

AUSTRALIAN TRADE COMMISSION

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AUSTRALIAN TRADE COMMISSION

Section 1: Overview

The Australian Trade Commission (Austrade) is the Australian Government's export and international business facilitation agency. It supports Australian companies to access overseas markets, export market development grants and international opportunities through Austrade offices overseas and across Australia and through partners across Australia. As the Australian Government's principal trade and international business facilitation agency, operating as a statutory agency within the Foreign Affairs and Trade portfolio, Austrade's mandate is to help Australian businesses reduce the time, cost and risks involved in entering overseas markets and expanding commerce in these markets.

Austrade delivers:

- International business opportunities to Australians;
- Export and outward investment services;
- Administration of the Export Market Development Grants (EMDG) scheme;
- Programs designed to improve community awareness of, and commitment to, international trade and investment;
- Advice to the Australian Government about, and coordination of, its export and international business facilitation activities; and
- Consular, passport and immigration services in designated overseas locations.

Austrade delivers these services through a global network of offices, with representatives overseas in over 140 locations in more than 60 countries. In addition, across Australia Austrade operates 18 offices and a network of 54 TradeStart offices including 8 Export Hubs in partnership with public and private sector ally organisations. Through this network Austrade works with Australian businesses to identify and capture export opportunities.

Responding to the Government's policy and priorities, Austrade's Corporate Plan has the following three priorities:

- drive export outcomes through existing free trade agreements (FTA). These include the Australia-United States Free Trade Agreement, Australia New Zealand Closer Economic Relations Agreement, Thailand-Australia Free Trade Agreement,

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and Singapore-Australia Free Trade Agreement. Austrade is also increasing its focus on anticipated future FTA markets of China, Japan, Gulf Cooperation Council, Chile, Malaysia and ASEAN (with New Zealand);

- expand Australia's international business in established markets and in key growth markets, and
- enhance export development through an industry focus in our onshore and offshore network and through alignment with industry allies and Government agencies.

These priorities for 2007-08 are within the broad objectives of the Corporate Plan, which are to drive growth in export value and increase the number of Australian exporters through:

- assisting more Australian businesses to become sustainable exporters;
- growing established exporters to expand international business;
- providing more value to Australian businesses by expanding delivery of Austrade services through allies and partners; and
- raising awareness of the benefit of export among businesses and the community including working closely with DFAT to raise awareness in the Australian business community of opportunities resulting from FTAs and international business.

1.1 SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES

The products and services delivered by the agency (outputs and administered policies, products and services) which contribute to achievement of outcomes for the Australian Trade Commission are summarised in Table 1.1.

Table 1.1: Contribution to outcomes

Outcome	Description	Output groups
Outcome 1		
Australians succeeding in international business with widespread community support.	Austrade focuses its effort and resources on delivering: <ul style="list-style-type: none"> - International business opportunities to Australians; - Export and outward investment services; - Access to the Export Market Development Grants scheme as an incentive and support for Australian SMEs to enter export markets and become sustainable exporters; - Programmes designed to improve community awareness of, and commitment to, trade and international investment; - Advice to the Australian Government about, and coordination of, its export and international business facilitation activities 	Output 1.1 - Awareness raising: Community commitment to trade and investment; understanding of the Australian Government's export assistance programme and a positive image of Australia overseas
		Output 1.2 - Government advice and coordination: Advice to the Australian Government and coordination of Australia's export activities
		Output 1.3 - Services and Opportunities: Export and investment services and opportunities for Australians through a national and global network
		Output 1.4 - Austrade Administered: Export Market Development Grants for small to medium sized businesses
Outcome 2		
Australians informed about and provided access to consular; passport and immigration services in specific locations overseas.	Consular, passport and immigration services in designated locations.	Output 2.1 - Consular, passport and immigration services

Section 2: Resources for 2007-08

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2007-08, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

The total appropriation for Austrade's outputs in the 2007-08 Budget is \$329.6 million.

