

# **Australian Trade Commission (Austrade)**

## **Agency resources and planned performance**



# AUSTRALIAN TRADE COMMISSION (AUSTRADE)

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# AUSTRALIAN TRADE COMMISSION (AUSTRADE)

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Australian Trade Commission (Austrade) is the Australian Government's trade and investment development agency and operates as a statutory agency within the Foreign Affairs and Trade portfolio.

Austrade's outcomes are:

- Advance Australia's trade and investment interests through information, advice and services to businesses, industry and governments; and
- The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas.

A comprehensive review of Austrade was conducted in 2010, supported by consultations across government and business. 2011-12 will see the implementation of changes to Austrade's operating model and basis for organising as a consequence of this review. One impact will be a redistribution of Austrade's international representation as well as the implementation of new service delivery approaches in Australia.

In 2011-12 Austrade's international activities will be more clearly directed towards growth and emerging markets that offer commercial potential and provide opportunities aligned with Australian capability (including education), and where there is a clear role for Government through Austrade. In established markets, it will focus predominantly on opportunities for inward investment and education services. Austrade will deliver practical in-market support, advice and insights to Australian businesses. These activities provide the most value in markets where language and business culture can be a barrier, where there is less openness of regulatory frameworks and transparency of business processes, where there are difficulties accessing distribution channels and commercial connections, and where the value of the 'badge of government' is highest.

Austrade's network of offices across 54 countries will be strengthened with the establishment of new trade and investment representation in major growth and emerging markets that have high growth potential, including Mongolia. Austrade's activities in these markets will have a strong focus on trade development, as well as marketing of international education and, over the longer term, investment.

Through its international network, Austrade will draw on its relationships and connections with international customers, investors and decision makers to identify commercial opportunities including short term, single buyer commercial transactions, and longer term, higher value project-based opportunities.

In more established markets such as North America and Europe, Austrade's focus will be predominantly on inward investment and education services, with greater use of partners, referrals and online information and services to support Australia's exporters in these markets.

Austrade's support for inward investment activity will include the proactive attraction of foreign direct investment aligned to agreed government priorities, supported by the promotion in target markets of Australia's attractiveness as a destination for investment. Where international businesses have indicated an interest in Australia as a potential destination for investing, Austrade will work in partnership with State and Territory Governments to facilitate such investments.

Austrade will continue to promote the sustainable development of Australia's international education and training services, and support the international standing of Australia's education system as world class and globally connected. Austrade will assist the sector in the repositioning of Australian education at a time when Australia is facing a downturn in international student enrolments, in part due to a stronger Australian currency and increased competition from other countries.

Austrade will lead the use of the *Australia Unlimited* nation brand on behalf of the Government to advance Australia's image and reputation across a wide range of fields including trade, investment, innovation, diplomacy, international education and tourism. This includes enhancing international awareness of Australia's business capabilities, of Australia as a destination for investment and as a source of competitive, high quality goods and services, with a world class international education system. Austrade will continue to lead the roll-out of the brand, including building greater support for and use of the brand by Australian government agencies and their State and Territory counterparts and other organisations promoting Australia and Australian interests overseas.

Austrade will continue to support delivery of the Government's Clean Energy Trade and Investment Strategy and Automotive Market Access Plan by attracting inward investment and identifying export opportunities to assist the growth of a sustainable clean energy sector, and support the automotive components sector to integrate into global supply chains and increase its share of markets in Asia and North America.

Within Australia, Austrade has 14 offices and manages the TradeStart network of export advisers across 31 locations in metropolitan and regional Australia. A core element of Austrade's strategy is to apply its resources to maximum effect by working in partnership across all levels of Government and with extended networks in the

private sector for the delivery of services to Australian businesses and to bring investment to Australia.

The Export Market Development Grants (EMDG) scheme, which assists small and medium-sized Australian businesses to address the challenges associated with undertaking promotion in export markets and achieve international business growth, will continue to be managed by Austrade.

