

AUSTRALIAN TRADE COMMISSION

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AUSTRALIAN TRADE COMMISSION

Section 1: Agency overview

The Australian Trade Commission (Austrade) is the Australian Government's export and international business facilitation agency. It provides access to overseas markets, export market development grants and international opportunities through offices and partners across Australia. As the Australian Government's principal trade and international business facilitation agency, operating as a statutory authority 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;
- Access to financial assistance for export promotion for eligible exporters and aspiring exporters through administration of the Export Market Development Grants scheme;
- 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; and
- Consular, passport and immigration services in designated locations.

Austrade delivers these services through a global network of offices, with representatives overseas in 101 locations in 57 countries. In addition, across Australia Austrade operates 16 offices and a network of 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 2005-06, 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:

- Maximise export and international business outcomes arising from free trade agreements (FTAs) and trade policy;

Agency Budget Statements – Agency overview - Austrade

- Support exporters to target new and key export markets e.g. India and China; and
- Drive export development and export success in key industries.

In 2005-06, Austrade's primary objectives are to drive growth in export value and double the number of Australian exporters through:

- Assisting more Australian businesses to become exporters;
- Growing established exporters and helping exporters to become sustainable in export, so increasing export value;
- Supporting more Australian businesses to achieve export success by developing relationships and working with allies; and
- Raising awareness of the benefit of export among businesses and the community.

Aligned with these objectives, Austrade will also increase its focus on raising awareness of the assistance provided by the Export Market Development Grants scheme for small to medium enterprises (SMEs) to enter export markets and become sustainable exporters including as a support to capitalise on opportunities arising from FTAs.

Table 1.1: Agency outcomes and outputs

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.	<p>Consular, passport and immigration services in designated locations.</p>	<p>Output 2.1- Consular, passport and immigration services</p>

Section 2: Agency resources for 2005-06

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2005-06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

The total appropriation for Austrade in the 2005-06 Budget is \$335.8 million.

Table 2.1: Appropriations and other revenue 2005-06¹ ('000)

Outcome	Appropriations				Revenue from other sources ⁵		Total resources ⁷ \$'000
	\$'000 Bill No. 1	\$'000 Bill No. 2 ²	\$'000 Special approp ³	\$'000 Total approp ⁴	\$'000	% ⁶	
Outcome 1 - Australians succeeding in international business with widespread community support							
Administered	170,400	0	0	170,400	320	0.19%	170,720
Departmental	158,115	0	0	158,115	27,049	14.61%	185,164
Total outcome 1	328,515	0	0	328,515	27,369	7.69%	355,884
Outcome 2 - Australians informed about and provided access to consular, passport and immigration services in specific locations overseas							
Administered	0	0	0	0	0	0.00%	0
Departmental	7,297	0	0	7,297	3,136	30.06%	10,433
Total outcome 2	7,297	0	0	7,297	3,136	30.06%	10,433
Total agency	170,400	0	0	170,400	320	0.19%	170,720
Administered							
Total agency	165,412	0	0	165,412	30,185	15.43%	195,597
Departmental	335,812	0	0	335,812	30,505	8.33%	366,317
Total agency	0	8,669	0	8,669	0	0.00%	8,669
Departmental capital (equity injections)	0	0	0	0	0	0.00%	0
Previous year's outputs	0	0	0	0	0	0.00%	0
Administered assets and liabilities	0	0	0	0	0	0.00%	0
Total resources	335,812	8,669	0	344,481	30,505	8.13%	374,986

1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

2 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.

3 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1, etc.

4 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.

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- 5 Revenue from other sources includes FMA s.31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.
- 6 Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (Departmental) to the total price of outputs, by outcome.
- 7 Total resources = Total appropriations + Revenue from other sources.

Note: Refer to Budgeted statement of financial performance for application of agency revenue.