Table 2.1: Appropriations and other resources 2007-08 ('000)

Agency/Outcome/ Non-operating	Departmental				Administered				Total \$'000	
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Receipts (a) \$'000	Appropriation Bill No. 1 \$'000	SPP \$'000	Other (b) \$'000	Special Appropriation \$'000		Receipts (a) \$'000
Outcome 1 - Australians succeeding in international business with widespread community support	160,637	-	-	30,625	159,280	-	-	-	-	350,542
Outcome 2 - Australians informed about and provided access to consular, passport and immigration services in specific locations overseas	9,706	-	-	2,531	-	-	-	-	-	12,237
Equity injections	-	4,873	-	-	-	-	-	-	-	4,873
Loans	-	-	-	-	-	-	-	-	-	-
Previous years' outputs	-	3,733	-	-	-	-	-	-	-	3,733
Administered assets and liabilities	-	-	-	-	-	-	-	-	-	-
Special capital	-	-	-	-	-	-	-	-	-	-
Appropriation	-	-	-	-	-	-	-	-	-	-
TOTAL	170,343	8,606	-	33,156	159,280	-	-	-	-	371,385

(a) Departmental and administered receipts from other sources (i.e. other than appropriation amounts) that are available to be used.

(b) Includes new administered expenses and administered assets and liabilities.

Notes:

- Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new administered expenses within new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans. "New administered expenses within new outcomes" does not include revisions to existing outcomes, for example following restructuring of outcomes; or revisions to outcomes following an AAO change where new administered items are not involved.
- Refer to Budgeted Income Statement for application of agency revenue.

2.2 2007-08 BUDGET MEASURES

Budget measures relating to the Australian Trade Commission as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

Table 2.2 Australian Trade Commission measures

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2008-09 \$'000			Appropriations forward estimate 2009-10 \$'000			Appropriations forward estimate 2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Global integration export facilitators for the United States market - extension	1	1.3	-	-	-	-	-	-	-	-	-	-	-	-

Provision for this funding has already been included in the forward estimates.

2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by Austrade for provision of goods or services. These resources are approved for use by Austrade and are included in Table 2.1.

Table 2.3: Other resources available to be used¹

	Estimated receipts 2006-07 \$'000	Budget estimate 2007-08 \$'000
Departmental resources		
Sale of goods and services (FMA Act s.31) ²	27,910	29,479
Other (FMA Act s.31) ²	2,750	3,677
Total departmental other resources available to be used	30,660	33,156
Administered other resources		
	-	-
Total administered other resources available to be used	-	-

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

2. Financial Management and Accountability Act 1997 (FMA Act) section 31 items are to be included as separate rows. Significant section 31 items are to be identified separately from other section 31 resources where appropriate.

2.4 MOVEMENT OF ADMINISTERED FUNDS

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period are subject to review by the Minister for Finance and Administration, and may be moved to a future period, in accordance with provisions in legislation. Table 2.4 shows the movement of administered funds approved since the 2006-07 Additional Estimates. These funds, resulting from lower estimated grant payments in 2006-07, have been moved to 2007-08 to provide for an expected increase in applications under the Export Market Development Grants scheme.

Table 2.4: Movement of administered funds between years

M	Movements of funding between years	\$'000
	Output 1.4 - Austrade Administered - Export Market Development Grants	8,880

2.5 SPECIAL APPROPRIATIONS

Not applicable to Austrade.

2.6 MOVEMENTS IN SPECIAL ACCOUNTS

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister’s Determination under the *Financial Management and Accountability Act 1997*. These Determinations may be disallowed by the Parliament. Special Accounts can also be established by the passage of separate legislation. Abolition of Special Accounts requires a Determination to be made by the Finance Minister or, for those Accounts established by legislation, by repeal of the legislation in whole or part. Table 2.6 shows the expected additions (credits) and reductions (debits) for each account used by Austrade.

