

Australian Trade and Investment Commission (Austrade)

**Entity resources and planned
performance**

AUSTRALIAN TRADE AND INVESTMENT COMMISSION (AUSTRADE)

Section 1: Entity overview and resources	69
1.1 Strategic direction statement	69
1.2 Entity resource statement	71
1.3 Budget measures	71
Section 2: Outcomes and planned performance	74
2.1 Budgeted expenses and performance for Outcome 1	75
2.2 Budgeted expenses and performance for Outcome 2	82
Section 3: Budgeted financial statements	85
3.1 Budgeted financial statements	85
3.2 Budgeted financial statements tables	88

AUSTRALIAN TRADE AND INVESTMENT COMMISSION (AUSTRADE)

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Trade and Investment Commission (Austrade) is the Australian Government's promotion agency for international trade and for attracting productive foreign investment to Australia. Austrade leverages the deep commercial knowledge and relationships of our international and domestic networks, and the badge of government, to deliver value for our clients and investors. In some of our overseas locations, Austrade also delivers consular and passport services on behalf of the Australian Government to Australian citizens overseas.

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 current purposes, and how we intend to achieve them, are set out on our website and corporate plan. During 2017-18, Austrade undertook an Organisational Capability Assessment, which resulted in changes to our strategic priorities for the period 2018-22. These changes will be set out in Austrade's 2018-19 Corporate Plan.

The international economic environment is characterised by a high level of political and policy uncertainty. While economic conditions in Australia's major export markets and investment sources are broadly favourable, recent shifts away from free trade in some of Australia's largest trading partners are concerning. Although Australia has not been directly targeted by any measures, there may yet be downstream consequences for Australia from sanctions imposed on our export markets. That uncertainty, coupled with geopolitical risk, also has an impact on the environment for international investment.

To overcome these challenges, Austrade uses our international network and expertise to gather market information. We transform this data into tailored and authoritative intelligence and advice for our clients: Australian exporters, potential overseas investors into Australia and overseas businesses that would like to buy Australian products. The rapidly-changing environment, and our clients' evolving needs, mean that Austrade is revising what and how we operate.

Austrade Budget Statements

Over the four-year period commencing in 2018–19, Austrade’s goals are to:

- connect export-ready Australian businesses to overseas opportunities, and work with them to achieve commercial outcomes;
- attract productive foreign investment to Australia;
- work with priority industry sectors to promote Australian capability internationally, and drive sustained long-term growth in Australian exports;
- reduce the impost of time, cost and risk on our clients;
- provide authoritative commercial insights and information to help our clients make informed business decisions;
- inform and influence policy that supports positive trade and investment outcomes;
- provide financial assistance for exporters through programs like the Export Market Development Grants scheme;
- support Australia’s regional exporters through the TradeStart network; and
- contribute to economic diplomacy and protect the welfare of Australians abroad through timely and responsive consular and passport services in specific locations.

To achieve these goals, Austrade’s strategic priorities for 2018–22 have evolved. We will seek to strengthen our client service delivery by developing an enhanced suite of tailored and strategic services, and a universal service offering to broaden our reach. The delivery of our services will be improved by a policy of digital first: integrated digital platforms that will focus on our clients’ needs, make the best use of the information we hold, and improve efficiency.

To promote Australia and its capability internationally in the most effective way, we will work closely with our partners across government, institutions, and the private sector to deliver seamless services to our clients. By leveraging our knowledge and experience of international markets, we will proactively inform and influence policy. This will also build on our enhanced commercial intelligence capabilities, which we will also use to deliver more valuable insights to our clients. Internally, we will develop our own talent, and promote agile working models.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome X' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Austrade resource statement — Budget estimates for 2018-19 as at Budget May 2018

	2017-18 Estimated actual \$'000	2018-19 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	56,869	53,969
Departmental appropriation (c)	188,166	201,686
s74 Retained revenue receipts (d)	27,400	27,400
Departmental capital budget (e)	15,176	14,135
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	861	782
Equity injection	-	1,401
Total departmental annual appropriations	<u>288,472</u>	<u>299,373</u>
Total departmental resourcing	288,472	299,373
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	3,879	3,879
Outcome 1	139,584	140,871
Total administered annual appropriations	<u>143,463</u>	<u>144,750</u>
Total administered resourcing	143,463	144,750
Total resourcing for Austrade	431,935	444,123
	<u>2017-18</u>	<u>2018-19</u>
Average staffing level (number)	1,022	1,028

(a) Appropriation Bill (No.1) 2018-19.