2.2: 2005-06 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	Outcome	Output groups affected	Appropriations budget 2005-06 (\$'000)		Appropriations forward estimate 2006-07 (\$'000)		Appropriations forward estimate 2007-08 (\$'000)		Appropriations forward estimate 2008-09 (\$'000)	
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs
Trade facilitation - additional export facilitators for the United States markets	1	1.3	0	3,000	3,000	0	3,000	0	0	0
Providing for Australia's Security - Australian overseas diplomatic missions improved security*	1,2	1.3, 2.1	0	12,695	12,695	0	9,119	0	2,965	2,242
Asia Pacific Economic Cooperation 2007	1	1.2	0	0	0	0	0	0	0	0

* Includes departmental equity injection of \$8.669 million in 2005-06

2.3: OTHER REVENUE AVAILABLE TO BE USED

Table 2.3: Other revenue available to be used

	Estimated revenues 2004-05 \$'000	Budget estimate 2005-06 \$'000
Departmental other revenue		
Sale of goods and services	25,403	25,806
Interest	2,072	2,133
Other	3,057	2,246
Total departmental other revenues available to be used	30,532	30,185
Administered other revenues		
Interest	29	13
Other	413	307
Total administered other revenues available to be used	442	320

1. This table replaces the former table 'Receipts from independent sources'. It represents own source receipts available for spending on departmental purposes.

2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004-05 TO 2005-06

Table 2.4: Movement of administered funds from 2004-05 to 2005-06

Movements of funding between years	\$'000
	10,000

The movement of \$10 million from 2004-05 to 2005-06 is to enable the Government to fulfil its election commitment to provide an additional \$30 million over three years to the Export Market Development Grants (EMDG) scheme, which previously had a budget of \$150.4 million. This movement will provide for an increased number of claims and will assist in maintaining confidence that a high payout factor for EMDG grant recipients, which are predominantly small businesses, can be achieved in 2005-06 and 2006-07.

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 an equity injection of \$8.7 million in 2005-06 to implement security upgrades at overseas missions, including the relocation of some missions.

Section 3: Agency 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.

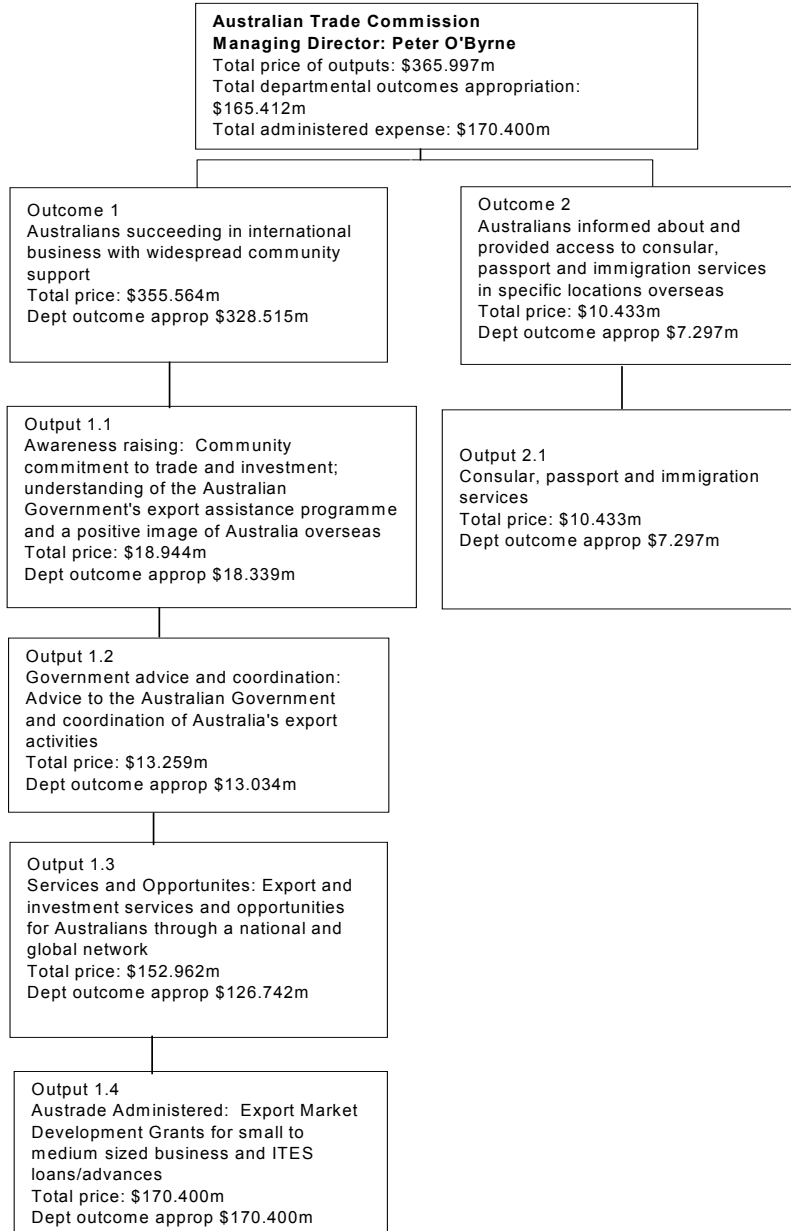
Austrade's performance is continually monitored using measures of performance at a corporate level, a unit level and individually through performance agreements with Austrade staff.