Table 2.6: Estimates of Special Account cash flows and balances

		Opening balance 2007-08 2006-07	Receipts 2007-08 2006-07	Payments 2007-08 2006-07	Adjustments 2007-08 2006-07	Closing balance 2007-08 2006-07
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Admin Payments and receipts for Other Entities (A)	1	100	6,000	6,000	-	100
Other Trust Moneys - Australian Trade Commission (D)	1	-	800	800	-	-
Total special accounts 2007-08 Budget estimate		100	6,800	6,800	-	100
Total special accounts 2006-07 estimate actual		100	6,800	6,800	-	100

D= Departmental; A= Administered

Section 3: Outcomes

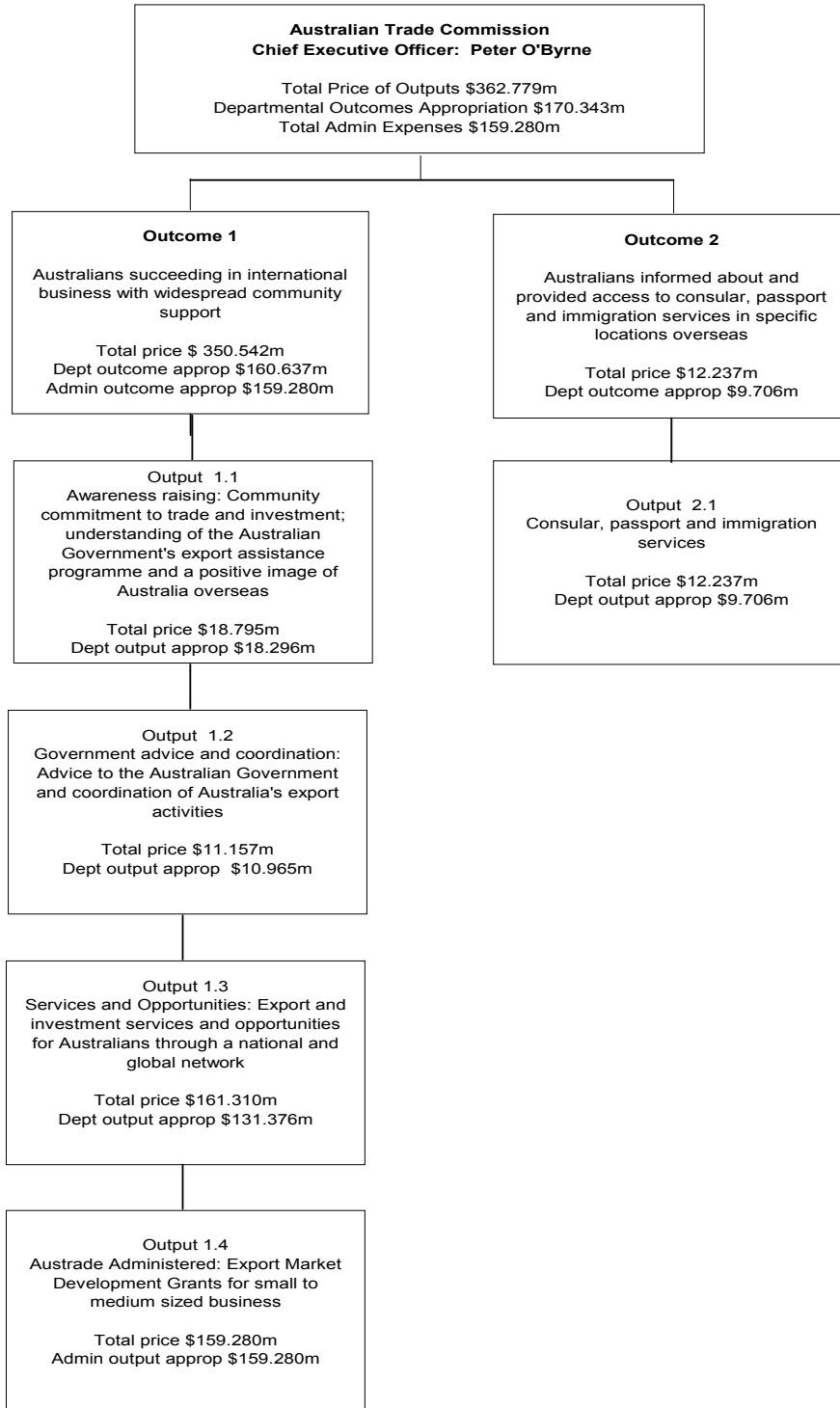
General government sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental items) and also administer items on behalf of the Government (administered items).