(b) Excludes \$2.211m subject to quarantine by Finance or withheld under section 51 of the PGPA Act.

(c) Excludes Departmental Capital Budget (DCB).

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

(e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(f) Appropriation Bill (No.2) 2018-19.

Austrade Budget Statements

Prepared on a resourcing (that is, appropriations available) basis.

Please note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

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 2018-19 Budget measures

Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Expense measures						
Australian Trade and Investment Commission - efficiencies						
	1.1					
		(600)	(400)	-	-	-
		(2,565)	(630)	(1,129)	(136)	(1,135)
		(3,165)	(1,030)	(1,129)	(136)	(1,135)
Enhancing Cruise Ship Access to Sydney (a)						
	1.1					
		-	250	-	-	-
		-	250	-	-	-
Promoting Australian Expertise in International Markets						
	1.1					
		-	-	-	-	-
		-	-	-	-	-
Tourism 2020 - continuation of Approved Destination Status scheme						
	1.1					
		(2,587)	2,587	-	-	-
		(2,587)	2,587	-	-	-
Total expense measures						
		(600)	(400)	-	-	-
		(5,152)	2,207	(1,129)	(136)	(1,135)
		(5,752)	1,807	(1,129)	(136)	(1,135)

(a) This measure is funded through a transfer in appropriation from the Department of Defence to Austrade.

Part 2: Other measures not previously reported in a portfolio statement

	Program	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Measures						
2017 Foreign Policy White Paper						
	1.1					
		762	3,949	2,706	2,719	-
		762	3,949	2,706	2,719	-
Total measures						
		762	3,949	2,706	2,719	-
		762	3,949	2,706	2,719	-

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Section 2: Outcomes and planned performance

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 entities achieve the intended results of their outcome statements. Entities 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. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports - to provide an entity's complete performance story.

The most recent corporate plan for Austrade can be found at:

<https://www.austrade.gov.au/ArticleDocuments/1358/Austrade-Corporate-Plan-2017-18.pdf.aspx>.

The most recent annual performance statement can be found at:

<https://www.austrade.gov.au/AR-201617/part-2-report-performance/australian-trade-and-investment-commission-annual-performance-statement.html>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Linked programs

Department of Foreign Affairs and Trade
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Foreign Affairs and Trade Operations • Program 1.6 – Public Information Services and Public Diplomacy • Program 1.7 – Programs to Promote Australia’s International Tourism Interests
<p>Contribution to Outcome 1 made by linked programs</p> <p>DFAT and Austrade work closely across a number of areas. This cooperation results in stronger economic ties, and includes the maximisation of trade and investment opportunities for Australia through the promotion of Free Trade Agreements. It also contributes to the projection of a positive image of Australia as a destination for business, investment, tourism and study.</p>
Department of Industry, Innovation and Science (DIIS)
<p>Programs</p> <ul style="list-style-type: none"> • Program 1 – Supporting Science and Commercialisation • Program 2 – Growing Business Investment and Improving Business Capability • Program 3 – Program Support
<p>Contribution to Outcome 1 made by linked programs</p> <p>DIIS provides administrative support in relation to the grants for the Australian Tropical Medicine Commercialisation scheme. DIIS also co-operates with Austrade on the Government’s National Innovation and Science agenda through Landing Pads and the Inbound Innovation Forum.</p>
Department of Education and Training
<p>Programs</p> <ul style="list-style-type: none"> • Program 2.7 – International Education Support
<p>Contribution to Outcome 1 made by linked program</p> <p>The National Strategy for International Education, led by the Department of Education and Training, seeks to strengthen the fundamentals of the international education sector and complements Austrade’s focus through <i>Australian International Education 2025</i> on enabling the sector’s ongoing international growth.</p>