Austrade will support Australians in specific locations overseas through the delivery of effective, accurate and timely consular and passport services, travel advice, practical contingency planning and rapid crisis response.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: Austrade Resource Statement — Budget Estimates for 2011-12 as at Budget May 2011**

	Estimate of prior + year amounts available in 2011-12 \$'000	Proposed at Budget = 2011-12 \$'000	Total estimate 2011-12 \$'000	Actual available appropriation 2010-11 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	35,590 <sup>5</sup>	-	35,590	33,476
Departmental appropriation <sup>3</sup>	-	184,221	184,221	189,772
s31 Relevant agency receipts <sup>4</sup>	-	26,996	26,996	26,996
<b>Total</b>	<b>35,590</b>	<b>211,217</b>	<b>246,807</b>	<b>250,244</b>
<b>Administered expenses</b>				
Outcome 1	-	150,400	150,400	150,400
<b>Total</b>	<b>-</b>	<b>150,400</b>	<b>150,400</b>	<b>150,400</b>
<b>Total ordinary annual services</b>	<b>A 35,590</b>	<b>361,617</b>	<b>397,207</b>	<b>400,644</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	5,269	-	5,269	7,821
<b>Total</b>	<b>5,269</b>	<b>-</b>	<b>5,269</b>	<b>7,821</b>
<b>Total other services</b>	<b>B 5,269</b>	<b>-</b>	<b>5,269</b>	<b>7,821</b>
<b>Total available annual appropriations</b>	<b>40,859</b>	<b>361,617</b>	<b>402,476</b>	<b>408,465</b>
<b>Total net resourcing for Austrade</b>				
(A + B)	<b>40,859</b>	<b>361,617</b>	<b>402,476</b>	<b>408,465</b>

1. Appropriation Bill (No.1) 2011-12.

2. Estimated adjusted balance carried forward from previous year for annual appropriations.

3. Includes \$15.3 million in 2011-12 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4. s31 Relevant Agency receipts — estimate.

5. Estimated adjusted balance carried from previous year for Annual Appropriations. Funds are required for Austrade to meet obligations, employee entitlement liabilities and other commitments.

**Reader note: All figures are GST exclusive.**



### 1.3 BUDGET MEASURES

Budget measures relating to Austrade are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Agency 2011-12 Budget Measures**

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Expense measures</b>						
Efficiency dividend – temporary increase in the rate						
Departmental expenses	1.1, 2.1	-	(857)	(1,668)	(2,040)	(2,509)
<b>Total</b>		-	<b>(857)</b>	<b>(1,668)</b>	<b>(2,040)</b>	<b>(2,509)</b>
<b>Total expense measures</b>						
Departmental		-	(857)	(1,668)	(2,040)	(2,509)
<b>Total</b>		-	<b>(857)</b>	<b>(1,668)</b>	<b>(2,040)</b>	<b>(2,509)</b>
<b>Capital measures</b>						
Efficiency dividend – temporary increase in the rate						
Departmental capital	1.1	-	(78)	(235)	(180)	(281)
<b>Total</b>		-	<b>(78)</b>	<b>(235)</b>	<b>(180)</b>	<b>(281)</b>
<b>Total capital measures</b>						
Departmental		-	(78)	(235)	(180)	(281)
<b>Total</b>		-	<b>(78)</b>	<b>(235)</b>	<b>(180)</b>	<b>(281)</b>

Prepared on a Government Financial Statistics (fiscal) basis.

### Measures announced between 2010-11 Budget and 2011-12 Budget but not yet reported in subsequent portfolio statement

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Expense Measures</b>						
Foreign Affairs and Trade Portfolio – efficiencies						
Departmental expenses	1.1	-	(2,223)	(2,209)	(2,233)	-
<b>Total</b>		-	<b>(2,223)</b>	<b>(2,209)</b>	<b>(2,233)</b>	-
<b>Total measures</b>						
Departmental		-	(2,223)	(2,209)	(2,233)	-
<b>Total Departmental Expenses</b>		-	<b>(2,223)</b>	<b>(2,209)</b>	<b>(2,233)</b>	-

Prepared on a Government Financial Statistics (fiscal) basis.

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of Austrade in achieving Government outcomes.

