

# **Australian Trade Commission (Austrade)**

**Entity resources and planned  
performance**



# AUSTRALIAN TRADE COMMISSION (AUSTRADE)

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# AUSTRALIAN TRADE COMMISSION (AUSTRADE)

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Australian Trade Commission (Austrade) is the Australian Government's international trade, investment and education promotion agency. Austrade also has responsibility for policies and programs to strengthen Australia's tourism sector.

Austrade's outcomes are:

- contribute to Australia's economic prosperity by promoting Australia's export and other international economic interests through the provision of information, advice and services to business, associations, institutions and governments; and
- the protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas.

Austrade's trade, investment, education and tourism activities play a central role in helping to secure Australia's future prosperity, advancing the Government's 'Open for Business' activities around the world, and promoting opportunities for Australian businesses and institutions overseas, including those which will flow from the recent completion of three significant trade agreements with the Republic of Korea, Japan and China.

Drawing on its commercial knowledge, its international network, and its relationships and connections (with international customers, investors and decision makers), Austrade will continue to identify valuable international business opportunities for Australian businesses and institutions, and provide them with practical advice and services. Austrade's unique perspective, gained from its international market presence and its firm-level interactions, will continue to inform businesses and institutions as well as inform policy advice to Government, including supporting the Government's vision for developing Northern Australia.

Austrade will continue to take the lead role in coordinating international business missions led by ministers and the Prime Minister. The Government has provided \$9.2 million over four years to Austrade to continue the successful program of *Australia Week* events in China, India, USA and ASEAN countries. Austrade will also provide information to Australian firms on the new market access offered by recently concluded free trade agreements, and the Government has provided \$21.6 million to Austrade (and \$2.7 million to DFAT) over two years to support this activity.

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Austrade will, through its trade promotion and investment attraction activities, continue to contribute to the Government's economic diplomacy agenda. This work will be closely coordinated with other agencies in the Foreign Affairs and Trade portfolio.

Austrade's overseas network is weighted towards growth and emerging markets that have high commercial potential, and where Austrade's assistance can have the most impact. Austrade's trade promotion work will continue to focus on markets where it is more difficult for companies acting alone to access commercial opportunities, where there are language, business and cultural barriers, where regulatory frameworks and business processes are less open or transparent and where the 'badge of government' helps to secure commercial outcomes. In established markets, such as North America and Europe, Austrade will continue to use partners, referrals and online services to support Australian businesses' trade development activities. Austrade will continue to focus on those sectors with high growth potential and where Australia has a comparative advantage.

Austrade will support the Government's reinvigorated investment agenda with the resources of its international network and its offshore and onshore investment specialists. While Austrade's investment promotion and attraction activities will continue to be concentrated in North America, Western Europe and Japan, as those markets represent Australia's largest sources of foreign investment, Austrade will also pursue foreign investors in other regions, including China, India, Singapore and the Republic of Korea. The Government has provided \$30.0 million to Austrade over four years to significantly enhance Australia's ability to attract foreign investment in the Government's five priority areas: food and agribusiness, resources and energy, economic infrastructure, tourism infrastructure, and advanced manufacturing, services and technologies sectors. This will be complemented by \$5.2 million for Austrade's Match Australia program, which uses the occasion of major sporting events to engage global business leaders and introduce them to opportunities in Australia. The Government has also provided Austrade with \$8.5 million to target tropical medicine commercialisation activities (to be provided in partnership with the Department of Industry and Science) to improve Australian researchers' position with foreign investors.

Austrade's activities in key student-source markets will continue to contribute to the growth in demand for Australian education services. Its activities will help to position Australia as a provider of high quality education services, and contribute to the development of a sustainable international education sector. In 2015-16, Austrade will develop, along with the education sector, a long-term plan titled *Australian International Education 2025*, for development of international markets. This plan will support the vision of the Government's new *National Strategy for International Education*, which recognises Australian international education as a core element of Australia's economic prosperity, social advancement and international standing.

Within Australia, Austrade operates in 11 locations. Its reach is extended through its TradeStart network, managed in partnership with state, territory and local governments and industry bodies in locations across regional and metropolitan Australia.

Austrade's Tourism Division will continue to have responsibility for policies to improve the competitiveness of Australia's tourism industry, and will continue to implement the national long-term tourism strategy, *Tourism 2020*, to strengthen Australia's tourism industry and help grow Australia's tourism market share. Austrade will also continue to administer various tourism programmes to support the Australian tourism sector.

Austrade will continue to administer the Export Market Development Grants (EMDG) scheme, which helps small and medium-sized Australian businesses meet the challenges associated with undertaking promotion in export markets. The EMDG scheme is undergoing its legislated, periodic review, with the report of this review being tabled in the second half of 2015. While Austrade will continue to administer existing funding agreements for Asian Business Engagement (ABE) plan grants, no new grants will be awarded.

Austrade will continue to deliver timely consular and passport services to Australians in 17 overseas locations (at 1 July 2015).

To support the delivery of all of Austrade's outcomes, Austrade will continue to invest in developing the capabilities and language skills of both Australian and locally-engaged staff.