Linked programs (continued)

Department of Agriculture and Water Resources
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.13 – International Market Access • Program 2.1 – Biosecurity and Export Services
<p>Contribution to Outcome 1 made by linked programs</p> <p>The Department of Agriculture and Water Resources works to achieve the best outcomes for Australian agricultural, fisheries and forestry exports. The Department also undertakes activities to preserve Australia’s favourable animal and plant health status, helping maintain overseas markets.</p>
Tourism Australia
<p>Programs</p> <ul style="list-style-type: none"> • Program 1 - Supporting Outcome 1 (Grow demand and foster a competitive and sustainable Australian tourism industry through partnership marketing to targeted global consumers in key markets)
<p>Contribution to Outcome 1 made by linked program</p> <p>Austrade provides research and policy support to Tourism Australia’s activities of promoting the export of Australian tourism services. These exports contribute to Australia’s prosperity.</p>
Department of Defence
<p>Programs</p> <ul style="list-style-type: none"> • Program 2.1 – Strategic Policy and Intelligence
<p>Contribution to Outcome 1 made by linked program</p> <p>The Government’s Defence Export Strategy will be implemented by the Department of Defence through the Australian Defence Export Office. This will provide a whole of government coordinated approach to supporting Australian defence industry to grow exports.</p>
Department of Infrastructure, Regional Development and Cities
<p>Programs</p> <ul style="list-style-type: none"> • Program 3.1 – Regional Development
<p>Contribution to Outcome 1 made by linked program</p> <p>The Department of Infrastructure, Regional Development and Cities supports tourism demand-driving infrastructure in Australia’s regions through the Government’s Building Better Regions Fund.</p>

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 1.1: Promotion of Australia's export and other international economic interests					
Departmental expenses					
Departmental appropriation	178,910	192,363	185,458	185,505	186,324
s74 Retained revenue receipts (a)	23,896	23,896	23,896	23,896	23,896
Special accounts					
Services for Other Entities and Trust Moneys Special Account	384	128	-	-	-
Expenses not requiring appropriation in the Budget year (b)	16,896	16,500	18,047	17,954	16,686
Departmental total	220,086	232,887	227,401	227,355	226,906
Total expenses for program 1.1	220,086	232,887	227,401	227,355	226,906
Program 1.2: Programmes to promote Australia's exports and other international economic					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	139,584	140,871	138,650	137,900	137,900
Administered total	139,584	140,871	138,650	137,900	137,900
Total expenses for program 1.2	139,584	140,871	138,650	137,900	137,900

Table continued on the following page.

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	139,584	140,871	138,650	137,900	137,900
Administered total	139,584	140,871	138,650	137,900	137,900
Departmental expenses					
Departmental appropriation	178,910	192,363	185,458	185,505	186,324
s74 Retained revenue receipts (a)	23,896	23,896	23,896	23,896	23,896
Special accounts	384	128	-	-	-
Expenses not requiring appropriation in the Budget year (b)	16,896	16,500	18,047	17,954	16,686
Departmental total	220,086	232,887	227,401	227,355	226,906
Total expenses for Outcome 1	359,670	373,758	366,051	365,255	364,806
	2017-18	2018-19			
Average staffing level (number)	987	993			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses 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 change.

Table 2.1.2: Program components of Outcome 1

Program 1.2: Programmes to promote Australia's exports and other international economic interests					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
1.2.1 - Component 1: Export Market Development Grants scheme					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)	137,900	137,900	137,900	137,900	137,900
Total component 1 expenses	137,900	137,900	137,900	137,900	137,900
1.2.2 - Component 2: Free Trade Agreement Promotion					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)	-	750	750	-	-
Total component 2 expenses	-	750	750	-	-
1.2.3 - Component 3: Developing Northern Australia - positioning the north as a leader in tropical health					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)	1,684	2,221	-	-	-
Total component 3 expenses	1,684	2,221	-	-	-
Total program expenses	139,584	140,871	138,650	137,900	137,900