**Outcome 1: Advance Australia's trade and investment interests through information, advice and services to businesses, industry and governments**

#### Outcome 1 Strategy

Austrade will apply its knowledge of and connections in international markets, and its status as a Government organisation, to identify and present commercial opportunities to Australian business, institutions, and industry. Austrade's full range of services will be delivered in growth and emerging markets that offer commercial potential and provide opportunities aligned with Australian capability (including education). In established markets, Austrade will focus predominantly on inward investment and education. Wherever possible, Austrade will partner with other Commonwealth Government agencies and state and territory governments and private sector organisations in delivering its trade, investment and international education activities.

## Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for Outcome 1 by program.

**Table 2.1: Budgeted Expenses for Outcome 1**

<b>Outcome 1: Advance Australia's trade and investment interests through information, advice and services to businesses, industry and governments</b>	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
<b>Program 1.1: Trade and investment development</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	188,764	182,855
Expenses not requiring appropriation in the Budget year <sup>2</sup>	19,288	19,578
<b>Total for Program 1.1</b>	<b>208,052</b>	<b>202,433</b>
<b>Program 1.2: Trade development schemes (EMDG)</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	150,400	150,400
<b>Total for Program 1.2</b>	<b>150,400</b>	<b>150,400</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	150,400	150,400
Departmental expenses		
Departmental appropriation <sup>1</sup>	188,764	182,855
Expenses not requiring appropriation in the Budget year <sup>2</sup>	19,288	19,578
<b>Total expenses for Outcome 1</b>	<b>358,452</b>	<b>352,833</b>
	<b>2010-11</b>	<b>2011-12</b>
<b>Average Staffing Level (number)</b>	1,028	1,002

1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

2. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense and Audit Fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities and demand changes.

## Contributions to Outcome 1

### Program 1.1: Trade and investment development

#### Program 1.1 Objective

Austrade will advance Australian trade, investment and international education interests by identifying and presenting international opportunities and delivering practical in-market support, advice and insights to Australian businesses and institutions.

#### Program 1.1 Expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
( '000)					
Annual departmental expenses:					
Departmental item	188,764	182,855	178,084	174,599	178,195
Expenses not requiring appropriation in the Budget year <sup>1</sup>	19,288	19,578	19,727	19,523	19,580
<b>Total program expenses</b>	<b>208,052</b>	<b>202,433</b>	<b>197,811</b>	<b>194,122</b>	<b>197,775</b>

1. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense, Audit Fees.

### Program 1.1 Deliverables

- Identify foreign business opportunities for Australian companies and industries, particularly in growth and emerging markets that offer commercial potential and align with Australian capability; where there are difficulties accessing distribution channels and commercial connections; and where the value of the 'badge of government' is highest.
- Deliver market-related services, advice and information to assist Australian companies in international markets to capture opportunities.
- Build linkages and networks with key decision-makers, buyers, investors and institutions and facilitate access to senior officials and business executives in international markets, and assist Australian firms with 'behind the border' barriers to trade and investment, consistent with legal obligations including anti-bribery laws both in Australia and overseas.
- Work with state and territory and other Commonwealth government agencies to secure productive foreign direct investment from target markets that complements or capitalises on domestic capabilities.
- Promote Australia's nation brand, *Australia Unlimited* in target markets to advance Australia's image and reputation across a wide range of fields including trade, investment, innovation, diplomacy, international education and tourism.
- Promote the international standing of Australia's education system as world-class, and assist in the marketing of Australian education to support the sustainable development of Australia's international education and training services.
- Support the delivery of the Automotive Market Access Program and Clean Energy Trade and Investment Strategy.
- Strengthen investment in online information and service delivery and new partnerships to achieve a more contemporary approach to service delivery.
- Assess applications for the income tax exemption available under Section 23AF of the *Income Tax Assessment Act 1936*, to assist the international competitiveness of Australian companies and government organisations competing to win international tenders.
- Draw on Austrade's global, commercial perspective to provide advice to Government.

**Program 1.1 Key Performance Indicators**

- High-potential international trade opportunities identified and presented to Australian businesses.
- Number of Australian businesses provided with practical in-market services and advice.
- Australian business community satisfaction with Austrade's services.
- Attraction of high value-add inward investment from targeted markets, in cooperation with state and territory governments and partners.
- Strong international awareness of Australia as a destination for investment and as a source of competitive, high quality goods and services and world class international education system.
- Effective international marketing of Australia's education services, in cooperation with relevant education institutions and stakeholders.
- Effective delivery of trade and investment strategies through the Automotive Market Access Program and Clean Energy Trade and Investment Strategy.
- Effective contribution to whole-of-government policy development utilising Austrade's global, commercial perspective on export, investment and international education.
- Effective collaboration and partnerships with stakeholders including other Commonwealth government agencies, state and territory governments, business and industry associations and institutions.

