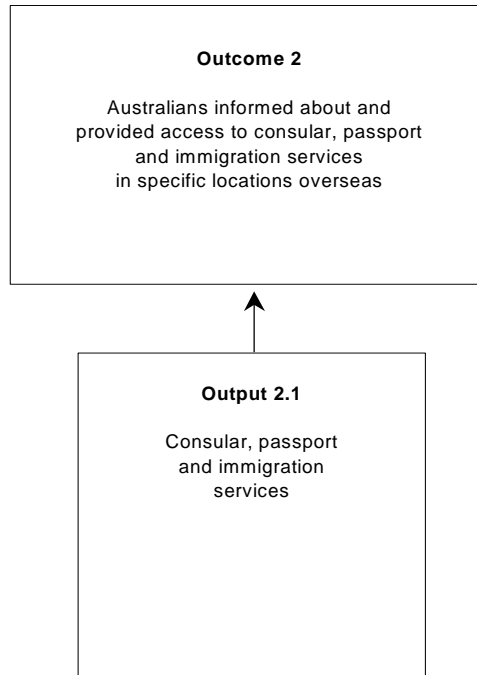


Part C: Agency Budget Statements — Austrade

Map 2: Outcome 1 — contributing outputs



Map 3: Outcome 2 — contributing outputs



CHANGES TO OUTCOMES AND OUTPUTS

Building on the Australian Trade Commission’s past experience and that of other Agencies, Departments and trade promotion organisations overseas, the Australian Trade Commission has simplified its current outcome and output structure to better align with its business planning and performance measurement processes. The change to the Outcome structure is outlined below. The relationship between Outcomes and Outputs is shown in Map 2 above.

By incorporating three of the existing outcomes into one, the Australian Trade Commission will make more explicit the connection between community commitment to trade and investment and the Australian Trade Commission’s more exporter focussed outputs and administered item.

Changes to Outcomes

Current Outcomes	New Outcomes
<p>Outcome One</p> <p>Public understanding of Australia’s trade and investment direction, Government export programmes and promotion of Australia’s image internationally</p>	<p>Outcome One</p> <p>Australians succeeding in international business with widespread community support</p>
<p>Outcome Two</p> <p>Contribution to Australia’s export trade by facilitating and encouraging trade and investment between Australia and foreign countries</p>	
<p>Outcome Four</p> <p>Contribution to Australia’s export trade performance by providing financial and other assistance to eligible Australian Organisations through export market development schemes</p>	
<p>Outcome Three</p> <p>Australians informed about and provided access to consular, passport and immigration services in specific locations overseas</p>	<p>Outcome Two</p> <p>Australians informed about and provided access to consular, passport and immigration services in specific locations overseas</p>

CHANGES TO OUTPUTS

In line with the changes to Outcomes noted above Outputs have also changed. The table below outlines the changes and their relationship to current outputs.

Current Outputs	New Outputs
Outcome One - Australians succeeding in international business with widespread community support	
1.1 Ongoing programmes to show all Australians the benefits of overseas trade; raise awareness of the Federal Government's export assistance programmes; and promote a positive image of Australia internationally	Output 1.1 Awareness raising - Community commitment to trade and investment; understanding of the federal Government's export assistance programmes and a positive business image of Australia overseas
2.2 Advice and guidance to Federal Government and coordination of Commonwealth export activities	Output 1.2 Government advice and coordination - Advice to the Commonwealth Government and coordination of the Commonwealth's export activities
2.1 Export and outward investment services	Output 1.3 Services and Opportunities: Export and outward investment services and opportunities for Australians through a national and global network: 1. New exporters 2. Knowledge-based Industries 3. Other businesses
2.3 Inward investment attraction services	Output 1.4 Inward investment attraction services
4.1 Export Finance Assistance	Output 1.5 Austrade Administered: Grants - Administering Export Market Development Grants for small to medium sized businesses and loans (ITES, IAMP)
Outcome Two - Australians informed about and provided access to consular, passport and immigration services in specific locations overseas	
3.1 Consular, passport and immigration services	Output 2.1 Consular, passport and immigration services