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, OUTPUTS AND ADMINISTERED ITEMS

The relationship between activities of Austrade and the outcomes is summarised in Figure 4.

Figure 4: Outcomes and outputs and administered items

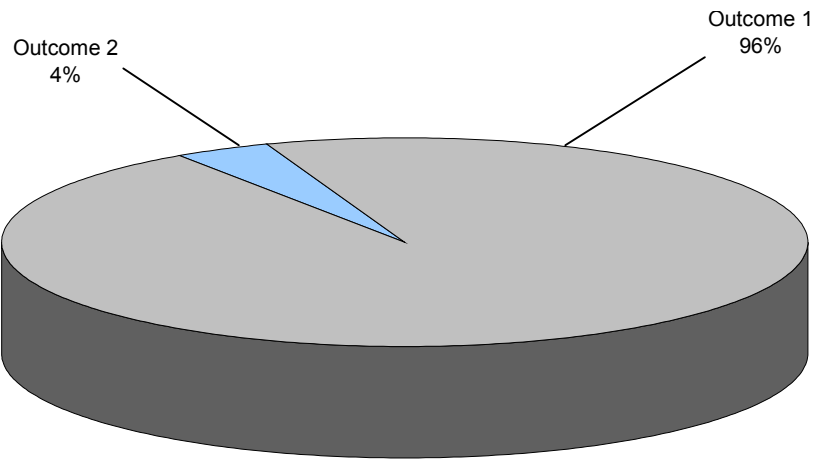


3.2: OUTCOMES — DEPARTMENTAL AND ADMINISTERED

Departmental appropriations by outcome

Figure 5 shows Departmental appropriations by outcome for 2005-06.

Figure 5: Departmental appropriations by outcome, 2005-06



Administered appropriations by outcome

Figure 6: Administered appropriations by outcome, 2005-06

Administered appropriations are solely attributable to outcome 1. These administered appropriations total \$170.4 million.

3.3: OUTCOMES RESOURCING

Outcome 1 resourcing

Table 3.1 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources (Departmental) and the total price of outputs.

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

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000
Administered appropriations		
Output 1.4 - Austrade Administered	136,200	170,400
Total administered appropriations	136,200	170,400
Departmental appropriations		
Output 1.1 - Awareness Raising	21,931	18,339
Subtotal Output 1.1	21,931	18,339
Departmental appropriations		
Output 1.2 - Government advice and coordination	11,716	13,034
Subtotal Output 1.2	11,716	13,034
Departmental appropriations		
Output 1.3 - Services and opportunities	112,204	126,742
Subtotal Output 1.3	112,204	126,742
Total revenue from government (appropriations)	145,851	158,115
Contributing to price of departmental outputs	84.2%	85.4%
Revenue from other sources		
Sale of goods and services	22,267	22,670
Interest	2,072	2,133
Revenue from sale of assets	1,061	250
Other	1,996	1,996
Total revenue from other sources	27,396	27,049
Total price from departmental outputs (Total revenue from government and from other sources)	173,247	185,164
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	309,447	355,564
	2004-05	2005-06
Average staffing level (number)	1,016	1,053

Measures affecting Outcome 1¹

Trade facilitation – additional export facilitators for the United States market

Financial Impact: Austrade Outcome 1 will receive \$3.0 million in expense funding in 2005-06 and \$3.0 million in 2006-07.