This section summarises how the resources identified in Section 2 will be used to contribute to the 2 outcomes for the Australian Trade Commission. Emphasis is placed on estimating the contribution to outcomes through administered items and outputs delivered by the agency. Key performance measures and performance evaluation activities are specified for each outcome. More detailed information on output and administered item attributes is maintained by agencies for internal management purposes.

3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The relationship between activities of Austrade and the outcomes are summarised in Figure 2.

Figure 2: Contributions to outcomes



3.2 OUTCOME RESOURCES AND PERFORMANCE INFORMATION

3.2.1 Outcome 1 resourcing

Table 3.1 shows how the 2007-08 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

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

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
Departmental appropriations		
Output 1.1 - Awareness Raising	18,932	18,296
Subtotal Output 1.1	18,932	18,296
Departmental appropriations		
Output 1.2 - Government advice and coordination	11,346	10,965
Subtotal Output 1.2	11,346	10,965
Departmental appropriations		
Output 1.3 - Services and opportunities	136,017	131,376
Subtotal Output 1.3	136,017	131,376
Total revenue from government (appropriations)	166,295	160,637
Contributing to price of departmental outputs	85.40%	84.00%
Revenue from other sources		
Sale of goods and services	25,518	26,948
Other	2,750	3,677
Total revenue from other sources	28,268	30,625
Total price from departmental outputs (Total revenue from government and from other sources)	194,563	191,262
Administered appropriations		
Output 1.4 - Austrade Administered	151,520	159,280
Total administered appropriations	151,520	159,280
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	346,083	350,542
	2006-07	2007-08
Average staffing level (number)	996	986

3.2.2 Measures affecting Outcome 1

Global Integration export facilitators for the United States market – extension

Financial Impact: The Government will provide \$11.1 million over the two years, 2007-08 to 2008-09, to extend the appointment of 30 export facilitators to pursue export opportunities arising from the Australia-United States Free Trade Agreement. The extension will help small and medium-sized Australian business take advantage of export opportunities, targeting government procurement, agricultural and other niche markets.

Provision for this funding has already been included in the forward estimates. The cost of this measure will be partially met (\$5.1 million over two years) from within the existing resourcing of Austrade.

3.2.3 Contributions to achievement of Outcome 1

Austrade's objective for the 2007-08 period is the delivery of services to assist Australians succeeding in international business with widespread community support. Within this context, Austrade is aiming to increase the number of exporters ⁽¹⁾ and drive growth in export sustainability and value by maximising international business outcomes.

Departmental outputs

Output 1.1 - Awareness Raising: Community commitment to trade and investment; understanding of the Australian Government's export assistance programs and a positive business image of Australia overseas.

The contribution to this Outcome is measured by community awareness of the importance of the Government's trade and international business facilitation activities through Austrade. This awareness is assessed through an annual community attitudes survey.

Output 1.2 - Government advice and coordination: Advice to the Australian Government and coordination of Australia's export activities.

The contribution to this Outcome is measured by the number of briefs provided to Ministers, Parliament and public sector agencies. This contribution is also measured by the ability of Austrade to supply this material within agreed timeframes.

Output 1.3 - Services and Opportunities: Export and investment services and opportunities for Australians through a national and global network.

Austrade's Australian and overseas network offers advice, market intelligence and ongoing support and assistance to Australian businesses looking to develop international markets.