TRENDS IN RESOURCING ACROSS OUTCOMES

Chart 1: Appropriation by Outcomes 2001-2002

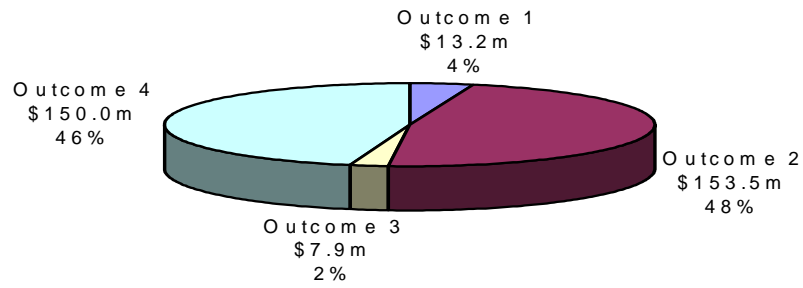
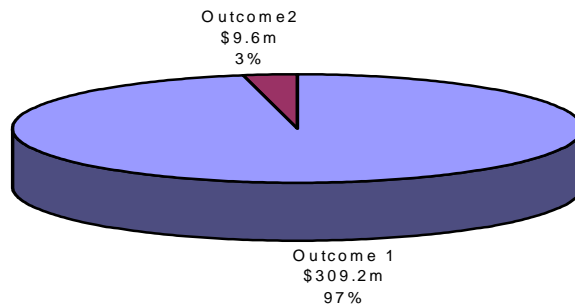


Chart 2: Appropriation by Outcomes 2002-2003



OUTCOME 1 — DESCRIPTION

Australians succeeding in international business with widespread community support

Austrade will refocus its efforts and resources to:

- Increase community awareness and commitment to the importance of trade and investment;
- Be a major contributor to doubling the number of companies exporting by 2006;
- Increase significantly the proportion of knowledge-based and services-focussed companies going international; and
- Continuously improve its existing business.

Measures affecting Outcome 1

INTEGRATION AND EXPANSION OF TRADESTART AND EXPORT ACCESS PROGRAMMES

Budget Measure Purpose: The extension of the TradeStart and Export Access Programmes and expansion into new regions.

Impact of Measure: The Government will extend the amalgamated TradeStart and Export Access programmes for another four years and expand the network by establishing ten additional offices in outer metropolitan, regional and rural areas throughout Australia. Amalgamating the programmes will increase efficiency and improve export advisory services to small and medium enterprises seeking to export. The programme will continue to be delivered through joint ventures with local partners, including state and territory governments, industry associations and regional development associations.

Financial Impact: Outcome 1 will receive the following amounts under Appropriation Bill No.1 - \$5.0m in 2002-03, \$5.5m in 2003-04; \$5.5m in 2004-05; and \$5.5m in 2005-06.

INCREASE IN THE EXPORT MARKET DEVELOPMENT GRANTS MINIMUM GRANT

Budget Measure Purpose: Increase in Export Market Development Grants (EMDG) scheme minimum grant from \$2,500 to \$5,000.

Impact of Measure: The Government will increase the minimum grant under the Export Market Development Grants (EMDG) scheme from \$2,500 to \$5,000 for those exporters claiming eligible export marketing expenses of between \$15,000 and \$25,000 per annum. This change to the EMDG scheme will encourage small business to invest in exporting.

The increase in the minimum grant applies to expenses incurred in the grant year 2001-02 and will be payable in 2002-03 onwards.

Financial Impact: Outcome 1 will receive \$0.4m in each of the years 2002-03, 2003-04, 2004-05 and 2005-06.

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2002-03 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. Cell references **C1**, **E1** and **I1** show the links back to Table 1.1, the Appropriations Table.

Table 2.1.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000
Administered appropriations	150,000	150,400
Output 1.5 - Revenue from other sources		505
Total administered expenses	150,000	150,905
		(I1) 99.7%
Departmental appropriations		
Output 1.1 -	13,166	17,160
Subtotal Output 1.1	13,166	17,160
Departmental appropriations		
Output 1.2 -	9,219	10,884
Subtotal Output 1.2	9,219	10,884
Departmental appropriations		
Output 1.3 -	137,246	129,258
Subtotal Output 1.3	137,246	129,258
Departmental appropriations		
Output 1.4 -	7,013	1,540
Subtotal Output 1.4	7,013	1,540
Total revenue from government (appropriations)	166,644	158,842
Contributing to price of departmental outputs	84%	86%
		(C1)
Revenue from other sources	30,581	26,699
Total revenue from other sources	30,581	26,699
Total price from departmental outputs (Total revenue from government and from other sources)	197,225	185,541
		(E1)
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	347,225	336,446
	2001-02	2002-03
Average staffing level (number)	971	958