Providing for Australia's Security – Australian overseas diplomatic missions – improved security

Financial Impact: Austrade Outcome 1 & 2 will receive \$13.7 million in 2005-06 comprising \$5.0 million in expense funding and \$8.7 million in capital funding, \$10.6 million in 2006-07, \$4.7 million in 2007-08, and \$3.9 million in 2008-09. Expense figures include depreciation funding in each year.

Asia Pacific Economic Cooperation 2007

Financial Impact: Austrade Outcome 1 will receive no funding in 2005-06 and 2006-07.

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

1 This relates to measures disclosed in the 2005-06 Budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook 2004-05* (MYEFO)).

Outcome 1 — Contribution of outputs

Effectiveness - Overall achievement of the Outcome -

Austrade's objective for the 2005-06 period is the delivery of services to assist Australians succeeding in international business with widespread community support

Increase in the Number of Exporters ^[1] ^[2]

Proportion of Australians who believe exports make a major contribution to the economy ^[1] (80%)

Footnotes:

[1] Not wholly within Austrade's control

[2] Externally reported measure by ABS in December 2005 for the 2004-05 year.

Performance information for Outcome 1

Performance information for departmental outputs

Output 1.1 —

Awareness Raising: Community commitment to trade and investment, understanding of the Australian Government's export assistance programs and a positive business image of Australia overseas

Quality
Client satisfaction - Minister's Office ^[3]

Quantity
Community awareness of the importance of the Government's trade and international business facilitation activities through Austrade ^[1] (75%)

[1] Not wholly within Austrade's control

[3] The measure of the Minister's satisfaction will be provided to the Board by the Minister

Output 1.2 —

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

Quality
Client satisfaction - Minister's Office ^[3]

Quantity
Number of briefs (incl. submissions and Ministerials) provided to: Ministers, Parliament, public sector agencies (575) ^[4]
Percentage of material prepared within agreed timeframes (100%) ^[5]

[3] The measure of the Minister's satisfaction will be provided to the Board by the Minister

[4] Estimate is a quantity based on historical performance

[5] Target is a quantity based on planned levels of activity

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 with Austrade's services (85%)</p> <p><i>Quantity</i></p> <p>Number of clients who achieve export success with Austrade's assistance (5,000) ^[5]</p> <p>Number of new and irregular exporter clients who achieve export success with Austrade's assistance (1,800) ^[5]</p> <p>Number of established clients who achieve export success with Austrade's assistance (3,200) ^[5]</p> <p>Dollar value of export success achieved with Austrade's assistance (\$17.5b) ^[5]</p> <p>Total number of clients achieving outward investment success with Austrade's assistance (120) ^[4]</p> <p>Dollar value of outward investment success achieved with Austrade's assistance (\$1.26b) ^[4]</p> <p>Total number of businesses achieving export success indirectly through Austrade (400) ^[4]</p> <p>Total number of clients receiving Services from Austrade (15,000) ^[4]</p>
	[4] Estimate is a quantity based on historical performance
	[5] 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 ITES loans/advances	<p><i>Quantity</i></p> <p>Total number of grant applicants (3,750) ^[4]</p> <p>Total number of grant recipients (3,470) ^[4]</p> <p>Number of first-time grant applicants (1,350) ^[4]</p> <p>Number of first-time grant recipients (1,180) ^[4]</p> <p>Number and \$ of financial facilities under management (5 & \$1.5m) ^[4]</p>
	[4] Estimate is a quantity based on historical performance

EVALUATIONS

Planned evaluations and reviews affecting Austrade in 2005-06, 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;
- Australian National Audit Office Performance Audits – Austrade may have limited involvement in the ANAO performance audit into Protecting Information Overseas. In the event that the follow up audit into Mission Protection takes place, Austrade would expect to participate.

COMPETITIVE TENDERING AND CONTRACTING

External organisations are utilised to deliver a range of property and services including legal services, administrative support, office equipment and supplies, internal audit and IT systems. Austrade is committed to achieving value for money with all procurement activity. Amendments to the *Commonwealth Authorities and Companies (CAC) Act 1997*, identifies relevant CAC bodies that have been directed by the Finance Minister to apply the Commonwealth Procurement Guidelines (CPGs). Austrade has been identified as a relevant CAC body to apply the CPGs. In response to the revised Commonwealth Government Procurement (CPGs) framework and commitment to value for money outcomes, Austrade Procurement Guidelines (APGs) have been established to support procurement processes.