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

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		
Program 1.1 – Promotion of Australia’s export and other international economic interests		
Delivery	Austrade: <ul style="list-style-type: none"> • connects export-ready Australian businesses to overseas opportunities and works with them to achieve commercial outcomes • wins productive foreign investment • promotes Australian capability internationally • works with priority industry sectors to drive sustained long-term growth of Australian exports • reduces the time, cost and risk for its clients • provides authoritative commercial insights and information to help clients make informed business decisions • informs and influences policy to support positive trade and investment outcomes • supports Australia’s regional exporters through the TradeStart network 	
Performance information		
Year	Performance criteria	Targets
2017-18	High level of satisfaction for Ministers, Australian business community, institutions and key partners with Austrade’s services.	Forecast: Austrade expects this level of satisfaction to be at least 70%, as measured in surveys and feedback
2018-19	High level of satisfaction for Ministers, Australian business community, institutions and key partners with Austrade’s services.	Forecast: Austrade expects this level of satisfaction to be at least 70%, as measured in surveys and feedback
2019-20 and beyond	As per 2018-19	As per 2018-19
Purposes	The purpose of the Australian Trade and Investment Commission – Austrade – is to contribute to Australia’s economic prosperity by helping Australian businesses, education institutions, tourism operators, governments to: <ul style="list-style-type: none"> • develop international markets • promote international education • win productive foreign investment • strengthen Australia’s tourism industry 	

Program 1.2 – Programs to promote Australia’s export and other international economic interests		
Delivery	Austrade administers programs that support Australian businesses’ engagement in international business. It provides financial assistance for exporters through programs like the Export Market Development Grants (EMDG) scheme.	
Performance information		
Year	Performance criteria	Targets
2017-18	EMDG recipients report that the receipt of a grant encouraged them to increase their export promotion activities	Forecast: Austrade expects at least 70% of EMDG recipients to report that receiving a grant in 2017-18 encouraged them to increase their export promotion activities.
	Proportion of seminar and roadshow attendees reporting an increased understanding of how to use and benefit from Free Trade Agreements (FTAs)	Forecast: Austrade expects at least 85% of seminar and roadshow attendees to report increased understanding of how to use and benefit from FTAs in 2017-18, as measured by feedback forms.
2018-19	EMDG recipients report that the receipt of a grant encouraged them to increase their export promotion activities	Forecast: Austrade expects at least 70% of EMDG recipients to report that receiving a grant in 2018-19 encouraged them to increase their export promotion activities.
	Proportion of seminar and roadshow attendees reporting an increased understanding of how to use and benefit from FTAs	Forecast: Austrade expects at least 85% of seminar and roadshow attendees to report increased understanding of how to use and benefit from FTAs in 2018-19, as measured by feedback forms.
2019-20 and beyond	As per 2018-19	As per 2018-19
Purposes	<p>The purpose of the Australian Trade and Investment Commission – Austrade – is to contribute to Australia’s economic prosperity by helping Australian businesses, education institutions, tourism operators, governments to:</p> <ul style="list-style-type: none"> • develop international markets • promote international education • win productive foreign investment • strengthen Australia’s tourism industry 	

2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2

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

Linked programs

Department of Foreign Affairs and Trade

Programs

- Program 2.1 – Consular Services
- Program 2.2 – Passport Services
- Program 3.1 – Foreign Affairs and Trade Security and IT
- Program 3.2 – Overseas Property

Contribution to Outcome 2 made by linked programs

Where Austrade has overseas locations that complement those of DFAT, Austrade provides consular and passport services to Australians in those locations. DFAT ensures a secure Austrade presence overseas for personnel, assets and information.