⁽¹⁾ Externally reported measure by the Australian Bureau of Statistics of total number of Australian exporters. Not wholly within Austrade's control.

The level of assistance provided is tailored to meet the needs of each business. The contribution to this Outcome is measured primarily through the number of Australian businesses that Austrade assists to achieve export deals and the overall value of those deals.

Administered activities

Output 1.4 - Austrade Administered - Export Market Development Grants for small to medium sized businesses

The Export Market Development Grants scheme provides partial reimbursement for expenditure made by Australian small and medium enterprises on eligible export promotion activities, as an incentive for businesses to enter into export and grow to become sustainable exporters. A maximum of seven taxable grants of up to \$150,000 each per year may be paid to an individual grant recipient. The eligibility rules for the scheme are legislated in the *Export Market Development Grants Act 1997*. The contribution to this outcome is measured by the number of applicants attracted to the scheme and the number who become successful recipients of grant assistance.

3.2.4 Performance information for Outcome 1

Performance information for administered items and individual outputs relating to Austrade are summarised in Table 3.2.

Table 3.2: Performance information for Outcome 1

Performance indicators for departmental outputs	
Output 1.1 -	
Awareness Raising: Community commitment to trade and investment; understanding of the Australian Government's export assistance programme and a positive business image of Australia overseas	<i>Quality</i> Client satisfaction - Minister's Office ⁽¹⁾
	<i>Quantity</i> Community awareness of the importance of the Government's trade and international business facilitation activities through Australia ⁽²⁾ (75%) Proportion of Australian who believe exports make a major contribution to the economy ⁽²⁾ (80%)
	<i>Price</i> \$18.795m
	(1) The measure of the Minister's satisfaction will be provided to the Chief Executive by the Minister (2) Not wholly within Austrade's control
Output 1.2 -	
Government advice and coordination: Advice to the Australian Government and coordination of Australia's export activities	<i>Quality</i> Client satisfaction - Minister's Office ⁽¹⁾
	<i>Quantity</i> Number of briefs (incl submissions and Ministerials) provided to Ministers, Parliament, public sector agencies (450) ⁽³⁾ Percentage of material prepared within agreed timeframes (100%) ⁽⁴⁾
	<i>Price</i> \$11.157m

Table 3.2: Performance information for Outcome 1 (cont)

Output 1.3 -

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

Quality
Client satisfaction (85%)

Quantity
Number of clients achieving export success with Austrade's assistance (5,500) ⁽⁴⁾
Number of new and irregular exporter clients achieving export success with Austrade's assistance (1,900) ⁽⁴⁾
Number of established clients achieving export success with Austrade's assistance (3,600) ⁽⁴⁾
Dollar value of those export successes achieved by clients with acknowledged assistance from Austrade (\$18.00b) ⁽⁴⁾
Total number of clients achieving outward investment success with Austrade assistance (170) ⁽³⁾
Total number of businesses achieving export success indirectly through Austrade (1,000) ⁽³⁾
Total number of clients receiving services from Austrade (16,000) ⁽³⁾

Price
\$161.310m

(3) Estimate is a quantity based on historical performance

(4) Target is a quantity based on planned levels of activity

Performance indicators for administered items including third party outputs

Output 1.4 -

Austrade Administered: Export Market Development Grants for small to medium sized businesses

Quantity
Total number of grant applicants (4,150) ⁽³⁾
Total number of grant recipients (3,840) ⁽³⁾

Number of first-time grant applicants (1,245) ⁽³⁾
Number of first-time grant recipients (1,150) ⁽³⁾

(1) The measure of the Minister's satisfaction will be provided to the Chief Executive by the Minister

(3) Estimate is a quantity based on historical performance

(4) Target is a quantity based on planned levels of activity

3.2.5 Evaluations for Outcome 1

Planned evaluations and reviews affecting Austrade in 2006-07, include:

- Risk Management and Internal Audit – appropriate reviews will be undertaken in accordance with the internal audit and risk management plans to ensure that sound financial, legal and ethical decision making processes are adhered to and monitored.
- Australian National Audit Office (ANAO) Performance Audits – Austrade may participate in some reviews that will be commissioned by the ANAO.