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

Effectiveness - Overall achievement of the Outcome -

Austrade's Specific Objectives for the period 2002-2003 are to:

- Increase the number of potential exporters achieving export success working with Austrade to 2,250 per annum;
- Increase the number of businesses achieving international success (export, outward investment, inward investment) with Austrade's assistance to 3700;
- Increase the number of businesses achieving international success (export, outward investment, inward investment) with Austrade's assistance, who are in knowledge-based industries to 1,350 in 2004-2005; and
- Retain high Client satisfaction : 90% for existing Business, 80% for businesses in development programs.

PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2.1: Performance information for Outcome 1

Performance information for administered items (including third party outputs)

Output 1.5 —

Administered Item: Grants - Administering Export Market Development Grants for small to medium sized businesses and loans (ITES, IAMP)	<p><i>Quantity</i></p> <ul style="list-style-type: none"> Number of businesses supported by EMDG (3,200) Number of new EMDG recipients (750) Number of EMDG applicants (3,400) Number of recipients entering new markets (1,880) Number and \$ of loans under management (5 & \$4m)
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Performance information for departmental outputs

Output 1.1 —

Awareness raising - Community commitment to trade and investment; understanding of the Federal Government's export assistance programs and a positive business image of Australia overseas	<p><i>Quality</i></p> <ul style="list-style-type: none"> Client satisfaction - Minister's Office * <p><i>Quantity</i></p> <ul style="list-style-type: none"> Community awareness of the importance of the Government's trade and investment activities through Austrade (68%) Unprompted awareness of Austrade as a source of advice/services (35%) Proportion of Australians who believe exports make a major contribution to the economy ^[1] (77%) Proportion of Australians who believe foreign investment in Australia makes a major contribution to the economy ^[1] (50%) Number of awareness raising events held in Australia and overseas (1947) Number of net positive media mentions (1200)
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Foot Note

[1] Not wholly within Austrade's control

* The Measure of the Minister's satisfaction will be provided to the Board by the Minister at the two scheduled meetings between the Minister and the Board in June and November.

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Output 1.2 —

Government advice and Coordination - Advice to the Commonwealth Government and coordination of the Commonwealth's export activities

Quality

Client (Minister) satisfaction *

Quantity

Number of briefs (incl. submissions and ministerials) provided to: Ministers, Parliament, public sector agencies (650)

Number of appearances before parliamentary committees and attendances at interdepartmental committees (182)

Percentage of material prepared within set timeframes (98%)

Number of ministerial or parliamentary visits assisted (171)

* The Measure of the Minister's satisfaction will be provided to the Board by the Minister at the two scheduled meetings between the Minister and the Board in June and November.

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Output 1.3 —

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

- New exporters,
- Knowledge-based industries,
- Other businesses.

Quality

Client satisfaction with Austrade's services (90%)

Client satisfaction with Austrade's exporter development programs (80%)

Quantity

Number of Australian exporters^[1] (28500)

Number of clients who achieve export success with Austrade's assistance (EI Clients) (1400)

Number of clients who achieve their first export success with Austrade's assistance (600)

Number of clients who achieve export success in a new market with Austrade's assistance (344)

Number of clients who achieve outward investment success with Austrade's assistance (OI Clients) (65)

Number of clients in Biotechnology, ICT and Service industries who achieve export/investment success with Austrade's assistance (492)

Number of clients in Biotechnology, ICT and Service industries who achieve other international (non EI & OI) success^[2] with Austrade's assistance (188)

Number of enquiries to Austrade advisory services (telephone and emails) (50,000)

Number of Austrade website user sessions (1,440,000)

Number of general enquiries responded to by TradeStart (4,000)

Number of qualified opportunities delivered to Australian business (4,000)

Number of clients receiving Austrade detailed services (3,704)

Number of clients in Biotechnology, ICT and Service industries receiving Austrade detailed services (2,068)

Number of clients in exporter development programs (2150)

Number of clients referred to overseas network (3,500)