## 1.2 ENTITY 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 2015-16 as at Budget May 2015**

	<i>Actual Available Appropriation 2014-15</i>	Estimate of prior year amounts available in 2015-16	Proposed at 2015-16 Budget	Total 2015-16 estimate
	\$'000	\$'000	\$'000	\$'000
<b>Ordinary annual services (a)</b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation (b)	37,801	42,914	-	42,914
Departmental appropriation (c)	197,528	-	221,215	221,215
s74 retained revenue receipts (d)	21,024	-	20,000	20,000
<b>Total</b>	<b>256,353</b>	<b>42,914</b>	<b>241,215</b>	<b>284,129</b>
<b>Administered expenses</b>				
Outcome 1 (e)	139,400	-	145,277	145,277
<b>Total</b>	<b>139,400</b>	<b>-</b>	<b>145,277</b>	<b>145,277</b>
<b>Total ordinary annual services</b>	<b>A 395,753</b>	<b>42,914</b>	<b>386,492</b>	<b>429,406</b>
<b>Other services (f)</b>				
<b>Departmental non-operating</b>				
Equity injections	505	-	2,718	2,718
<b>Total</b>	<b>505</b>	<b>-</b>	<b>2,718</b>	<b>2,718</b>
<b>Total other services</b>	<b>B 505</b>	<b>-</b>	<b>2,718</b>	<b>2,718</b>
<b>Total available annual appropriations</b>	<b>396,258</b>	<b>42,914</b>	<b>389,210</b>	<b>432,124</b>
<b>Total appropriations excluding Special Accounts</b>	<b>396,258</b>	<b>42,914</b>	<b>389,210</b>	<b>432,124</b>
<b>Total resourcing (A+B)</b>	<b>396,258</b>	<b>42,914</b>	<b>389,210</b>	<b>432,124</b>
<b>Total net resourcing for Austrade</b>	<b>396,258</b>	<b>42,914</b>	<b>389,210</b>	<b>432,124</b>

(a) *Appropriation Bill (No. 1) 2015-16.*

(b) Estimated adjusted balance carried forward from previous year.

(c) Includes an amount of \$14.2m 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'.

(d) Estimated retained revenue receipts under section 74 of the PGPA Act.

(e) Appropriation relating to Tourism grants programs for 2014-15 is reflected in the Department of Foreign Affairs and Trade resource statement.

(f) *Appropriation Bill (No. 2) 2015-16.*

Reader note: All figures are GST exclusive.



### 1.3 BUDGET MEASURES

Budget measures in Part 1 relating to Austrade are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Entity 2015-16 Budget measures**

**Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO)**

		2014-15	2015-16	2016-17	2017-18	2018-19
	Programme	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expense measures</b>						
Free Trade Agreement						
Promotion						
	Administered expenses	1.2	-	1,372	773	-
	Departmental expenses	1.1	-	12,025	7,426	-
	<b>Total</b>		-	<b>13,397</b>	<b>8,199</b>	-
Strengthening Australia's ability to attract foreign investment						
	Departmental expenses	1.1	-	5,873	8,209	8,057
	<b>Total</b>		-	<b>5,873</b>	<b>8,209</b>	<b>8,057</b>
Developing Northern Australia - positioning the north as a leader in tropical health						
	Administered expenses	1.2	-	1,025	1,841	2,258
	Departmental expenses	1.1	-	352	344	417
	<b>Total</b>		-	<b>1,377</b>	<b>2,185</b>	<b>2,675</b>
Match Australia - continuation and expansion (a)						
	Administered expenses	1.2	-	(900)	(1,300)	(1,500)
	Departmental expenses	1.1	-	1,100	1,300	1,300
	<b>Total</b>		-	<b>200</b>	-	<b>(200)</b>
Australia Week Events						
	Departmental expenses	1.1	-	800	2,792	2,814
	<b>Total</b>		-	<b>800</b>	<b>2,792</b>	<b>2,814</b>
<b>Total expense measures</b>						
	Administered		-	1,497	1,314	758
	Departmental		-	20,150	20,071	12,588
	<b>Total</b>		-	<b>21,647</b>	<b>21,385</b>	<b>13,346</b>

(a) The continuation and expansion of Match Australia is offset by the savings achieved from the termination of Asian Business Engagement plan grants program. The net impact on cash is nil.

Prepared on a Government Finance 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 programmes are the primary vehicle by which Government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

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

**Outcome 1: Contribute to Australia’s economic prosperity by promoting Australia’s export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government**

#### **Outcome 1 strategy**

Austrade will promote Australia’s export and other international economic interests by providing information, advice and services to businesses, associations, institutions and government.

Regarding trade promotion, Australian businesses and institutions face a range of barriers in different markets that impede successful market entry and identification of relevant commercial opportunities. Austrade can provide the most value to Australian businesses and institutions by focussing on markets where those barriers are strongest. This includes where different language and business cultures can be challenging, 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 will therefore direct more of its resources to Asian and other growth and emerging markets that offer commercial potential and that provide opportunities aligned with Australia’s comparative advantage.

Australia’s international education sector is highly competitive, but faces new challenges, including from the increasing spread of digital education platforms and emerging technologies. During the year, Austrade will be working with the international education sector to develop *Australian International Education (AIE) 2025*, a long-term market development plan for the next decade.

Currently, education and training is one of Australia’s largest service export industries. The number of international students is forecast to grow globally by nearly 100 per

cent from 4.3 million in 2011 to 8 million by 2025,<sup>1</sup> and the market is highly competitive. Austrade, through the use of the *Future Unlimited* brand, provides a single, focused message and a coordinated national approach to the international marketing and promotion of the Australian education and training sector. This helps to maximise international student enrolments and position Australia's education system as world-class and globally connected. Through Austrade's international network, quality commercial opportunities are identified and timely market intelligence is provided to the Australian education sector to assist it to make informed decisions, shape strategies, and develop international relationships and business. As a key priority, Austrade will work to increase diversification within the education sector, focusing on opportunities in Asia and other growth and emerging markets especially in the delivery of education, training and skills offshore.