Competitive tendering and contracting

Austrade is committed to achieving value for money with all procurement activity. Consistent with the Commonwealth Procurement Guidelines and ANAO Better Practice, Austrade has in place effective procurement processes that include:

- automated document templates for planning, evaluation, tendering and reporting tenders;
- full electronic tendering including distribution, receipt and both remote and centralised evaluation of tenders;
- on-going training for staff involved in procurement processes and a panel of procurement support service providers to assist business units to manage tendering processes.

Austrade's procurement and contracting activities are overseen by its Procurement and Contract Management team. This team is responsible for the provision of high quality policy advice relating to procurement, tendering and contract management to ensure full compliance with Commonwealth and agency specific procurement guidelines. The team has also developed and maintains procurement and contract related documentation and templates in liaison with Austrade's legal team as well as managing Austrade's external procurement and contract reporting obligations.

A key focus reflected in Austrade's operational plan is the implementation of a number of strategic sourcing initiatives. Several panel arrangements have been established to improve procurement efficiency. Opportunities to cluster procurement arrangements with other government agencies to maximise purchasing power and share resources are also explored and utilised where appropriate. Austrade plans to continue this approach during 2007-08.

Major functions currently performed by external service providers include legal services, internal audit, logistical and delivery services, mail processing, archival processing, aspects of recruitment and training, travel management services, provision of IT hardware, telecommunication services and security and facilities management at some overseas posts.

3.2.6 Outcome 2 resourcing

Table 3.1 shows how the 2007-08 Budget appropriations translate to total resourcing for Outcome 2, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

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

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
Departmental appropriations		
Output 2.1 - Consular, passport and immigration services	9,972	9,706
Subtotal Output 2.1	9,972	9,706
Total revenue from government (appropriations) Contributing to price of departmental outputs	9,972 81.20%	9,706 79.30%
Revenue from other sources		
Sale of goods and services	2,392	2,531
Other	-	-
Total revenue from other sources	2,392	2,531
Total price from departmental outputs (Total revenue from government and from other sources)	12,364	12,237
Total estimated resourcing for Outcome 2 (Total price of outputs and administered appropriations)	12,364	12,237
	2006-07	2007-08
Average staffing level (number)	51	51

3.2.7 Measures affecting Outcome 2

Not applicable to Austrade.

3.2.8 Contributions to achievement of Outcome 2

Austrade's objective for the 2007-08 period is the delivery of comprehensive, responsive, high quality consular and passport services in specific locations overseas.

Administered activities

There are no administered programmes run by Austrade under Outcome 2.

Departmental outputs

Output 2.1 – Consular, passport and immigration services.

In certain locations overseas, Austrade manages consulates for the Australian Government providing a range of consular, passport and immigration services. The contribution to this Outcome is measured by client satisfaction (DFAT and DIAC), as well as quantitative measures including the number of travel documents issued, the number of notarial acts prepared, the number of Australians assisted overseas and the number of visa applications received.

3.2.9 Performance information for Outcome 2

Performance information for administered items and individual outputs relating to Austrade are summarised in Table 3.2.

Table 3.2: Performance information for Outcome 2

Performance indicators for departmental outputs	
Output 2.1 -	
Consular, passport and immigration services	<i>Quality</i> Client satisfaction (DFAT and DIAC)
	<i>Quantity</i> Number of travel documents issued Number of notarial acts Number of Australians assisted overseas (not receiving travel documents or notarial acts) Number of visa applications received
	<i>Price</i> \$12.237m

3.2.10 Evaluations for Outcome 2

Refer to evaluations under Outcome 1.