Budgeted expenses for Outcome 2

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.2.1: Budgeted expenses for Outcome 2

Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas					
	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
Program 2.1: Consular Services					
Departmental expenses					
Departmental appropriation	9,256	9,323	9,323	9,368	9,413
s74 Retained revenue receipts (a)	3,504	3,504	3,504	3,504	3,504
Departmental total	12,760	12,827	12,827	12,872	12,917
Total expenses for program 2.1	12,760	12,827	12,827	12,872	12,917
Outcome 2 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	9,256	9,323	9,323	9,368	9,413
s74 Retained revenue receipts (a)	3,504	3,504	3,504	3,504	3,504
Departmental total	12,760	12,827	12,827	12,872	12,917
Total expenses for Outcome 2	12,760	12,827	12,827	12,872	12,917
<hr/>					
	2017-18	2018-19			
Average staffing level (number)	35	35			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

Table 2.2.3: Performance criteria for Outcome 2

Table 2.2.3 below details the performance criteria for each program associated with Outcome 2. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

Outcome 2 – The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas		
Program 2.1 – Consular and Passport Services		
Delivery	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.	
Performance information		
Year	Performance criteria	Targets
2017-18	Timely and effective delivery of consular and passport services to Australians overseas	Meets DFAT's standards for provision of consular and passport services
2018-19	Timely and effective delivery of consular and passport services to Australians overseas	Meets DFAT's standards for provision of consular and passport services
2019-20 and beyond	As per 2018-19	As per 2018-19
Purposes	Help Australian citizens by providing consular and passport services in designated overseas locations.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018-19 Budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no differences between the resource information presented in the Budget Papers and in Austrade's Portfolio Budget Statements.

3.1.2 Explanatory notes and 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 2017-18 and the estimated revenue and expenses for 2018-19 and forward years.

Total income in 2018-19 is estimated to be \$229.1 million, which represents an increase of \$13.5 million in appropriations from the 2017-18 estimated actual shown at Table 3.2.1. The increase is a result of:

- increased funding to develop the Nation Brand announced in the 2017 Foreign Policy White Paper – a net increase of \$3.2 million;
- reduced savings target for the Foreign Affairs and Trade Portfolio Savings – a net increase of \$1.9 million;
- a one-off movement of departmental appropriation from 2017-18 to 2018-19 to fund the Approved Destination Status Scheme – a net increase of \$5.2 million;
- a one-off reduction to departmental appropriation revenue in 2017-18 due to the movement of funds from operating to capital – a net increase of \$1.1 million; and
- foreign exchange adjustments – a net increase of \$2.2 million.

Austrade Budget Statements

Austrade is receiving funding of \$14.1 million to fund the Departmental Capital Budget which is treated as an equity injection. An additional \$1.4 million of capital expenditure is available from the existing equity injection.

Total estimated expenses for 2018-19 have increased by \$12.9 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 of \$63.8 million at the end of 2018-19 represents a decrease of \$1.1 million from the 2017-18 estimated actual in Table 3.2.2. This is mainly due to the variation between capital program funding (\$15.5 million) and estimated depreciation expense (\$16.5 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 2018-19 is estimated to be \$63.8 million, a decrease of \$1.1 million mainly due to the variation between capital program funding (\$15.5 million) and estimated depreciation expense (\$16.5 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 2018-19 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 \$140.9 million for 2018-19 relate to the EMDG Scheme (\$137.9 million), Free Trade Agreement Promotion (\$0.8 million) and Developing Northern Australia - positioning the north as a leader in tropical health (\$2.2 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.

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 2018-19 are estimated at \$0.1 million and \$20.1 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 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	143,829	147,000	147,000	147,000	147,000
Suppliers	72,121	82,214	75,181	75,273	76,137
Depreciation and amortisation (a)	16,896	16,500	18,047	17,954	16,686
Total expenses	232,846	245,714	240,228	240,227	239,823
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	24,200	24,200	24,200	24,200	24,200
Rental income	200	200	200	200	200
Other	3,000	3,000	3,000	3,000	3,000
Total own-source revenue	27,400	27,400	27,400	27,400	27,400
Total own-source income	27,400	27,400	27,400	27,400	27,400
Net (cost of)/contribution by services	(205,446)	(218,314)	(212,828)	(212,827)	(212,423)
Revenue from Government	188,166	201,686	194,781	194,873	195,737
Surplus/(deficit) attributable to the Australian Government	(17,280)	(16,628)	(18,047)	(17,954)	(16,686)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(17,280)	(16,628)	(18,047)	(17,954)	(16,686)
Total comprehensive income/(loss) attributable to the Australian Government	(17,280)	(16,628)	(18,047)	(17,954)	(16,686)

Table continued on following page.