Number of participants at Austrade events (66,000)

Number of international trade exhibitions involving Austrade (138)

Number of businesses participating in international trade exhibitions (1,590)

[1] Not wholly within Austrade's control

[2] Measures of success include non-monetary successes, e.g. formation of strategic alliances and joint ventures. Etc

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Outcome 1.4 —

Inward Investment Attraction Services

Quantity ^[1]

Number of jobs to be created within 3 years of the announcement of the intention to invest in greenfield establishment or expansion project

Number of jobs safeguarded within 3 years of the announcement of the intention to invest by acquisition

Annual value of exports to be generated through all investment projects within 3 years of the announcement of the intention to invest (\$m)

Value of inward investment within 3 years of the announcement of the intention to invest in greenfield establishment or expansion projects (\$m)

Value of inward investment within 3 years of the announcement of the intention to invest by acquisition (\$m)

Number of all investment projects announced

Number of inward visits

[1] Until arrangements are finalised with the new Invest Australia Agency it is not possible to quantify measures of inward investment attraction to be undertaken by Austrade

EVALUATIONS

Planned evaluations and reviews affecting Austrade in 2002-03, include:

- Risk Management – appropriate reviews will be undertaken to ensure that sound financial, legal and ethical decision making processes are adhered to and monitored. This includes a review of the risk management plan, fraud control plan and the operation of the internal audit plan; and
- Australian National Audit Office Performance Audits – in 2002-03, Austrade expects to participate in a number of reviews that will be commissioned by the ANAO.

Competitive tendering and contracting

Austrade has a large component of its expenditure managed by out-sourced arrangements. Some examples of out-sourced arrangements include legal services, internal audit and IT systems development. Austrade is conscious of, and adheres to, Government policy in the competitive tendering of, and contracting for, its services and business activities.

In addition, Austrade's Board requires management to systematically review whether activities are best delivered by the organisation or by other providers. Austrade will continue to identify potential out-sourced activities which it can market test, particularly in non-core areas.

OUTCOME 2 — CONTRIBUTION OF OUTPUTS

Effectiveness - Overall achievement of the Outcome -

Austrade's Specific Objective for the period is:

Delivery of comprehensive, responsive, high quality consular and passport services in specific locations overseas

PERFORMANCE INFORMATION FOR OUTCOME 2

Table 2.2.2: Performance information for Outcome 2

Performance information for departmental outputs

Output 2.1 —

Consular, passport and immigration services

Quality

Client satisfaction (DFAT and DIMIA)

Quantity

Number of travel documents issued (10,760)

Number of notarial acts (6,500)

Number of Australians assisted overseas (not receiving travel documents nor notarial acts) (31,040)

Number of visa applications received (76,020)

EVALUATIONS

Planned evaluations and reviews affecting Austrade in 2002-03, include:

- Risk Management – appropriate reviews will be undertaken to ensure that sound financial, legal and ethical decision making processes are adhered to and monitored. This includes a review of the risk management plan, fraud control plan and the operation of the internal audit plan; and
- Australian National Audit Office Performance Audits – in 2002-03, Austrade expects to participate in a number of reviews that will be commissioned by the ANAO.

Competitive tendering and contracting

Austrade has a large component of its expenditure managed by out-sourced arrangements. Some examples of out-sourced arrangements include legal services, internal audit and IT systems development. Austrade is conscious of, and adheres to, Government policy in the competitive tendering of, and contracting for, its services and business activities.

In addition, Austrade's Board requires management to systematically review whether activities are best delivered by the organisation or by other providers. Austrade will continue to identify potential out-sourced activities which it can market test, particularly in non-core areas.

Section 3: Budgeted financial statements

DEPARTMENTAL STATEMENTS

Budgeted Departmental Statement of Financial Performance

This statement provides a picture of the expected financial results for Austrade by identifying full accrual expenses, revenues and capital use charge, which highlight whether the Commission is operating at a sustainable level.

Budgeted Departmental Statement of Financial Position

This statement shows the financial position of Austrade. It enables decision-makers to track the management of the agency's assets and liabilities.

Budgeted Departmental Statement of Cash Flows

Budgeted cash flows, as reflected in the statement of cash flows, provides 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.