The APGs assist officials engaged in procurement activity to conduct better procurement processes in meeting Austrade's corporate governance requirements, and contribute to the achievement of Austrade's mission and corporate objectives. The APGs require, as matter of good procurement practice, that officials follow mandatory procurement procedures identified in the CPG's.

Austrade's procurement and contracting activities are coordinated by the Business Effectiveness group. This group includes two areas specifically to assist and support in the procurement process: Procurement and Contracts Management; and Legal Services. The group is also responsible for providing policy advice on procurement, together with identifying and implementing strategic procurement opportunities.

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

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000
Departmental appropriations		
Output 2.1 - Consular, passport and immigration services	9,285	7,297
Subtotal Output 2.1	9,285	7,297
Total revenue from government (appropriations) Contributing to price of departmental outputs	9,285 75%	7,297 70%
Other resources available to be used		
Sale of goods and services	3,136	3,136
Total other resources available to be used	3,136	3,136
Total price from departmental outputs (Total revenue from government and from other sources)	12,421	10,433
Total estimated resourcing for Outcome 2 (Total price of outputs and administered appropriations)	12,421	10,433
	2004-05	2005-06
Average staffing level (number)	40	41

Measures affecting Outcome 2

Providing for Australia's Security - Australian overseas diplomatic missions - improved security

Refer to Measures affecting Outcome 1, p. 93.

Performance information for Outcome 2

Table 3.2: Performance information for Outcome 2

Effectiveness - Overall achievement of the Outcome -

Austrade's specific objective for the period 2005-06 is:

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

Output 2.1 —

Consular, passport and immigration services

Quality

Client satisfaction (DFAT and DIMIA)

Quantity

Number of travel documents issued (2,500) ^[4]

Number of notarial acts (5,600) ^[4]

Number of Australians assisted overseas (not receiving travel documents or notarial acts) (37,000)

Number of visa applications received (50,600) ^[4]

[4] Estimate is a quantity based on historical performance

EVALUATIONS

- Refer to Evaluations under Outcome 1, p. 95.

COMPETITIVE TENDERING AND CONTRACTING

Refer to Competitive Tendering and Contracting under Outcome 1, p. 96.

Section 4: Other reporting requirements

4.1: PURCHASER-PROVIDER ARRANGEMENTS

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 CAS from DFAT 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 output groups under Outcome 1.

Provider Arrangements - Where Austrade supplies cross agency services

In 2005-06, Austrade will be providing services to:

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

Department of Agriculture, Fisheries and Forestry

Wine Promotion

Austrade works very closely with the Australian Wine Export Council (AWEC), a part of 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

Under a memorandum of understanding (MOU) with Invest Australia, Austrade supports Invest Australia's inward 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 Federal 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 Memorandum of Understanding 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.

Department of Immigration and Multicultural and Indigenous 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 and Indigenous Affairs (DIMIA).

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 International (AEI) is part of the 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. 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.

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.

The majority of Austrade's services, and particularly those delivered by our overseas posts, are delivered under our Client Service Policy (CSP). CSP costs are partially recovered and are based upon the direct and in-direct costs associated with staff time.

4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)

Refer to Portfolio Table 1, p. 9.

Section 5: Budgeted financial statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Austrade continues to go through a period of change and has projected an operating loss for 2005-06 of \$7.0 million. This represents the costs incurred to best position Austrade to fulfil its role to drive growth in export value and double the number of Australian exporters.

The net increase in revenue from government next financial year is a result of:

- adjustments for foreign exchange transactions;
- inflation and parameter adjustments;
- funding for Budget Measures; and
- increased efficiency targets of Government.