To attract productive foreign direct investment into Australia, Austrade works in partnership with Australian government departments and state and territory governments to provide a coordinated national approach to promoting, attracting and facilitating investment. Recently appointed senior investment specialists have provided Austrade with additional capability to work with potential investors to finalise investments and identify investor-ready projects in Australia, in conjunction with state and territory governments. This activity draws on Austrade's broad network of in-market contacts, and is centred on markets which have significant investment stock in Australia, such as Europe, Japan and North America; or show increasing outward foreign direct investment flows, such as China, India, Singapore and the Republic of Korea.

Working across government, Austrade will ensure tourism interests are taken into account in broader government policy development and implementation, including in labour and skills, infrastructure development, and regulatory issues. Austrade will continue to progress agreed *Tourism 2020* priorities for 2015, including implementing policy reforms and encouraging industry to make use of the tools and programs *Tourism 2020* has delivered. Key actions in the *Tourism 2020 Strategic Plan (2015-2020)* will be progressed in 2015. Austrade will also support policy development and the tourism sector by providing economic research, analysis and forecasting.

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<sup>1</sup> OECD, *Education at a Glance 2013*, and Institute of International Education, *Project Atlas Workshop*, 2014.

**Outcome expense statement**

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

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

<b>Outcome 1: Contribute to Australia's economic prosperity by promoting Australia's export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government.</b>	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
<b>Program 1.1: Promotion of Australia's export and other international economic interests</b>		
Departmental expenses		
Departmental appropriation (a)	186,590	213,904
Special Account	1,077	1,163
Expenses not requiring appropriation in the Budget year (b)	17,500	17,500
<b>Total for Program 1.1</b>	<b>205,167</b>	<b>232,567</b>
<b>Program 1.2: Programmes to promote Australia's exports and other international economic interests</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	139,400	145,277
<b>Total for Program 1.2</b>	<b>139,400</b>	<b>145,277</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	139,400	145,277
Departmental expenses		
Departmental appropriation (a)	186,590	213,904
Special Account	1,077	1,163
Expenses not requiring appropriation in the Budget year (b)	17,500	17,500
<b>Total expenses for Outcome 1</b>	<b>344,567</b>	<b>377,844</b>
	2014-15	2015-16
<b>Average Staffing Level (number)</b>	971	978

(a) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

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 1**

### **Programme 1.1: Promotion of Australia's export and other international economic interests**

#### **Programme objectives**

##### **Develop international markets, and promote international education**

- Build linkages and networks with key decision-makers, buyers or institutions, and facilitate access for Australian businesses or institutions in international markets.
- Identify international commercial opportunities matching Australia's comparative advantage, particularly in food and agribusiness; advanced manufacturing (with a focus on marine, aerospace and automotive industry transformation); resources and energy; international education; international health services and technologies; infrastructure and services (with a specific focus on ICT, major sporting events, financial services and professional services); plus knowledge-based and innovative industries in general.
- Contribute to the growth in demand, both onshore and offshore, for Australian education and training, the repositioning of Australia as a provider of high quality services to international students, and the building of a sustainable Australian international education sector.

##### **Win productive foreign direct investment**

- Build linkages and networks with key investors and decision-makers.
- Working in partnership with Commonwealth Government departments and state and territory governments, effectively influence foreign companies to make productive foreign investment into Australia, particularly in the priority areas of food and agribusiness, resources and energy, economic infrastructure, tourism infrastructure, and advanced manufacturing, services and technologies.

##### **Strengthen Australia's tourism industry**

- Lead the development and implementation of tourism policy to maintain and promote a competitive tourism sector and facilitate the growth of domestic and international tourism.
- Provide tourism research and statistics to guide policy development and support business marketing and decision making.

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- Effectively co-ordinate with other Commonwealth Government agencies, and the state and territory governments.

**Programme expenses**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Special account expenses:					
Services for Other Entities and Trust Money Special Account	1,077	1,163	-	-	-
Annual departmental expenses:					
Departmental item	186,590	213,904	210,700	205,026	206,805
Expenses not requiring appropriation in the Budget year (a)	17,500	17,500	17,500	18,500	18,500
<b>Total programme expenses</b>	<b>205,167</b>	<b>232,567</b>	<b>228,200</b>	<b>223,526</b>	<b>225,305</b>

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses and amortisation expenses.

**Programme 1.1 deliverables**

**Develop international markets, and promote international education**

- Provide access to in-market networks and decision makers, and access in-market opportunities identified by Austrade and others through the provision of relevant and commercially useful information and market-related services and advice.
- Take the lead role in coordinating ministerial-led overseas business missions, including delivery of the second *Australia Week* in China event in 2016, and inaugural *Australia Week* events in ASEAN and the US.
- Assist and facilitate Australian businesses' and institutions' participation at international business events.
- Assist Australian firms and institutions with 'behind the border' barriers to trade and outwards investment, consistent with legal obligations, including anti-bribery and corruption laws, in Australia and overseas.
- Provide Australian businesses and education providers with quality referrals to third-party professional and business service providers to assist them in complex and unfamiliar international services markets.
- Work with the education, business and government sectors to develop a long term market development plan for the Australian international education sector known as AIE 2025.
- Help to increase demand for Australia's education services, particularly transnational education, by positioning Australia as a provider of high-quality services to international students.
- Manage the Study in Australia website, which promotes the benefits of studying in Australia to international students, provides information on courses that meet Australia's registration, accreditation and quality assurance standards in their own country, guidance on study costs, and information about living in Australia.
- 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.

**Win productive foreign direct investment**

- Partnering with Australian, state and territory government agencies to implement productive, direct foreign investment strategies in agreed national investment priority areas.
- Proactively target potential investors, promoting specific investment opportunities, promoting Australia's economic credentials and detailing the regulatory environment.
- Introducing potential foreign investors to state and territory governments.
- From 1 July 2015, Austrade will become a nominating entity for the Significant Investment Visas (SIV) program, complementing the current state and territory governments' role as nominators; and be the sole nominating entity for the Premium Investment Visas (PIV) program. All nominations will be provided to the Department of Immigration and Border Protection for final assessment.