Departmental Capital Budget Statement

Shows all planned departmental capital expenditure (capital expenditure on non financial assets), whether funded either through capital appropriations for additional equity or borrowings, or from funds from internal sources.

Departmental Non-financial Assets – Summary of Movement

Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

ADMINISTERED NOTES

Details of transactions administered by the agency on behalf of the Commonwealth are to be shown in the following notes to the financial statements.

Note of Budgeted Administered Financial Performance

This note identifies the main revenues and expenses administered on behalf of the Government. It also discloses administered revenues from Government and Transfers to the Public Account.

Note of Budgeted Administered Financial Position

This note shows the assets and liabilities administered on behalf of the Government.

Note of Budgeted Administered Cash Flows

This note shows cash flows administered on behalf of the Government.

Note of Administered Capital Budget

This note shows details of planned administered capital expenditure.

Note of Administered Non-financial Assets – Summary of Movement

This note discloses details of movements in administered non-financial assets.

Part C: Agency Budget Statements — Austrade

Table 3.1: Budgeted Departmental Statement of Financial Performance
for the period ended 30 June 2003

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
Revenues from ordinary activities					
Revenues from government	174,510	168,490	170,415	172,194	174,213
Sales of goods and services	24,031	21,349	21,449	21,449	21,449
Interest	2,300	2,200	2,100	2,100	2,100
Dividends	-	-	-	-	-
Proceeds from sales of assets	250	250	250	250	250
Net foreign exchange gains	-	-	-	-	-
Other	4,000	4,000	4,000	4,000	4,000
Total revenues from ordinary activities	205,091	196,289	198,214	199,993	202,012
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	90,415	92,386	92,051	91,697	92,647
Suppliers	94,749	97,296	95,083	96,013	95,141
Grants	4,224	-	-	-	-
Depreciation and amortisation	6,000	6,000	6,000	6,000	6,000
Write-down of assets	-	-	-	-	-
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	400	400	400	400	400
Total expenses from ordinary activities (excluding borrowing costs expense)	195,788	196,082	193,534	194,110	194,188
Borrowing costs expense	-	-	-	-	-
Net surplus or deficit from ordinary activities	9,303	207	4,680	5,883	7,824
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or deficit	9,303	207	4,680	5,883	7,824
Capital use charge	9,303	8,407	8,037	7,824	7,824
Net surplus or deficit after capital use charge	-	(8,200)	(3,357)	(1,941)	-

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Table 3.2: Budgeted Departmental Statement of Financial Position
as at 30 June 2003

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
ASSETS					
Financial assets					
Cash	48,166	41,916	40,459	40,418	42,318
Receivables	7,000	7,000	7,000	7,000	7,000
Investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	55,166	48,916	47,459	47,418	49,318
Non-financial assets					
Land and buildings	42,693	42,323	41,953	41,583	41,213
Infrastructure, plant and equipment	14,689	15,259	15,829	16,299	16,769
Inventories	-	-	-	-	-
Intangibles	6,001	5,801	5,601	5,501	5,401
Other	3,500	3,500	3,500	3,500	3,500
Total non-financial assets	66,883	66,883	66,883	66,883	66,883
Total assets	122,049	115,799	114,342	114,301	116,201
LIABILITIES					
Debt					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
Total debt	-	-	-	-	-
Provisions and payables					
Employees	29,476	31,376	33,276	35,176	37,076
Suppliers	8,000	8,000	8,000	8,000	8,000
Grants	-	-	-	-	-
Other	-	-	-	-	-
Total provisions and payables	37,476	39,376	41,276	43,176	45,076
Total liabilities	37,476	39,376	41,276	43,176	45,076
EQUITY					
Capital	160	210	210	210	210
Reserves	90,542	90,542	90,542	90,542	90,542
Accumulated surpluses or deficits	(6,129)	(14,329)	(17,686)	(19,627)	(19,627)
Total equity	84,573	76,423	73,066	71,125	71,125
Current liabilities	17,366	17,970	18,574	19,177	19,781
Non-current liabilities	20,110	21,406	22,702	23,999	25,295
Current assets	55,166	48,916	47,459	47,418	49,318
Non-current assets	66,883	66,883	66,883	66,883	66,883

Part C: Agency Budget Statements — Austrade

Table 3.3: Budgeted Departmental Statement of Cash Flows
for the period ended 30 June 2003