## Program 1.2: Trade development schemes – Export Market Development Grants (EMDG)

### Program 1.2 Objective

Provide an incentive for businesses to enter into export and grow to become sustainable exporters.

### Program 1.2 Expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
(‘000)					
Annual administered expenses:					
Administered item	150,400	150,400	150,400	150,400	150,400
<b>Total program expenses</b>	<b>150,400</b>	<b>150,400</b>	<b>150,400</b>	<b>150,400</b>	<b>150,400</b>

### Program 1.2 Deliverables

Administration of the Export Market Development Grants scheme, providing partial reimbursement for expenditure on eligible export promotion activities.

### Program 1.2 Key Performance Indicators

Key Performance Indicators	2010-11 Revised budget	2011-12 Budget estimate
Number of grant applications	4,585	4,000 - 4,500
Number of grant recipients	4,264	3,720 - 4,185

**Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas**

## Outcome 2 Strategy

Austrade supports Australians travelling and working overseas through the delivery of effective, accurate and timely consular and passport services, travel advice, practical contingency planning and rapid crisis response in locations overseas where Austrade has consular management responsibilities.

## Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for Outcome 2 by program.

**Table 2.1: Budgeted Expenses for Outcome 2**

<b>Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas</b>	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
<b>Program 2.1: Consular and passport services</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	13,846	13,050
<b>Total for Program 2.1</b>	<b>13,846</b>	<b>13,050</b>
<b>Outcome 2 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	13,846	13,050
<b>Total expenses for Outcome 2</b>	<b>13,846</b>	<b>13,050</b>
	<b>2010-11</b>	<b>2011-12</b>
<b>Average Staffing Level (number)</b>	50	46

1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.



## Contributions to Outcome 2

### Program 2.1: Consular and passport services

#### Program 2.1 Objective

Support Australians in specific locations overseas through a effective consular service, accurate and timely travel advice, practical contingency planning and rapid crisis response.

#### Program 2.1 Expenses

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
( '000)					
Annual departmental expenses:					
Departmental item	13,846	13,050	12,812	12,626	12,803
<b>Total program expenses</b>	<b>13,846</b>	<b>13,050</b>	<b>12,812</b>	<b>12,626</b>	<b>12,803</b>

#### Program 2.1 Deliverables

In specific locations overseas:

- Deliver comprehensive, responsive, high quality consular services to an increasing number of Australian travellers and citizens living overseas, including notarial services and assistance with welfare issues, whereabouts enquiries, arrest or detention matters and medical emergencies.
- Provide high-quality passport services to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud.
- Undertake effective consular contingency planning for major events or high-risk scenarios, including through regular reviews of procedures and available resources, training of staff and coordination with other government agencies and foreign governments.

**Program 2.1 Key Performance Indicators**

In specific locations overseas:

- The delivery of consular services is effective, efficient, timely and responsive.
- Clients are satisfied with the efficiency and effectiveness in delivering passport services, with routine passports issued within ten working days and urgent passport issues dealt with in a timely and responsive manner.
- Consular contingency planning accurately anticipates high-risk events and scenarios. Procedures and networks remain valid and viable, and plans are tested and reviewed regularly.

	2010-11	2011-12
Key Performance Indicators	Revised budget	Budget estimate
Passport applications received	14,366	12,645
Number of notarial acts	9,751	9,798

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2011-12 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Movement of administered funds between years

There has been no movement of administered funds between years for Austrade since the 2010-11 Budget.