Section 4: Other reporting requirements

4.1 PURCHASER-PROVIDER ARRANGEMENTS

4.1.1 Purchaser-provider arrangements – Where Austrade purchases cross agency services

Department of Foreign Affairs and Trade (DFAT)

Cross agency overview and responsibility

Common Administrative Services (CAS) - In conjunction with a number of Commonwealth departments and agencies, Austrade purchases Common Administrative Services (CAS) from the Department of Foreign Affairs and Trade at numerous DFAT managed overseas posts.

The present three year CAS Service Level Agreement will expire on 31 August 2007.

Resourcing

The purchase of CAS from DFAT is resourced through all outputs under Outcome 1.

Provision of Information and Communication Technology (ICT) Services - Under a Memorandum of Understanding with DFAT, Austrade purchases a limited range of Information and Communication Technology (ICT) services within Australia and at overseas posts.

The current MOU will expire on 30 June 2007.

The purchase of ICT services from DFAT is resourced through Outputs 1.2 and 1.3 under Outcome 1 and through Output 2.1 under Outcome 2.

4.1.2 Provider Arrangements - Where Austrade supplies cross agency services

In 2007-08, Austrade will be providing services to:

- Department of Agriculture, Fisheries and Forestry;
- Department of Foreign Affairs and Trade;
- Department of Industry, Tourism and Resources;

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- Department of Immigration and Citizenship; and
- Department of Education, Science and Training.

Department of Agriculture, Fisheries and Forestry

Wine Promotion

Austrade works closely with the Australian Wine and Brandy Corporation to develop strategies and undertake marketing and promotion activities in a number of markets to increase exports of Australian wine.

Resourcing and performance information for the provision of these services can be found under Outcome 1, Output 1.3.

Department of Foreign Affairs and Trade

Consular Services

DFAT is responsible for the provision of access to consular and passport services in Australia and overseas. In certain locations overseas, Austrade manages consulates for the Australian Government, providing a range of consular assistance, including passport services, notarial acts, medical evacuations, prison visits and general advice and assistance to Australians overseas.

Resourcing and performance information for the provision of these services can be found under Outcome 2, Output 2.1.

Department of Industry, Tourism and Resources

Investment Attraction

Invest Australia, part of the Department of Industry, Tourism and Resources, is the Australian Government's investment attraction agency. Under a memorandum of understanding (MOU) with Invest Australia, Austrade supports Invest Australia's inwards investment role and provides IT services. This is done through the Australian Trade Commissioner network overseas.

Resourcing and performance information for the provision of these services can be found under Outcome 1, Output 1.3.

Tourism

Tourism Australia is the Australian Government's statutory authority responsible for international and domestic tourism marketing as well as the delivery of research and forecasts for the sector.

Austrade and Tourism Australia have entered into a MOU which sets out the operating guidelines for both agencies in markets where both agencies have a presence and in markets where only Austrade is represented. Tourism Australia makes their *Aussie Enthusiast* collateral available to Austrade.

Resourcing and performance information for the provision of these services can be found under Outcome 1, Output 1.3.

Department of Immigration and Citizenship

Visa Services

In a limited number of overseas locations, Austrade manages the delivery of immigration (visa) services on behalf of the Department of Immigration and Citizenship.

Resourcing and performance information for the provision of these services can be found under Outcome 2, Output 2.1.

Department of Education, Science and Training

Australian Education and Training Services

Australian Education International (AEI) is part of the Department of Education, Science and Training (DEST). Austrade has a Memorandum of Understanding with DEST which sets out the operating guidelines for both agencies. Austrade delivers generic marketing and promotion services on behalf of AEI in Europe and Latin America.

DEST has also entered into a Service Level Agreement with Austrade for the provision of ICT services to AEI in a number of overseas posts.

Resourcing and performance information for the provision of these services can be found under Outcome 1, Output 1.3.

4.2 COST RECOVERY ARRANGEMENTS

Summary of Cost recovery Impact Statement

In 2006-07 Austrade completed a review of its cost recovery arrangements to ensure compliance with the Australian Government Cost Recovery Guidelines ("the guidelines"). The authority to charge fees is Section 9B of the Australian Trade Commission Act (1985) which states that the "CEO may charge fees for the provision of services, or the performance of other work, in connection with the performance of his or her functions under this Act".