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	174,510	169,392	171,687	173,679	175,698
Sales of goods and services	20,841	18,059	18,149	18,049	18,049
Interest	2,300	2,200	2,100	2,100	2,100
Other	7,190	7,290	7,300	7,400	7,400
Total cash received	204,841	196,941	199,236	201,228	203,247
Cash used					
Employees	88,446	90,486	90,709	89,846	89,796
Suppliers	92,028	94,406	91,625	92,964	93,092
Grants	4,224	-	-	-	-
Interest	-	-	-	-	-
Other	2,940	3,040	3,050	3,150	3,150
Total cash used	187,638	187,932	185,384	185,960	186,038
Net cash from operating activities	17,203	9,009	13,852	15,268	17,209
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	50	50	50	50	50
Repayments of loans made	(50)	(50)	(50)	(50)	(50)
Other	-	50	-	-	-
Total cash received	-	50	-	-	-
Cash used					
Purchase of property, plant and equipment	6,000	6,000	6,000	6,000	6,000
Loans made	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	6,000	6,000	6,000	6,000	6,000
Net cash from investing activities	(6,000)	(5,950)	(6,000)	(6,000)	(6,000)
FINANCING ACTIVITIES					
Cash received					
Proceeds from issuing equity instruments	-	-	-	-	-
Proceeds from debt	-	-	-	-	-
Other	2,993	(902)	(1,272)	(1,485)	(1,485)
Total cash received	2,993	(902)	(1,272)	(1,485)	(1,485)
Cash used					
Repayments of debt	-	-	-	-	-
Capital use and dividends paid	9,303	8,407	8,037	7,824	7,824
Other	-	-	-	-	-
Total cash used	9,303	8,407	8,037	7,824	7,824
Net cash from financing activities	(6,310)	(9,309)	(9,309)	(9,309)	(9,309)

Part C: Agency Budget Statements — Austrade

Table 3.3: Budgeted Departmental Statement of Cash Flows
for the period ended 30 June 2003 (continued)

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
Net increase (decrease) in cash held					
Cash at the beginning of the reporting period	4,893	(6,250)	(1,457)	(41)	1,900
Cash at the end of the reporting period	43,273	48,166	41,916	40,459	40,418
	48,166	41,916	40,459	40,418	42,318
Receipts from independent sources	30,331	27,549	27,549	27,549	27,549

Part C: Agency Budget Statements — Austrade

Table 3.4: Departmental Capital Budget Statement

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections (K3)	-	50	-	-	-
Total loans (K3)	-	-	-	-	-
Represented by					
Purchase of non-current assets	-	50	-	-	-
Other	-	-	-	-	-
Total	-	50	-	-	-
PURCHASE OF NON CURRENT ASSETS					
Funded by capital appropriation	-	50	-	-	-
Funded internally by					
Departmental resources	6,000	5,950	6,000	6,000	6,000

1 These two lines link to (K3) in Table 1.1

Part C: Agency Budget Statements — Austrade

Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget year 2002-03)

	Land	Buildings	Total land and buidings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	28,162	14,531	42,693	-	14,689	14,689	6,001	63,383
Additions	-	-	-	-	5,000	5,000	1,000	6,000
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	370	370	-	4,430	4,430	1,200	6,000
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	28,162	14,161	42,323	-	15,259	15,259	5,801	63,383
Total additions								
Self funded					4,950	4,950	1,000	5,950
Appropriations					50	-	-	50
Total					5,000	5,000	1,000	6,000

Table 3.6: Note to the Estimated Actual Column of the Departmental Statement of Financial Performance

Table not required.

Table 3.7: Note of Budgeted Revenues and Expenses Administered on behalf of Government *for the period ended 30 June 2003*