#### 3.1.2 Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by Austrade.

**Table 3.1.2: Estimates of Special Account Flows and Balances**

		Opening balance 2011-12 2010-11	Receipts 2011-12 2010-11	Payments 2011-12 2010-11	Adjustments 2011-12 2010-11	Closing balance 2011-12 2010-11
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Admin Payments and Receipts for Other Entities Special Account <sup>1</sup> (A)	1	100 100	9,200 9,444	(9,200) (9,444)	- -	100 100
Other Trust Moneys Special Account <sup>2</sup> (D)	1	60 1,023	640 640	(640) (1,603)	- -	60 60
<b>Total Special Accounts</b>						
<b>2011-12 Budget estimate</b>		160	9,840	(9,840)	-	160
<i>Total Special Accounts</i>						
<i>2010-11 estimate actual</i>		1,123	10,084	(11,047)	-	160

1. s20 Financial Management and Accountability Act, 1997 Determination 2006/15.

2. s20 Financial Management and Accountability Act, 1997 Determination 2006/16.

(A) = Administered

(D) = Departmental

### 3.1.3 Australian Government Indigenous Expenditure

**Table 3.1.3: Australian Government Indigenous Expenditure**

Outcome	Appropriations				Other	Total	Program
	Bill	Bill	Special	Total			
	No. 1	No. 2	approp	approp			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Austrade</b>							
<b>Outcome 1</b>							
Departmental 2011-12	120			120		120	1.1
Departmental 2010-11	49			49		49	1.1
Total outcome 2011-12	120	-	-	120	-	120	1.1
Total outcome 2010-11	49	-	-	49	-	49	1.1
Total departmental 2011-12	120	-	-	120	-	120	1.1
Total departmental 2010-11	49	-	-	49	-	49	1.1
<b>Total AGIE 2011-12</b>	<b>120</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>-</b>	<b>120</b>	<b>1.1</b>
Total AGIE 2010-11	49	-	-	49	-	49	1.1

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Analysis of budgeted financial statements**

An analysis of Austrade's budgeted financial statements, as reflected in the departmental financial statements and administered schedules, is provided below.

#### **Departmental financial statements**

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

#### **Budgeted departmental comprehensive income statement**

This statement provides estimated actual financial results for 2010-11 and the estimated revenue and expenses for 2011-12 and forward years.

Total income in 2011-12 is estimated to be \$196.1 million, which represents a decrease of \$6.7 million in appropriations from the 2010-11 estimated actual, comprising of decreases due to:

- 2011-12 budget measures (\$0.9 million)
- measures agreed in 2010-11 with an impact in 2011-12 (\$2.2 million).
- a reduction in amortisation funding (\$2.5 million).
- foreign exchange variations and parameter adjustments (\$1.1 million)

Austrade is receiving funding of \$15.3 million to fund the Departmental Capital Budget which is treated as an equity injection.

Total estimated expenses for 2011-12 have decreased by \$6.4 million to reflect the reduction in income, partially offset by an increase in depreciation.

#### **Budgeted departmental balance sheet**

This statement discloses the estimated end of year financial position for Austrade. Austrade's budgeted net asset position at the end of 2011-12 of \$50.7 million represents a decrease of \$4.1 million from the 2010-11 estimated actual in table 3.2.2 due to the variation between capital program funding (\$15.3 million) and estimated depreciation expense (\$19.4 million).

### **Departmental statement of changes in equity — summary of movement**

This statement shows changes in equity resulting from the net impact of movements in accumulated results, assets revaluation and other reserves, and contributed equity.

Total equity at the end of 2011-12 is estimated to be \$50.7 million, a decrease of \$4.1 million due to the variation between capital funding (\$15.3 million) and depreciation expense (\$19.4 million).

### **Budgeted departmental statement of cash flows**

This statement shows the extent and nature of cash flows as a result of Austrade's operating, investing and financing activities. Austrade's cash balance at the end of 2011-12 is estimated to be \$5.5 million.

### **Departmental capital budget statement**

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

### **Departmental statement of asset movements**

This statement shows budgeted acquisitions and disposals of non-financial assets during the budget year.

### **Schedule of administered activity**

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

### **Schedule of budgeted income and expenses administered on behalf of Government**

This schedule discloses revenue and expenses administered on behalf of the Government.

Administered expenses of \$150.4 million for 2011-12 relate to the EMDG scheme. This is comprised of \$142.9 million in grant expenditure and \$7.5 million in expenditure for the costs of administering the EMDG scheme on behalf of the Government.