This is also reflected in a commensurate increase in operating expenses for 2005-06.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June 2006

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from Government	155,136	165,412	164,854	166,522	167,270
Goods and services	25,403	25,806	25,806	25,806	25,806
Interest	2,072	2,133	1,757	1,854	1,956
Dividends	0	0	0	0	0
Revenue from sales of assets	1,061	250	250	250	250
Reversals of previous asset write-downs	0	0	0	0	0
Net foreign exchange gains	0	0	0	0	0
Rents	0	0	0	0	0
Royalties	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0
Other	1,996	1,996	1,996	1,996	1,996
Revenues from ordinary activities	185,668	195,597	194,663	196,428	197,278
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	91,651	96,316	93,429	94,547	93,468
Suppliers	88,762	93,216	87,581	88,080	89,765
Grants	0	0	0	0	0
Subsidies	0	0	0	0	0
Depreciation and amortisation	11,396	12,665	13,253	13,401	13,645
Write-down of assets and impairment of assets	900	200	200	200	200
Value of assets sold	959	200	200	200	200
Net foreign exchange losses	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0
Other	0	0	0	0	0
Expenses from ordinary activities (excluding borrowing costs expense)	193,668	202,597	194,663	196,428	197,278
Borrowing costs expense	0	0	0	0	0
Share of net profits or (losses) of associates and joint ventures accounted for using the equity method	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0

Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June 2006 (continued)

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
Operating surplus or (deficit) from ordinary activities	(8,000)	(7,000)	0	0	0
Gain or (loss) on extraordinary items	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0
Net surplus or (deficit)	(8,000)	(7,000)	0	0	0
Outside equity interests in net surplus or (deficit)	0	0	0	0	0
Net surplus or deficit attributable to the Australian Government	(8,000)	(7,000)	0	0	0
Net credit or (debit) to asset revaluation reserve	(198)	0	0	0	0
Net exchange difference recognised as a direct debit or (credit) to equity	0	0	0	0	0
Adjustments arising from standards recognised as direct debit or (credit) to equity	0	0	0	0	0
Initial adjustments from transitional UIG consensus view recognised as direct debit or (credit) to equity	0	0	0	0	0
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity*	(8,198)	(7,000)	0	0	0
Total changes in equity other than those resulting from transactions with owners as owners	(8,198)	(7,000)	0	0	0

**Table 5.2: Budgeted departmental statement of financial position
as at 30 June 2006**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	24,714	18,635	21,409	24,314	27,454
Receivables	6,610	6,611	6,612	6,612	6,612
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	6,090	6,090	6,090	6,090	6,090
Accrued revenues	0	0	0	0	0
Other financial assets	0	0	0	0	0
Total financial assets	37,414	31,336	34,111	37,016	40,156
Non-financial assets					
Land and buildings	34,487	34,071	33,643	33,214	32,777
Infrastructure, plant and equipment	31,061	38,895	45,417	48,908	47,890
Investment properties	0	0	0	0	0
Heritage and cultural assets	0	0	0	0	0
Inventories	0	0	0	0	0
Intangibles	3,230	3,985	4,528	4,997	4,979
Other non-financial assets	2,537	2,537	2,537	2,537	2,537
Total non-financial assets	71,315	79,488	86,125	89,656	88,183
Total assets	108,729	110,824	120,236	126,672	128,339
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 interest bearing liabilities	0	0	0	0	0
Total interest bearing liabilities	0	0	0	0	0
Provisions					
Employees	26,242	27,014	28,941	30,850	32,750
Other provisions	0	0	0	0	0
Total provisions	26,242	27,014	28,941	30,850	32,750
Payables					
Suppliers	8,562	8,562	8,562	8,562	8,562
Grants	0	0	0	0	0
Dividends	0	0	0	0	0
Borrowing costs	0	0	0	0	0
Other payables	3,563	3,217	2,871	2,525	2,179
Total payables	12,125	11,779	11,433	11,087	10,741
Total liabilities	38,367	38,793	40,374	41,937	43,491

Table 5.2: Budgeted departmental statement of financial position as at 30 June 2006 (continued)