	Estimated actual 2001-02 \$'000	Budget estimates 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
REVENUES					
Taxation					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
Total taxation	-	-	-	-	-
Non-taxation					
Revenues from Government (K2)	150,000	150,400	150,400	150,400	150,400
Interest	450	159	-	-	-
Dividends	-	-	-	-	-
Proceeds from sale of assets	836	346	43	-	-
Net foreign exchange gains	-	-	-	-	-
Other sources of non-taxation revenues	-	-	-	-	-
Total non-taxation	151,286	150,905	150,443	150,400	150,400
Total revenues administered on behalf of the Government	151,286	150,905	150,443	150,400	150,400
EXPENSES					
Grants	142,500	143,385	142,925	142,900	142,900
Subsidies	-	-	-	-	-
Employees	4,430	4,445	4,430	4,430	4,430
Suppliers	3,070	3,075	3,088	3,070	3,070
Depreciation and amortisation	-	-	-	-	-
Value of assets sold	-	-	-	-	-
Net foreign exchange issues	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	-	-	-	-
Total expenses administered on behalf of the Government	150,000	150,905	150,443	150,400	150,400
Extraordinary items	-	-	-	-	-

Part C: Agency Budget Statements — Austrade

Table 3.8: Note of Budgeted Assets and Liabilities Administered on behalf of Government *as at 30 June 2003*

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
ASSETS					
Financial assets					
Cash	8,335	8,553	8,582	8,582	8,582
Receivables	1,629	29	-	-	-
Investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	9,964	8,582	8,582	8,582	8,582
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	-	-	-	-	-
Other	-	-	-	-	-
Total non-financial assets	-	-	-	-	-
Total assets administered on behalf of the Government	9,964	8,582	8,582	8,582	8,582
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions and payables					
Employees	1,816	1,816	1,816	1,816	1,816
Suppliers	-	-	-	-	-
Grants	-	-	-	-	-
Other	-	-	-	-	-
Total provisions and payables	1,816	1,816	1,816	1,816	1,816
Total liabilities administered on behalf of the Government	1,816	1,816	1,816	1,816	1,816
Current liabilities	790	790	790	790	790
Non-current liabilities	1,026	1,026	1,026	1,026	1,026
Current assets	9,935	8,582	8,582	8,582	8,582
Non-current assets	29	-	-	-	-

Part C: Agency Budget Statements — Austrade

Table 3.9: Note of Budgeted Administered Cash Flows
for the period ended 30 June 2003

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'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
Appropriations	150,000	150,400	150,400	150,400	150,400
Cash from Official Public Account	-	-	-	-	-
Sale of goods and services	836	346	43	-	-
Interest	450	159	-	-	-
GST input credit receipts	90	90	95	95	95
Other	-	-	-	-	-
Total cash received	151,376	150,995	150,538	150,495	150,495
Cash used					
Subsidies	-	-	-	-	-
Employees	4,401	4,445	4,556	4,430	4,430
Suppliers	3,070	3,075	3,088	3,070	3,070
Grants	142,500	143,385	142,900	142,900	142,900
Interest	-	-	-	-	-
GST payments to suppliers	90	90	95	95	95
Cash to Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	150,061	150,995	150,639	150,495	150,495
Net cash from operating activities	1,315	-	(101)	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Cash from Official Public Account	-	-	-	-	-
Cash received - other	10,484	1,600	130	-	-
Other	-	-	-	-	-
Total cash received	10,484	1,600	130	-	-
Cash used					
Purchase of property, plant and equipment	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from investing activities	10,484	1,600	130	-	-

Part C: Agency Budget Statements — Austrade

Table 3.9: Note of Budgeted Administered Cash Flows (continued)
for the period ended 30 June 2003

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	-	-	-	-	-
Cash from Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Repayments of debt	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Cash used for dividends	15,993	1,382	-	-	-
Other	-	-	-	-	-
Total cash used	15,993	1,382	-	-	-
Net cash from financing activities	15,993	1,382	-	-	-
Net increase (decrease) in cash held	(4,194)	218	29	-	-
Cash at beginning of reporting period	12,529	8,335	8,553	8,582	8,582
Administered cash at end of reporting period	8,335	8,553	8,582	8,582	8,582
Receipts from independent sources	1,376	595	138	95	95

Part C: Agency Budget Statements — Austrade

Table 3.10: Note of Administered Capital Budget

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
CAPITAL APPROPRIATIONS					
Administered capital	-	-	-	-	-
Represented by:					
Purchase of non-current assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
PURCHASE OF NON-CURRENT ASSETS					
Funded by Capital appropriation	-	-	-	-	-
Funded internally by Departmental resources	-	-	-	-	-

Part C: Agency Budget Statements — Austrade

Table 3.11: Note of Administered Non-financial Assets — Summary of Movement (Budget year 2002-03)

	Land	Buildings	Total land and buildings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	-	-	-	-
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at end of year	-	-	-	-	-	-	-	-
Total additions								

NOTES TO THE FINANCIAL STATEMENTS

Departmental Financial Statements and Notes on Administered Items

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 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 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 11 per cent.