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

This schedule identifies the assets and liabilities administered on behalf of the Government.

Total administered assets and liabilities for 2011-12 are estimated at \$0.1 million and \$11.0 million respectively.

**Schedule of budgeted administered cash flows**

This schedule shows cash flows administered on behalf of the Government. All cash received is expected to be expended on the EMDG scheme.

### 3.2.2 Budgeted financial statements tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)  
(for the period ended 30 June)**

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000	Forw ard estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000
<b>EXPENSES</b>					
Employee benefits	112,427	108,551	106,598	104,949	107,079
Supplier expenses	90,341	87,512	84,456	82,434	84,077
Depreciation and amortisation	19,130	19,420	19,569	19,365	19,422
<b>Total expenses</b>	<b>221,898</b>	<b>215,483</b>	<b>210,623</b>	<b>206,748</b>	<b>210,578</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	24,746	24,746	24,746	24,746	24,746
Rental income	500	500	500	500	500
Other	1,500	1,500	1,500	1,500	1,500
<b>Total own-source revenue</b>	<b>26,746</b>	<b>26,746</b>	<b>26,746</b>	<b>26,746</b>	<b>26,746</b>
<b>Gains</b>					
Sale of assets	250	250	250	250	250
Other	158	158	158	158	158
<b>Total gains</b>	<b>408</b>	<b>408</b>	<b>408</b>	<b>408</b>	<b>408</b>
<b>Total own-source income</b>	<b>27,154</b>	<b>27,154</b>	<b>27,154</b>	<b>27,154</b>	<b>27,154</b>
<b>Net cost of (contribution by) services</b>	<b>194,744</b>	<b>188,329</b>	<b>183,469</b>	<b>179,594</b>	<b>183,424</b>
Revenue from Government	175,614	168,909	163,900	160,229	164,002
<b>Surplus (Deficit)</b>	<b>(19,130)</b>	<b>(19,420)</b>	<b>(19,569)</b>	<b>(19,365)</b>	<b>(19,422)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(19,130)</b>	<b>(19,420)</b>	<b>(19,569)</b>	<b>(19,365)</b>	<b>(19,422)</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(19,130)</b>	<b>(19,420)</b>	<b>(19,569)</b>	<b>(19,365)</b>	<b>(19,422)</b>

**Note: Reconciliation of comprehensive income attributable to the agency**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Total Comprehensive Income (loss) Attributable to the Australian Government</b>	<b>(19,130)</b>	<b>(19,420)</b>	<b>(19,569)</b>	<b>(19,365)</b>	<b>(19,422)</b>
plus non-appropriated expenses depreciation and amortisation expenses	19,130	19,420	19,569	19,365	19,422
<b>Total Comprehensive Income (loss) Attributable to the agency</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	5,500	5,500	5,500	5,500	5,500
Trade and other receivables	41,640	42,278	43,778	45,278	45,278
<b>Total financial assets</b>	<b>47,140</b>	<b>47,778</b>	<b>49,278</b>	<b>50,778</b>	<b>50,778</b>
<b>Non-financial assets</b>					
Land and buildings	12,605	12,199	14,840	13,778	14,486
Property, plant and equipment	22,754	19,923	20,183	18,207	17,081
Intangibles	18,141	18,132	18,799	16,570	15,925
Other	5,707	5,707	5,707	5,707	5,707
<b>Total non-financial assets</b>	<b>59,207</b>	<b>55,961</b>	<b>59,529</b>	<b>54,262</b>	<b>53,199</b>
<b>Total assets</b>	<b>106,347</b>	<b>103,739</b>	<b>108,807</b>	<b>105,040</b>	<b>103,977</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	13,717	13,717	13,717	13,717	13,717
Other	4,568	4,568	4,568	4,568	4,568
<b>Total payables</b>	<b>18,285</b>	<b>18,285</b>	<b>18,285</b>	<b>18,285</b>	<b>18,285</b>
<b>Provisions</b>					
Employee provisions	33,060	34,560	36,060	37,560	37,560
Other	192	192	192	192	192
<b>Total provisions</b>	<b>33,252</b>	<b>34,752</b>	<b>36,252</b>	<b>37,752</b>	<b>37,752</b>
<b>Total liabilities</b>	<b>51,537</b>	<b>53,037</b>	<b>54,537</b>	<b>56,037</b>	<b>56,037</b>
<b>Net assets</b>	<b>54,810</b>	<b>50,702</b>	<b>54,270</b>	<b>49,003</b>	<b>47,940</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	28,770	44,082	67,219	81,317	99,676
Reserves	58,518	58,518	58,518	58,518	58,518
Retained surplus (accumulated deficit)	(32,478)	(51,898)	(71,467)	(90,832)	(110,254)
<b>Total Equity</b>	<b>54,810</b>	<b>50,702</b>	<b>54,270</b>	<b>49,003</b>	<b>47,940</b>