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2017-18	2018-19	2019-20	2020-21	2021-22
	\$'000	\$'000	\$'000	\$'000	\$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	(384)	(128)	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	16,896	16,500	18,047	17,954	16,686
Total comprehensive income/(loss) - as per the statement of comprehensive income	(17,280)	(16,628)	(18,047)	(17,954)	(16,686)

(a) From 2010-11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) being 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 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,500	5,500	5,500	5,500	5,500
Trade and other receivables	53,770	53,642	53,642	53,642	53,642
Total financial assets	59,270	59,142	59,142	59,142	59,142
Non-financial assets					
Land and buildings	15,250	13,250	10,609	8,063	4,595
Property, plant and equipment	7,896	6,968	6,084	3,975	3,791
Intangibles	26,584	28,548	28,704	30,110	31,381
Other non-financial assets	8,496	8,496	8,496	8,496	8,496
Total non-financial assets	58,226	57,262	53,893	50,644	48,263
Total assets	117,496	116,404	113,035	109,786	107,405
LIABILITIES					
Payables					
Suppliers	12,843	12,843	12,843	12,843	12,843
Other payables	4,999	4,999	4,999	4,999	4,999
Total payables	17,842	17,842	17,842	17,842	17,842
Provisions					
Employee provisions	34,682	34,682	34,682	34,682	34,682
Other provisions	65	65	65	65	65
Total provisions	34,747	34,747	34,747	34,747	34,747
Total liabilities	52,589	52,589	52,589	52,589	52,589
Net assets	64,907	63,815	60,446	57,197	54,816
EQUITY*					
Parent entity interest					
Contributed equity	117,997	133,533	148,211	162,916	177,221
Reserves	32,410	32,410	32,410	32,410	32,410
Retained surplus (accumulated deficit)	(85,500)	(102,128)	(120,175)	(138,129)	(154,815)
Total parent entity interest	64,907	63,815	60,446	57,197	54,816
Total equity	64,907	63,815	60,446	57,197	54,816

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018-19)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	(85,500)	32,410	117,997	64,907
Adjusted opening balance	(85,500)	32,410	117,997	64,907
Comprehensive income				
Other comprehensive income				
Surplus/(deficit) for the period	(16,628)	-	-	(16,628)
Total comprehensive income	(16,628)	-	-	(16,628)
of which:				
Attributable to the Australian Government	(16,628)	-	-	(16,628)
Contributions by owners				
Equity injection - Appropriation	-	-	1,401	1,401
Departmental Capital Budget (DCB)	-	-	14,135	14,135
Estimated closing balance as at 30 June 2019	(102,128)	32,410	133,533	63,815
Less: non-controlling interests	-	-	-	-
Closing balance attributable to the Australian Government	(102,128)	32,410	133,533	63,815

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	189,239	201,814	194,781	194,873	195,737
Sale of goods and rendering of services	24,400	24,400	24,400	24,400	24,400
Other	3,000	3,000	3,000	3,000	3,000
Total cash received	216,639	229,214	222,181	222,273	223,137
Cash used					
Employees	143,829	147,000	147,000	147,000	147,000
Suppliers	72,121	82,214	75,181	75,273	76,137
Total cash used	215,950	229,214	222,181	222,273	223,137
Net cash from/(used by) operating activities	689	-	-	-	-
INVESTING ACTIVITIES					
Total cash received					
	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	16,276	15,536	14,678	14,705	14,305
Total cash used	16,276	15,536	14,678	14,705	14,305
Net cash from/(used by) investing activities	(16,276)	(15,536)	(14,678)	(14,705)	(14,305)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	15,176	15,536	14,678	14,705	14,305
Total cash received	15,176	15,536	14,678	14,705	14,305
Total cash used					
	-	-	-	-	-
Net cash from/(used by) financing activities	15,176	15,536	14,678	14,705	14,305
Net increase/(decrease) in cash held	(411)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	5,911	5,500	5,500	5,500	5,500
Cash and cash equivalents at the end of the reporting period	5,500	5,500	5,500	5,500	5,500