**Strengthen Australia's tourism industry**

- Continue to implement *Tourism 2020* to improve the productive capacity of Australia's tourism industry, including contributing to the delivery of policy priorities agreed by tourism ministers, and implementation of the *Tourism 2015-2020 Strategic Plan*.
- Work with state and territory governments to facilitate the transfer of funds from the Commonwealth Government for the Tourism Demand Driver Infrastructure Programme.
- Work with the Tasmanian Government to facilitate transfer of funds from the Commonwealth Government for the Tasmanian Regional Tourism Package.
- Deliver an enhanced China Approved Destination Status (ADS) Scheme, to ensure a quality tourism experience for Chinese group leisure tourists.
- Produce and disseminate strategic tourism research and forecasts.
- Administer and manage the Tourism Research Australia website, which provides information and research services that underpin tourism policy development and help improve the performance of the tourism industry for the benefit of the Australian community.



**Whole of Government**

- Draw on Austrade's global and commercial perspective to provide policy advice and economic insight to the Government.

**Austrade website**

- Administer and manage the main Austrade website, which provides information and online services to Australian businesses and institutions, showcases Australia's capability and potential to international buyers and investors, and provides a centralised point of contact and engagement between businesses, institutions and Austrade.

**Programme 1.1 key performance indicators**

**Satisfaction**

- High level of satisfaction for ministers, Australian business community, institutions and key partners with Austrade's services.

**Develop international markets, and promote international education**

- Proportion of Australian businesses which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities.
- Proportion of Australian businesses which have engaged with Austrade, and say they achieved some form of commercial outcome as a result of working with Austrade.
- Proportion of Australian education institutions which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities.
- Proportion of Australian education institutions which have engaged with Austrade, and say they achieved some form of commercial outcome as a result of working with Austrade.

**Win productive foreign direct investment**

Austrade has a shared set of key performance indicators with the states and territories:

- the number of investment outcomes facilitated;  
the amount of capital expenditure associated with foreign direct investment outcomes facilitated;

- the number of new jobs created/retained (ongoing full time equivalents) as a direct result of investment outcomes facilitated; and
- the anticipated annual exports from investment outcomes facilitated.

Noting that investments can have gestation times that span multiple years, from the initial investor contact to actual investment commitment, results will not be fully realised in the short-term. Therefore, in accordance with the protocols developed with the states and territories, Austrade is responsible for proactively promoting Australia as an attractive investment destination, which is measured by:

- the number of information, project and visitation requests, and stakeholder introductions generated from potential investors.

**Strengthen Australia's tourism industry**

- Priorities and outputs outlined in the *Tourism 2015-2020 Implementation Plan*, progressed in accordance with agreed timeframes.
- Proportion of tourism operators which use Austrade's tourism research and information and say it helped support their marketing and business decisions.

**Whole of Government**

- Effective contribution to whole of government policy development using Austrade's commercial perspectives on export, investment, international education and tourism.

**Programme 1.2: Programmes to promote Australia's export and other international economic interests**

**Programme objective**

Administer programs that support Australian businesses' engagement in international business, provide an incentive for small-to-medium businesses to enter into export markets and grow to become sustainable exporters, or that strengthen and stimulate growth in the tourism industry.

**Programme expenses**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual administered expenses:					
EMDG	137,900	137,900	137,900	137,900	137,900
ABE plan	1,500	600	200	-	-
Free Trade Agreement Promotion	-	1,372	773	-	-
Tasmania Regional Tourism Package	-	4,380	-	-	-
Developing Northern Australia - positioning the north as a leader in tropical health	-	1,025	1,841	2,258	2,046
<b>Total programme expenses</b>	<b>139,400</b>	<b>145,277</b>	<b>140,714</b>	<b>140,158</b>	<b>139,946</b>

**Programme 1.2 deliverables**

**Export Market Development Grants (EMDG) scheme**

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

Deliverables	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Number of grant applications	3,195	3,000- 3,500	3,100 3,600	3,200- 3,700	3,300- 3,800
Number of grant recipients	3,000	2,800- 3,300	2,900- 3,400	3,000- 3,500	3,100- 3,600

**Free Trade Agreement Promotion**

Funding has been provided over two years for both Austrade and DFAT to promote the awareness and usage of free trade agreements (FTAs) with China, Japan and the Republic of Korea; and improve the awareness of FTAs more generally. Specific deliverables will consist of a national series of roadshows, a grants program for businesses and industry groups, and regional training for business chambers, local councils and other third parties. These grants and training programs would increase businesses' access to FTA information; and targeted advertising will also be undertaken in digital and mass media.

Linked to: Free Trade Agreement Promotion linked to DFAT Programme 1.1.

**Tasmanian Regional Tourism Package (TRTP)**

Administration of the Tasmanian Regional Tourism Package - comprised of the Tasmanian Whisky and Cider Trails project and the Regional Tourism Infrastructure and Innovation Fund - to fund projects which align with state and national tourism priorities.

**Tourism Demand Driver Infrastructure (TDDI) program**

Administration of the Tourism Demand Driver Infrastructure program, providing funding to the state and territory governments, which are responsible for implementing projects that create and encourage quality tourism infrastructure.

Linked to: Tourism Demand Driver Infrastructure payments made through the National Partnership Payments arrangements - Programme code SPP666.