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	7,035	15,704	23,535	28,408	28,521
Reserves	83,622	83,622	83,622	83,622	83,622
Statutory funds	0	0	0	0	0
Retained surpluses or accumulated deficits	(20,295)	(27,295)	(27,295)	(27,295)	(27,295)
Total parent entity interest	70,362	72,031	79,862	84,735	84,848
Outside equity interest					
Contributed equity	0	0	0	0	0
Reserves	0	0	0	0	0
Retained surpluses or accumulated deficits	0	0	0	0	0
Total outside equity interest	0	0	0	0	0
Total equity	70,362	72,031	79,862	84,735	84,848
Current assets	38,839	33,500	36,887	40,390	44,178
Non-current assets	69,890	77,324	83,349	86,282	84,161
Current liabilities	24,961	24,787	25,087	25,337	26,743
Non-current liabilities	13,406	14,006	15,287	16,600	16,748

Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June 2006

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	24,616	24,158	25,460	25,460	25,460
Appropriations	155,136	165,412	164,854	166,522	167,270
Interest	2,107	2,183	1,757	1,854	1,956
Dividends	0	0	0	0	0
Other	5,540	3,946	3,996	3,996	3,996
Extraordinary items	0	0	0	0	0
Total cash received	187,399	195,699	196,067	197,832	198,682
Cash used					
Employees	90,561	95,544	91,502	92,638	91,568
Suppliers	88,527	91,915	87,582	88,080	89,765
Grants	0	0	0	0	0
Borrowing costs	0	0	0	0	0
Other	2,000	2,000	2,000	2,000	2,000
Extraordinary items	0	0	0	0	0
Total cash used	181,088	189,459	181,084	182,718	183,333
Net cash from or (used by) operating activities	6,311	6,240	14,983	15,114	15,349
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1,061	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
Extraordinary items	0	0	0	0	0
Total cash received	1,061	250	250	250	250
Cash used					
Purchase of property, plant and equipment	14,470	21,238	20,290	17,332	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	195	0	0	0	0
Extraordinary items	0	0	0	0	0
Total cash used	14,665	21,238	20,290	17,332	12,572
Net cash from or (used by) investing activities	(13,604)	(20,988)	(20,040)	(17,082)	(12,322)

Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June 2006 (continued)

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	6,128	8,669	7,831	4,873	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
Extraordinary items	0	0	0	0	0
Total cash received	6,128	8,669	7,831	4,873	113
Cash used					
Repayments of debt	0	0	0	0	0
Capital use charge paid	0	0	0	0	0
Dividends paid	0	0	0	0	0
Other	0	0	0	0	0
Extraordinary items	0	0	0	0	0
Total cash used	0	0	0	0	0
Net cash from/(used by) financing activities	6,128	8,669	7,831	4,873	113
Net increase or (decrease) in cash held	(1,165)	(6,079)	2,774	2,905	3,140
Cash at the beginning of the reporting period	25,879	24,714	18,635	21,409	24,314
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	24,714	18,635	21,409	24,314	27,454

Table 5.4: Departmental capital budget statement

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	6,128	8,669	7,831	4,873	113
Total loans	0	0	0	0	0
Total capital appropriations	6,128	8,669	7,831	4,873	113
Represented by:					
Purchase of non-financial assets	6,128	8,669	7,831	4,783	113
Other	0	0	0	0	0
Total represented by	6,128	8,669	7,831	4,783	113
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	6,128	8,669	7,831	4,873	113
Funded internally by Departmental resources	8,342	12,569	12,459	12,459	12,459
Total	14,470	21,238	20,290	17,332	12,572

Table 5.5: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)

	Land	Investment	Buildings	Specialist	Other	Heritage	Computer	Other	Total
	property	property		military	infrastructure	and cultural	software	intangibles	
	\$'000	\$'000	\$'000	equipment	plant and	assets	\$'000	\$'000	\$'000
					equipment				
As at 1 July 2005									
Gross book value	20,528	0	14,365	0	48,015	0	22,928	0	105,836
Accumulated depreciation	0	0	406	0	16,954	0	19,698	0	37,058
Opening net book value	20,528	0	13,959	0	31,061	0	3,230	0	68,778
Additions:									
by purchase	0	0	0	0	16,088	0	5,150	0	21,238
by finance lease	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
Net revaluation increment/decrement	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Depreciation/amortisation expense	0	0	416	0	7,854	0	4,395	0	12,665
Recoverable amount write-downs	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 2006									
Gross book value	20,528	0	14,365	0	55,103	0	28,078	0	118,074
Accumulated depreciation	0	0	822	0	16,208	0	24,093	0	41,123
Closing net book value	20,528	0	13,543	0	38,895	0	3,985	0	76,951