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.

Asset valuation

From 1 July 2002 Commonwealth agencies and authorities are required to use either the cost basis or the fair value basis to measure Property, Plant and Equipment. The shift from the deprival method of valuation to fair value should occur gradually over a three-year period. Fair value essentially reflects the current market value of an asset.

Section 4: Purchaser/Provider

PURCHASER 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 CAS from DFAT at numerous DFAT managed overseas posts.

Austrade, in conjunction with the other purchaser agencies, has renegotiated the CAS Agreement with DFAT. The present three year CAS Agreement, in Austrade's case consisting of both a Memorandum of Understanding and Letter of Agreement, will expire on 30 June 2004. The sections below have been completed on the basis of the new agreement.

Resourcing

The purchase of CAS from DFAT is resourced through all output groups, comprising Outcome 1 and Outcome 2. The budgeted CAS price in 2002-03 will equal \$0.5 m.

Performance against outcomes and outputs

The \$0.5m covers a range of administrative services that Austrade purchases from DFAT in order to deliver outputs. The cost of these administrative services is allocated proportionately to all output groups, comprising Outcome 1 and Outcome 2.

PROVIDER ARRANGEMENTS - WHERE AUSTRADE SUPPLIES CROSS AGENCY SERVICES

In 2002-03, Austrade will be providing services to:

- Department of Defence;
- Department of Agriculture, Fisheries and Forestry – Australia;
- Department of Foreign Affairs and Trade (DFAT);
- Department of Immigration and Multicultural and Indigenous Affairs (DIMIA);
- Department of Industry, Tourism and Resources, and
- Department of Education, Science and Training (DEST).

Department of Defence

Defence Industry Specialist Programme

Austrade has a purchaser-provider agreement with the Department of Defence to deliver the Defence Industry Specialist Programme. This is the Department of Defence materiel and services export marketing programme, which operates in specific countries.

Department of Agriculture, Fisheries and Forestry – Australia

Wine Promotion

Austrade has been engaged by the Australian Wine and Brandy Corporation to develop a strategy and undertake marketing and promotion activities in a number of markets to increase exports of Australian wine.

Department of Foreign Affairs and Trade (DFAT)

Consular Services

DFAT is responsible for the provision of access to consular and passport services in Australia and overseas. In a number of locations, Austrade manages consulates for the Government, providing a full 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 Group 2.1 and in Austrade's 2002-03 Operational Plan.

Industry, Tourism and Resources Portfolio

Investment Attraction

In conjunction with the new Invest Australia agency, and under a memorandum of understanding (MOU) currently being negotiated, Austrade will assist in attracting inward investment to assist development of industry in Australia. This will be 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 Group 4 and will be updated when the MOU is completed.

Department of Immigration and Multicultural Indigenous Affairs (DIMIA)

Visa Services

At a number of Austrade's overseas posts (generally where there is no DFAT or DIMIA presence), visa services are delivered by Austrade on behalf of DIMIA.

Resourcing and performance information for the provision of these services can be found under Outcome 2, Output Group 2.1 and in Austrade's 2002-03 Operational Plan.

Department of Education, Science and Training (DEST)

Australian Education International (AEI) is part of the Commonwealth Department of Education, Science and Training. 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. Between 1999-2002 in Europe, Austrade delivered generic marketing and promotion services on behalf of AEI under a purchaser-provider agreement, with a similar arrangement under discussion for 2002-03.

APPENDIX 1: RECEIPTS FROM INDEPENDENT SOURCES

Receipts from independent sources - Departmental

	Estimated revenue 2001-02 \$'000	Estimated revenue 2002-03 \$'000
Sale of Goods and Services	24,031	21,349
Interest	2,300	2,200
Other	4,250	4,250
Total estimated revenue	30,581	27,799

Receipts from independent sources - Administered

	Estimated revenue 2001-02 \$'000	Estimated revenue 2002-03 \$'000
Sale of Goods and Services	836	346
Interest	450	159
Other	-	-
Total estimated revenue	1,286	505