**Asian Business Engagement (ABE) plan**

Funding for this grant program has concluded, and no new applications will be considered. However, as previous grants were awarded under multi-year agreements, residual payments to previous recipients will continue in 2015-16. Residual payments will be made to recipients that continue to meet their obligations subject to the ABE plan and the Commonwealth Grant Guidelines.

**Developing Northern Australia - positioning the north as a leader in tropical health**

Administration of a component of the Global Leader in Tropical Health program, providing funding to the Department of Industry and Science under a Memorandum of Understanding. Austrade will support the program by providing sectoral expertise and advice to support decision making by the Department of Industry and Science in relation to commercialising tropical medicine research.

**Programme 1.2 key performance indicators**

**Export Market Development Grants (EMDG) scheme**

- Proportion of EMGD scheme recipients reporting that the receipt of a grant supported their business to become a more sustainable exporter.
- Proportion of EMGD scheme recipients reporting that the receipt of a grant enabled them to grow their international revenue.

**Free Trade Agreement Promotion**

- Proportion of seminar and roadshow attendees reporting an increased awareness of FTAs.
- Proportion of seminar and roadshow attendees reporting an increased understanding of how to use and benefit from FTAs.

**Tasmanian Regional Tourism Package (TRTP)**

- TRTP funding distributed to projects identified by the Tasmanian Government in the National Partnership Agreement, consistent with agreed principles.

**Tourism Demand Driver Infrastructure (TDDI) program**

- Budgeted TDDI funding distributed to state and territory governments.
- TDDI funding distributed to projects identified by state and territory governments in National Partnership Agreements, consistent with funding principles agreed by tourism ministers.

**Asian Business Engagement (ABE) plan**

- Proportion of grant recipients reporting that the receipt of a grant helped to expand the capability of their organisation to assist members' in-market access to business networks; and to develop new business relationships in Asia.

**Developing Northern Australia - positioning the north as a leader in tropical health**

- Funds and advice provided to the Department of Industry and Science, consistent with agreed principles, to increase foreign investment in the commercialisation of Australian Tropical Medicine research and development.

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

**Outcome 2 strategy**

In overseas locations where Austrade has designated consular management responsibilities, Austrade will continue to place a high priority on helping Australians through the delivery of effective consular services, efficient passport services and practical contingency planning, in accordance with DFAT's Consular Services and Passports Client Services charters.

**Outcome expense statement**

Table 2.2 provides an overview of the total expenses for Outcome 2 by programme.

**Table 2.2: 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>	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
<b>Program 2.1: Consular and passport services</b>		
Departmental expenses		
Departmental appropriation (a)	12,818	13,001
<b>Total for Program 2.1</b>	<b>12,818</b>	<b>13,001</b>
<b>Outcome 2 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation (a)	12,818	13,001
<b>Total expenses for Outcome 2</b>	<b>12,818</b>	<b>13,001</b>
	2014-15	2015-16
<b>Average Staffing Level (number)</b>	39	40

(a) Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

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**

**Programme 2.1: Consular and Passport Services**

**Programme objective**  
 To assist Australians travelling and working overseas through the delivery of effective consular services, efficient passport services, access to travel advice and preparations for high-risk scenarios through practical contingency planning in locations overseas where Austrade has consular management responsibilities.

**Programme expenses**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual departmental expenses:					
Departmental item	12,818	13,001	13,097	13,069	13,142
<b>Total programme expenses</b>	<b>12,818</b>	<b>13,001</b>	<b>13,097</b>	<b>13,069</b>	<b>13,142</b>

**Programme 2.1 deliverables**

- Comprehensive, responsive, and high-quality consular services are delivered 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, deaths and medical emergencies.
- High-quality passport services are provided to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud.
- Consular contingency planning is reviewed and updated annually, and effective contingency planning for major events or high-risk scenarios is undertaken, through regular reviews of procedures and available resources, training of staff and coordination with other government agencies and foreign governments.

Deliverables	2014-15 Estimated actual	2015-16 Budget	2016-17 Forward estimate	2017-18 Forward estimate	2018-19 Forward estimate
Number of passport applications received	12,000	12,000	12,000	12,000	12,000
Number of notarial acts	12,750	14,500	14,500	14,500	14,500

**Programme 2.1 key performance indicators**

In accordance with the Department of Foreign Affairs Passport Client Services Charter:

- normal passport applications are scanned within 24 hours - three per cent tolerance;
- routine passports are issued in a timely and responsive manner; and
- urgent passport issues are dealt with in a timely responsive manner. Where a priority processing fee is paid, the passport is to be provided within two working days.

In accordance with the Department of Foreign Affairs Consular Services Charter:

- notarial services are to be delivered within three working days of the lodgement of documents from a client.



## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period with the agreement of the Finance Minister may be moved to a future year.

**Table 3.1.1: Movement of administered funds between years<sup>(a)</sup>**

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1:					
Tasmanian Regional Tourism Package (b)	(2,130)	2,130	-	-	-
<b>Total movement of administered funds</b>	<b>(2,130)</b>	<b>2,310</b>	-	-	-

(a) Figures displayed as a negative (-) represent a decrease in funds and a positive represent an increase in funds.

(b) The administered funds relating to 2014-15 are reflected in the Department of Foreign Affairs and Trade resource statement.