Table 5.6: Schedule of budgeted revenues and expenses administered on behalf of Government for the period ended 30 June 2006

	Estimated actual 2004-05 \$'000	Budget estimates 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
REVENUES ADMINISTERED ON BEHALF OF GOVERNMENT					
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 (revenues from Government)					
Goods and services	0	0	0	0	0
Interest	26	10	0	0	0
Dividends	0	0	0	0	0
Net foreign exchange gains	0	0	0	0	0
Revenues from sale of assets	0	0	0	0	0
Other sources of non-taxation revenues	413	307	44	0	0
Rents	0	0	0	0	0
Royalties	3	3	3	3	3
Correction of fundamental error	0	0	0	0	0
Total non-taxation	442	320	47	3	3
Total revenues administered on behalf of Government	442	320	47	3	3
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	128,800	162,880	152,880	142,880	142,880
Subsidies	0	0	0	0	0
Personal benefits	0	0	0	0	0
Employees	5,113	5,316	5,316	5,316	5,316
Suppliers	2,287	2,204	2,204	2,204	2,204
Depreciation and amortisation	0	0	0	0	0
Write down and impairment of assets	0	0	0	0	0
Value of assets sold	0	0	0	0	0
Net foreign exchange losses	0	0	0	0	0
Interest	0	0	0	0	0
Correction of fundamental error	0	0	0	0	0
Other	0	0	0	0	0
Extraordinary items	0	0	0	0	0
Total expenses administered on behalf of Government	136,200	170,400	160,400	150,400	150,400

Table 5.7: Schedule of budgeted assets and liabilities administered on behalf of Government as at 30 June 2006

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	7,004	7,324	7,371	7,374	7,377
Receivables	150	80	27	22	22
Investments 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
Accrued revenues	0	0	0	0	0
Other financial assets	0	0	0	0	0
Total financial assets	7,154	7,404	7,398	7,396	7,399
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
Other non-financial assets	0	0	0	0	0
Total non-financial assets	0	0	0	0	0
Total assets administered on behalf of Government	7,154	7,404	7,398	7,396	7,399
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
Overdrafts	0	0	0	0	0
Other	0	0	0	0	0
Total interest bearing liabilities	0	0	0	0	0
Provisions					
Employees	1,749	1,749	1,749	1,749	1,749
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	1,749	1,749	1,749	1,749	1,749
Payables					
Suppliers	224	154	101	96	96
Grants and subsidies	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	154	101	96	96
Total liabilities administered on behalf of Government	1,973	1,903	1,850	1,845	1,845

Table 5.8: Schedule of budgeted administered cash flows for the period ended 30 June 2006

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received	0	0	0	0	0
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	26	10	0	0	0
Dividends	0	0	0	0	0
Cash from Official Public Account	136,200	170,400	160,400	150,400	150,400
Other	511	405	142	98	98
Total cash received	136,737	170,815	160,542	150,498	150,498
Cash used					
Borrowing costs	0	0	0	0	0
Employees	5,113	5,316	5,316	5,316	5,316
Grant payments	128,800	162,880	152,880	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	2,287	2,204	2,204	2,204	2,204
Cash to Official Public Account	0	0	0	0	0
Other	95	95	95	95	95
Total cash used	136,295	170,495	160,495	150,495	150,495
Net cash from/(used by) operating activities	442	320	47	3	3
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
Cash from Official Public Account	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

Table 5.8: Schedule of budgeted administered cash flows for the period ended 30 June 2006 (continued)

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'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
Cash to Official Public Account	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/(used by) investing activities	0	0	0	0	0
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	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 borrowings	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/(used by) financing activities	0	0	0	0	0
Net increase or (decrease) in cash held	442	320	47	3	3
Cash at beginning of reporting period	6,562	7,004	7,324	7,371	7,374
Cash from Official Public Account for Appropriations	0	0	0	0	0
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 from 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	7,004	7,324	7,371	7,374	7,377

Table 5.9: Schedule of administered capital budget

Not applicable to Austrade.

Table 5.10: Schedule of Administered Non-financial Assets — Summary of Movement (Budget year 2005-06)

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.