\* 'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2011-12)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2011</b>					
Balance carried forward from previous period	(32,478)	19,793	38,725	28,770	54,810
<b>Adjusted opening balance</b>	<b>(32,478)</b>	<b>19,793</b>	<b>38,725</b>	<b>28,770</b>	<b>54,810</b>
Surplus (deficit) for the period	(19,420)				(19,420)
<b>Total comprehensive income</b>	<b>(51,898)</b>	<b>19,793</b>	<b>38,725</b>	<b>28,770</b>	<b>35,390</b>
<b>Transactions with owners</b>					
Departmental Capital Budget (DCBs)				15,312	15,312
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,312</b>	<b>15,312</b>
<b>Estimated closing balance as at 30 June 2012</b>	<b>(51,898)</b>	<b>19,793</b>	<b>38,725</b>	<b>44,082</b>	<b>50,702</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(51,898)</b>	<b>19,793</b>	<b>38,725</b>	<b>44,082</b>	<b>50,702</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	25,246	25,246	25,246	25,246	25,246
Appropriations	176,643	167,409	162,400	158,729	164,002
Net GST received	5,705	5,714	5,714	5,714	5,714
Other	1,500	1,500	1,500	1,500	1,500
<b>Total cash received</b>	<b>209,094</b>	<b>199,869</b>	<b>194,860</b>	<b>191,189</b>	<b>196,462</b>
<b>Cash used</b>					
Employees	110,433	107,051	105,098	103,449	107,079
Suppliers	90,062	87,354	84,298	82,276	83,919
Net GST paid	5,705	5,714	5,714	5,714	5,714
<b>Total cash used</b>	<b>206,200</b>	<b>200,119</b>	<b>195,110</b>	<b>191,439</b>	<b>196,712</b>
<b>Net cash from (used by) operating activities</b>	<b>2,894</b>	<b>(250)</b>	<b>(250)</b>	<b>(250)</b>	<b>(250)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	250	250	250	250	250
<b>Total cash received</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	16,710	16,174	23,137	14,098	18,359
<b>Total cash used</b>	<b>16,710</b>	<b>16,174</b>	<b>23,137</b>	<b>14,098</b>	<b>18,359</b>
<b>Net cash from (used by) investing activities</b>	<b>(16,460)</b>	<b>(15,924)</b>	<b>(22,887)</b>	<b>(13,848)</b>	<b>(18,109)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	16,710	16,174	23,137	14,098	18,359
<b>Total cash received</b>	<b>16,710</b>	<b>16,174</b>	<b>23,137</b>	<b>14,098</b>	<b>18,359</b>
<b>Net cash from (used by) financing activities</b>	<b>16,710</b>	<b>16,174</b>	<b>23,137</b>	<b>14,098</b>	<b>18,359</b>
<b>Net increase (decrease) in cash held</b>	<b>3,144</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	2,356	5,500	5,500	5,500	5,500
Effect of exchange rate movements on cash and cash equivalents at the beginning of reporting period					
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital Budget - Bill 1 (DCB)	14,158	15,312	23,137	14,098	18,359
<b>Total capital appropriations</b>	<b>14,158</b>	<b>15,312</b>	<b>23,137</b>	<b>14,098</b>	<b>18,359</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	14,158	15,312	23,137	14,098	18,359
<b>Total Items</b>	<b>14,158</b>	<b>15,312</b>	<b>23,137</b>	<b>14,098</b>	<b>18,359</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by Capital Appropriation	2,552	862			
Funded by Capital Appropriation - DCB <sup>1</sup>	14,158	15,312	23,137	14,098	18,359
<b>TOTAL</b>	<b>16,710</b>	<b>16,174</b>	<b>23,137</b>	<b>14,098</b>	<b>18,359</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	16,710	16,174	23,137	14,098	18,359
<b>Total cash used to acquire assets</b>	<b>16,710</b>	<b>16,174</b>	<b>23,137</b>	<b>14,098</b>	<b>18,359</b>