#### 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 section 78 of the PGPA Act or under separate enabling legislation (section 80 of the PGPA Act refers). 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**

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
Admin Payments and Receipts for Other Entities Special Account (a) (A) 2015-16	1	100	9,200	(9,200)	-	100
<i>Admin Payments and Receipts for Other Entities Special Account (a) (A) 2014-15</i>	1	100	9,200	(9,200)	-	100
Services for Other Entities and Trust Moneys Special Account (b) (D) 2015-16	1	930	233	(1,163)	-	-
<i>Services for Other Entities and Trust Moneys Special Account (b) (D) 2014-15</i>	1	947	1,060	(1,077)	-	930
<b>Total special accounts 2015-16 Budget estimate</b>		<b>1,030</b>	<b>9,433</b>	<b>(10,363)</b>	-	<b>100</b>
<i>Total special accounts 2014-15 estimated actual</i>		<i>1,047</i>	<i>10,260</i>	<i>(10,277)</i>	-	<i>1,030</i>

(a) s20 Financial Management and Accountability Act, 1997 Determination 2006/15

(b) s20 Financial Management and Accountability Act, 1997 Determination 2008/05

(A) = Administered

(D) = Departmental

### 3.1.3 Australian Government Indigenous expenditure

**Table 3.1.3: Australian Government Indigenous expenditure (AGIE)**

Outcome	Approp Bill No. 1 \$'000	Total approp \$'000	Other \$'000	Total Programme \$'000	
<b>Austrade</b>					
<b>Outcome 1</b>					
Departmental 2015-16	346	346	-	346	1.1
<i>Departmental 2014-15</i>	<i>273</i>	<i>273</i>	-	<i>273</i>	<i>1.1</i>
Total outcome 2015-16	346	346	-	346	
<i>Total outcome 2014-15</i>	<i>273</i>	<i>273</i>	-	<i>273</i>	
<b>Total AGIE 2015-16</b>	<b>346</b>	<b>346</b>	-	<b>346</b>	
<i>Total AGIE 2014-15</i>	<i>273</i>	<i>273</i>	-	<i>273</i>	

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in entity resourcing and financial statements**

There has been no difference between the resource information presented in the Budget Papers and in Austrade's Portfolio Budget Statements.

### **3.2.2 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 2014-15 and the estimated revenue and expenses for 2015-16 and forward years.

Total income in 2015-16 is estimated to be \$227.3 million, which represents an increase of \$26.8 million in appropriations from the 2014-15 estimated actual shown at Table 3.2.1. The increase is a result of:

- Free Trade Agreement Promotion – an increase of \$12.0 million;
- Strengthening Australia's ability to attract foreign investment – an increase of \$5.9 million;
- Match Australia – continuation and expansion – an increase of \$1.1 million;
- *Australia Week* Events – an increase of \$0.8 million;
- Developing Northern Australia - positioning the north as a leader in tropical health – an increase of \$0.4 million;
- foreign exchange variation – an increase of \$4.9 million;
- indexation adjustment – an increase of \$0.3 million; and
- measures and parameters adjustments in prior budget rounds – an increase of \$1.9 million.

## *Austrade Budget Statements*

Offset by:

- one-off severance funding in 2014-15 – a decrease of \$0.4 million.

Austrade is receiving funding of \$16.9 million to fund the department's capital expenditure which is treated as an equity injection.

Total estimated expenses for 2015-16 have increased by \$27.6 million to reflect the increase in income.

### **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 2015-16 of \$60.6 million represents an increase of \$0.3 million from the 2014-15 estimated actual in table 3.2.2 due to the variation among capital program funding (\$16.9 million), estimated depreciation expense (\$17.5 million) and estimated revaluation surplus (\$0.9 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 2015-16 is estimated to be \$60.6 million, an increase of \$0.3 million due to the variation among capital program funding (\$16.9 million), estimated depreciation expense (\$17.5 million) and estimated revaluation surplus (\$0.9 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 2015-16 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 \$145.3 million for 2015-16 relate to the EMDG scheme (\$137.9 million), ABE plan (\$0.6 million), FTA Promotion (\$1.4 million), Developing Northern Australia - positioning the north as a leader in tropical health (\$1.0 million) and TRTP grants (\$4.4 million). The EMDG scheme is comprised of \$131.0 million in grant expenditure and \$6.9 million in expenditure for the costs of administration on behalf of the Government. The ABE plan, FTA Promotion, Developing Northern Australia - positioning the north as a leader in tropical health and TRTP are comprised of grants expenditure only.

### **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 2015-16 are estimated at \$0.1 million and \$9.0 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 relevant programs.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>EXPENSES</b>					
Employee benefits	126,581	133,522	136,058	136,351	137,485
Suppliers	73,904	94,546	87,739	81,744	82,462
Depreciation and amortisation	17,500	17,500	17,500	18,500	18,500
<b>Total expenses</b>	<b>217,985</b>	<b>245,568</b>	<b>241,297</b>	<b>236,595</b>	<b>238,447</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	19,024	18,233	18,000	18,000	18,000
Rental income	500	100	100	100	100
Other	1,500	1,900	1,900	1,900	1,900
<b>Total own-source revenue</b>	<b>21,024</b>	<b>20,233</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Gains</b>					
<b>Total gains</b>	-	-	-	-	-
<b>Total own-source income</b>	<b>21,024</b>	<b>20,233</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Net cost of/(contribution by) services</b>	<b>196,961</b>	<b>225,335</b>	<b>221,297</b>	<b>216,595</b>	<b>218,447</b>
Revenue from Government	180,241	207,055	203,797	198,095	199,947
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(16,720)</b>	<b>(18,280)</b>	<b>(17,500)</b>	<b>(18,500)</b>	<b>(18,500)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	2,500	900	3,500	3,500	-
<b>Total other comprehensive income</b>	<b>2,500</b>	<b>900</b>	<b>3,500</b>	<b>3,500</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>(14,220)</b>	<b>(17,380)</b>	<b>(14,000)</b>	<b>(15,000)</b>	<b>(18,500)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(14,220)</b>	<b>(17,380)</b>	<b>(14,000)</b>	<b>(15,000)</b>	<b>(18,500)</b>

Table continued on the following page.

**Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)**

<b>Note: Impact of net cash appropriation arrangements</b>					
	2014-15	2015-16	2016-17	2017-18	2018-19
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>3,280</b>	<b>120</b>	<b>3,500</b>	<b>3,500</b>	<b>-</b>
less depreciation/amortisation expenses previously funded through revenue appropriations(a)	(17,500)	(17,500)	(17,500)	(18,500)	(18,500)
<b>Total comprehensive income/(loss)- as per the statement of comprehensive income</b>	<b>(14,220)</b>	<b>(17,380)</b>	<b>(14,000)</b>	<b>(15,000)</b>	<b>(18,500)</b>

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'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	41,052	40,272	40,272	40,272	40,272
<b>Total financial assets</b>	<b>46,552</b>	<b>45,772</b>	<b>45,772</b>	<b>45,772</b>	<b>45,772</b>
<b>Non-financial assets</b>					
Land and buildings	12,846	13,281	16,276	16,276	15,276
Property, plant and equipment	21,814	21,695	21,751	21,254	20,391
Intangibles	24,128	24,090	22,351	22,196	20,041
Other non-financial assets	7,913	7,913	7,913	7,913	7,913
<b>Total non-financial assets</b>	<b>66,701</b>	<b>66,979</b>	<b>68,291</b>	<b>67,639</b>	<b>63,621</b>
<b>Total assets</b>	<b>113,253</b>	<b>112,751</b>	<b>114,063</b>	<b>113,411</b>	<b>109,393</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	12,163	12,163	12,163	12,163	12,163
Other payables	670	670	670	670	670
<b>Total payables</b>	<b>12,833</b>	<b>12,833</b>	<b>12,833</b>	<b>12,833</b>	<b>12,833</b>
<b>Provisions</b>					
Employee provisions	36,989	36,989	36,989	36,989	36,989
Other provisions	2,342	2,342	2,342	2,342	2,342
<b>Total provisions</b>	<b>39,331</b>	<b>39,331</b>	<b>39,331</b>	<b>39,331</b>	<b>39,331</b>
<b>Total liabilities</b>	<b>52,164</b>	<b>52,164</b>	<b>52,164</b>	<b>52,164</b>	<b>52,164</b>
<b>Net assets</b>	<b>61,089</b>	<b>60,587</b>	<b>61,899</b>	<b>61,247</b>	<b>57,229</b>
<b>EQUITY*</b>					
<b>Parent equity interest</b>					
Contributed equity	84,493	101,371	116,683	131,031	145,513
Reserves	68,515	69,415	72,915	76,415	76,415
Retained surplus (accumulated deficit)	(91,919)	(110,199)	(127,699)	(146,199)	(164,699)
<b>Total non-controlling interest</b>	<b>61,089</b>	<b>60,587</b>	<b>61,899</b>	<b>61,247</b>	<b>57,229</b>
<b>Total Equity</b>	<b>61,089</b>	<b>60,587</b>	<b>61,899</b>	<b>61,247</b>	<b>57,229</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 2015-16)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2015</b>					
Balance carried forward from previous period	(91,919)	29,790	38,725	84,493	61,089
<b>Adjusted opening balance</b>	<b>(91,919)</b>	<b>29,790</b>	<b>38,725</b>	<b>84,493</b>	<b>61,089</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	(18,280)	900	-	-	(17,380)
<b>Total comprehensive income</b>	<b>(18,280)</b>	<b>900</b>	<b>-</b>	<b>-</b>	<b>(17,380)</b>
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity Injection - Appropriation				2,718	2,718
Departmental Capital Budget (DCB)				14,160	14,160
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,878</b>	<b>16,878</b>
<b>Estimated closing balance as at 30 June 2016</b>	<b>(110,199)</b>	<b>30,690</b>	<b>38,725</b>	<b>101,371</b>	<b>60,587</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(110,199)</b>	<b>30,690</b>	<b>38,725</b>	<b>101,371</b>	<b>60,587</b>

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	181,367	207,835	203,797	198,095	199,947
Sale of goods and rendering of services	19,524	18,333	18,100	18,100	18,100
Net GST received	5,714	5,714	5,714	5,714	5,714
Other	1,500	1,900	1,900	1,900	1,900
<b>Total cash received</b>	<b>208,105</b>	<b>233,782</b>	<b>229,511</b>	<b>223,809</b>	<b>225,661</b>
<b>Cash used</b>					
Employees	126,581	133,522	136,058	136,351	137,485
Suppliers	73,904	94,546	87,739	81,744	82,462
Net GST paid	5,714	5,714	5,714	5,714	5,714
<b>Total cash used</b>	<b>206,199</b>	<b>233,782</b>	<b>229,511</b>	<b>223,809</b>	<b>225,661</b>
<b>Net cash from/(used by) operating activities</b>	<b>1,906</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	17,792	16,878	15,312	14,348	14,482
<b>Total cash used</b>	<b>17,792</b>	<b>16,878</b>	<b>15,312</b>	<b>14,348</b>	<b>14,482</b>
<b>Net cash from/(used by) investing activities</b>	<b>(17,792)</b>	<b>(16,878)</b>	<b>(15,312)</b>	<b>(14,348)</b>	<b>(14,482)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	17,792	16,878	15,312	14,348	14,482
<b>Total cash received</b>	<b>17,792</b>	<b>16,878</b>	<b>15,312</b>	<b>14,348</b>	<b>14,482</b>
<b>Net cash from/(used by) financing activities</b>	<b>17,792</b>	<b>16,878</b>	<b>15,312</b>	<b>14,348</b>	<b>14,482</b>
<b>Net increase/(decrease) in cash held</b>	<b>1,906</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	3,594	5,500	5,500	5,500	5,500
<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 (for the period ended 30 June)**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	17,287	14,160	14,317	14,348	14,482
Equity injections - Bill 2	505	2,718	995	-	-
<b>Total new capital appropriations</b>	<b>17,792</b>	<b>16,878</b>	<b>15,312</b>	<b>14,348</b>	<b>14,482</b>
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	17,792	16,878	15,312	14,348	14,482
<b>Total Items</b>	<b>17,792</b>	<b>16,878</b>	<b>15,312</b>	<b>14,348</b>	<b>14,482</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
<b>ASSETS</b>					
Funded by capital appropriations(a)	505	2,718	995	-	-
Funded by capital appropriation - DCB (b)	14,287	14,160	14,317	14,348	14,482
Funded internally from departmental resources (c)	3,000	-	-	-	-
<b>TOTAL</b>	<b>17,792</b>	<b>16,878</b>	<b>15,312</b>	<b>14,348</b>	<b>14,482</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	17,792	16,878	15,312	14,348	14,482
<b>Total cash used to acquire assets</b>	<b>17,792</b>	<b>16,878</b>	<b>15,312</b>	<b>14,348</b>	<b>14,482</b>