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	15,176	14,135	14,178	14,205	14,305
Equity injections - Bill 2	-	1,401	500	500	-
Total new capital appropriations	15,176	15,536	14,678	14,705	14,305
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	16,276	15,536	14,678	14,705	14,305
Total items	16,276	15,536	14,678	14,705	14,305
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	1,100	1,401	500	500	-
Funded by capital appropriation - DCB (b)	15,176	14,135	14,178	14,205	14,305
TOTAL	16,276	15,536	14,678	14,705	14,305
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	16,276	15,536	14,678	14,705	14,305
Total cash used to acquire assets	16,276	15,536	14,678	14,705	14,305

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

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2018-19)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018				
Gross book value	20,164	19,129	86,637	125,930
Accumulated depreciation/ amortisation and impairment	(4,914)	(11,233)	(60,053)	(76,200)
Opening net book balance	15,250	7,896	26,584	49,730
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	3,000	3,572	8,964	15,536
Total additions	3,000	3,572	8,964	15,536
Other movements				
Depreciation/amortisation expense	(5,000)	(4,500)	(7,000)	(16,500)
Total other movements	(5,000)	(4,500)	(7,000)	(16,500)
As at 30 June 2019				
Gross book value	23,164	22,701	95,601	141,466
Accumulated depreciation/ amortisation and impairment	(9,914)	(15,733)	(67,053)	(92,700)
Closing net book balance	13,250	6,968	28,548	48,766

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2018-19, including CDABs.

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
EXPENSES					
Employee benefits	5,253	5,253	5,253	5,253	5,253
Suppliers	1,642	1,642	1,642	1,642	1,642
Grants	132,689	133,976	131,755	131,005	131,005
Total expenses administered on behalf of Government	139,584	140,871	138,650	137,900	137,900
LESS:					
OWN-SOURCE INCOME					
Total own-sourced income administered on behalf of Government	-	-	-	-	-
Net (cost of)/contribution by services	139,584	140,871	138,650	137,900	137,900
Surplus/(deficit) before income tax	139,584	140,871	138,650	137,900	137,900
Surplus/(deficit) after income tax	139,584	140,871	138,650	137,900	137,900
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	139,584	140,871	138,650	137,900	137,900

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	127	127	127	127	127
Total financial assets	127	127	127	127	127
Total assets administered on behalf of Government	127	127	127	127	127
LIABILITIES					
Payables					
Suppliers	120	120	120	120	120
Grants	1,368	1,368	1,368	1,368	1,368
Other payables	38	38	38	38	38
Total payables	1,526	1,526	1,526	1,526	1,526
Provisions					
Employee provisions	2,256	2,256	2,256	2,256	2,256
Other provisions	16,327	16,327	16,327	16,327	16,327
Total provisions	18,583	18,583	18,583	18,583	18,583
Liabilities included in disposal groups held for sale					
Total liabilities administered on behalf of Government	20,109	20,109	20,109	20,109	20,109
Net assets/(liabilities)	(19,982)	(19,982)	(19,982)	(19,982)	(19,982)

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Grant	132,689	133,976	131,755	131,005	131,005
Suppliers	1,846	1,642	1,642	1,642	1,642
Employees	5,253	5,253	5,253	5,253	5,253
Total cash used	139,788	140,871	138,650	137,900	137,900
Net cash from/(used by) operating activities	(139,788)	(140,871)	(138,650)	(137,900)	(137,900)
Net increase/(decrease) in cash held	(139,788)	(140,871)	(138,650)	(137,900)	(137,900)
Cash and cash equivalents at beginning of reporting period	204				
<i>Total cash from Official Public Account</i>	<i>139,584</i>	<i>140,871</i>	<i>138,650</i>	<i>137,900</i>	<i>137,900</i>
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.