1. Does not include annual finance lease costs. Includes purchase from current and previous years Departmental Capital Budgets.  
Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of Asset Movements (2011-12)**

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2011</b>				
Gross book value	18,769	30,110	47,891	96,770
Accumulated depreciation/amortisation and impairment	6,164	7,356	29,750	43,270
<b>Opening net book balance</b>	<b>12,605</b>	<b>22,754</b>	<b>18,141</b>	<b>53,500</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services <sup>1</sup>	5,919	4,048	5,345	15,312
By purchase - other	862			862
<b>Total additions</b>	<b>6,781</b>	<b>4,048</b>	<b>5,345</b>	<b>16,174</b>
<b>Other movements</b>				
Depreciation/amortisation expense	7,187	6,879	5,354	19,420
<b>As at 30 June 2012</b>				
Gross book value	25,550	34,158	53,236	112,944
Accumulated depreciation/amortisation and impairment	13,351	14,235	35,104	62,690
<b>Closing net book balance</b>	<b>12,199</b>	<b>19,923</b>	<b>18,132</b>	<b>50,254</b>

1 "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2011-12 for depreciation / amortisation expenses, DCBs / ACBs or other operational expenses.  
Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Total income administered on behalf of Government</b>	-	-	-	-	-
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Employee benefits	5,350	5,350	5,350	5,350	5,350
Supplier expenses	2,170	2,170	2,170	2,170	2,170
Grants	142,880	142,880	142,880	142,880	142,880
<b>Total expenses administered on behalf of Government</b>	<b>150,400</b>	<b>150,400</b>	<b>150,400</b>	<b>150,400</b>	<b>150,400</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Receivables	74	74	74	74	74
<b>Total financial assets</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>	<b>74</b>
<b>Non-financial assets</b>					
Other	34	34	34	34	34
<b>Total non-financial assets</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>
<b>Total assets administered on behalf of Government</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	118	118	118	118	118
Other	132	132	132	132	132
<b>Total payables</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Provisions</b>					
Employee provisions	2,249	2,249	2,249	2,249	2,249
Grants	8,500	8,500	8,500	8,500	8,500
<b>Total provisions</b>	<b>10,749</b>	<b>10,749</b>	<b>10,749</b>	<b>10,749</b>	<b>10,749</b>
<b>Total liabilities administered on behalf of Government</b>	<b>10,999</b>	<b>10,999</b>	<b>10,999</b>	<b>10,999</b>	<b>10,999</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of budgeted administered cash flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	195	195	195	195	195
<b>Total cash received</b>	<b>195</b>	<b>195</b>	<b>195</b>	<b>195</b>	<b>195</b>
<b>Cash used</b>					
Grant payments	142,880	142,880	142,880	142,880	142,880
Suppliers	2,170	2,170	2,170	2,170	2,170
Net GST paid	195	195	195	195	195
Employees	5,350	5,350	5,350	5,350	5,350
<b>Total cash used</b>	<b>150,595</b>	<b>150,595</b>	<b>150,595</b>	<b>150,595</b>	<b>150,595</b>
<b>Net cash from (used by) operating activities</b>	<b>(150,400)</b>	<b>(150,400)</b>	<b>(150,400)</b>	<b>(150,400)</b>	<b>(150,400)</b>
<b>Net increase (decrease) in cash held</b>	<b>(150,400)</b>	<b>(150,400)</b>	<b>(150,400)</b>	<b>(150,400)</b>	<b>(150,400)</b>
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	150,400	150,400	150,400	150,400	150,400
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.



### **3.2.3 Notes to the financial statements**

Austrade's budgeted statements are prepared on an Australian Equivalents to International Financial Standards (AEIFRS) basis.

Under the Government's budgeting framework, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions that 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**

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**

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.