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

(c) Includes \$3.0m reallocated from departmental to DCB.

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of asset movements (Budget year 2015-16)**

	Buildings	Other property, plant and equipment	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2015</b>				
Gross book value	17,346	32,869	67,729	117,944
Accumulated depreciation/amortisation and impairment	(4,500)	(11,055)	(43,601)	(59,156)
<b>Opening net book balance</b>	<b>12,846</b>	<b>21,814</b>	<b>24,128</b>	<b>58,788</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity (a)	2,718	-	-	2,718
By purchase - appropriation ordinary annual services (b)	2,500	3,660	8,000	14,160
<b>Total additions</b>	<b>5,218</b>	<b>3,660</b>	<b>8,000</b>	<b>16,878</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(4,783)	(4,279)	(8,438)	(17,500)
Other (c)	-	500	400	900
<b>Total other movements</b>	<b>(4,783)</b>	<b>(3,779)</b>	<b>(8,038)</b>	<b>(16,600)</b>
<b>As at 30 June 2016</b>				
Gross book value	22,564	37,029	76,129	135,722
Accumulated depreciation/amortisation and impairment	(9,283)	(15,334)	(52,039)	(76,656)
<b>Closing net book balance</b>	<b>13,281</b>	<b>21,695</b>	<b>24,090</b>	<b>59,066</b>

(a) 'Appropriation equity' refers to equity injections appropriations provided through *Appropriation Bill (No. 2) 2015-16*.

(b) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1) 2015-16* for depreciation/amortisation expenses, DCBs or other operational expenses.

(c) Revaluation/fair movements.

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)**

	2014-15 Estimated actual \$'000	2015-16 Budget estimate \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Employee benefits	5,000	5,000	5,000	5,000	5,000
Suppliers	1,895	1,895	1,895	1,895	1,895
Grants	132,505	138,382	133,819	133,263	133,051
<b>Total expenses administered on behalf of Government</b>	<b>139,400</b>	<b>145,277</b>	<b>140,714</b>	<b>140,158</b>	<b>139,946</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
Total own-sourced income administered on behalf of Government	-	-	-	-	-
<b>Net cost of/(contribution by) services</b>	<b>139,400</b>	<b>145,277</b>	<b>140,714</b>	<b>140,158</b>	<b>139,946</b>
<b>Surplus/(Deficit)</b>	<b>139,400</b>	<b>145,277</b>	<b>140,714</b>	<b>140,158</b>	<b>139,946</b>
<b>Total comprehensive income/(loss)</b>	<b>139,400</b>	<b>145,277</b>	<b>140,714</b>	<b>140,158</b>	<b>139,946</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)**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	-	-
Other financial assets	90	90	90	90	90
<b>Total financial assets</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>
<b>Total assets administered on behalf of Government</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	79	79	79	79	79
Other payables	160	160	160	160	160
<b>Total payables</b>	<b>239</b>	<b>239</b>	<b>239</b>	<b>239</b>	<b>239</b>
<b>Provisions</b>					
Employee provisions	2,331	2,331	2,331	2,331	2,331
Other provisions	6,438	6,438	6,438	6,438	6,438
<b>Total provisions</b>	<b>8,769</b>	<b>8,769</b>	<b>8,769</b>	<b>8,769</b>	<b>8,769</b>
<b>Total liabilities administered on behalf of Government</b>	<b>9,008</b>	<b>9,008</b>	<b>9,008</b>	<b>9,008</b>	<b>9,008</b>
<b>Net assets/(liabilities)</b>	<b>(8,918)</b>	<b>(8,918)</b>	<b>(8,918)</b>	<b>(8,918)</b>	<b>(8,918)</b>

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'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	132,505	138,382	133,819	133,263	133,051
Suppliers	1,895	1,895	1,895	1,895	1,895
Net GST paid	195	195	195	195	195
Employees	5,000	5,000	5,000	5,000	5,000
<b>Total cash used</b>	<b>139,595</b>	<b>145,472</b>	<b>140,909</b>	<b>140,353</b>	<b>140,141</b>
<b>Net cash from/(used by) operating activities</b>	<b>(139,400)</b>	<b>(145,277)</b>	<b>(140,714)</b>	<b>(140,158)</b>	<b>(139,946)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(139,400)</b>	<b>(145,277)</b>	<b>(140,714)</b>	<b>(140,158)</b>	<b>(139,946)</b>
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	139,400	145,277	140,714	140,158	139,946
<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 Reporting 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.