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All Austrade's activities were considered as part of the review. Cost recovery activities included in the Cost Recovery Impact Statement are:

- **Tailored services for Australian businesses** – Austrade charges a fee to recover direct costs for providing these services. Currently \$190 per hour is charged for tailored export facilitation services provided to a specific Australian business or groups of Australian businesses offshore. The charge is based on the on the total average cost per hour of available marketing staff time in offshore operations. The review confirmed the appropriateness of this rate and it is proposed to continue charging \$190 per hour in 2007-08. Forecast revenue for 2006-07 is \$10.9 million
- **Trade shows and events, and workshops and seminars** – Austrade conducts a range of tradeshows and events offshore and workshops and seminars onshore in support of Australian export opportunities. Fees charged to participants vary depending on the type of event and may be provided at no charge or may be subject to full cost recovery. No fees are charged for events that relate to general information on Australia, Australian export capability or advice about Austrade services. Forecast revenue for 2006-07 is \$4.8 million.
- **Transaction handling and expense recovery from clients** - Austrade charges a handling fee to recover the costs of administration and transactions when it pays expenses on behalf of clients in overseas locations associated with export and international business opportunities. Forecast revenue for 2006-07 is \$0.18 million.

Charging for services to other Commonwealth and State government organisations are specifically excluded from CRIS requirements. The charges where levied, however are consistent with the cost recovery principles outlined above.

Austrade continues to monitor charges and recoveries on an annual basis and charge rates are revised as appropriate. Stakeholder feedback is sought annually from clients. The next formal review of the policy and charging framework is planned for 2011-12.

4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)

Refer to Portfolio Table 1 in the 'Portfolio Overview' section.

Section 5: Budgeted financial statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of Austrade's budgeted financial statements, as reflected in the budgeted Departmental financial statements and Administered schedules for 2007-08, 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 income statement

Total income in 2007-08 is estimated to be \$203.5 million, a decrease of \$3.4 million from the 2006-07 estimated actual. Austrade's appropriation has decreased by \$5.9 million mainly due to decreased funding requirements resulting from the strong Australian dollar. This is offset by increases in goods and services revenue of \$1.6 million and other revenue of 0.9 million.

Total expenses are estimated to be \$203.5 million, a decrease of \$7.4 million from the 2006-07 estimated actual. The decrease is primarily due to reduced employee and supplier expenses partly as a result of the stronger Australian dollar.

Budgeted departmental balance sheet

Austrade's budgeted net asset position of \$56.3 million represents an increase of \$4.9 million from the 2006-07 estimated actual due to an equity injection to continue improving security for Austrade's operations.

As a part of the agency's transition from CAC to FMA agency at the start of the 2006-07 financial year, overseas property assets were transferred to OPO (Overseas Property Office) within DFAT reducing Austrade's net assets by approximately \$45.0 million.

Total liabilities are expected to increase by \$0.4 million over the 2007-08 year to \$38.4 million. Austrade's primary liabilities continue to be accrued employee leave entitlements of \$22.2 million, and general suppliers' liabilities for goods and services provided of \$10.7 million.

Budgeted departmental statement of cash flows

This statement shows the extent and nature of cash flows to and from Austrade's operating, investing, and financing activities. The estimated 2006-07 end of year cash is \$5.5 million, a reduction of \$26.4 million offset by higher receivables from Government. This is a result of Austrade's transition from CAC to FMA agency where Austrade is now required to operate under a "just-in-time" draw-down arrangement.

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 in 2007-08 is estimated to be \$56.3 million, an increase of \$4.9 million from equity injections.

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 property, plant, equipment and intangibles — summary of movement

This statement shows budgeted acquisitions and disposals of non-financial assets during the budget year. The major movement to non-financial assets is from estimated additions of \$21.8 million in infrastructure, plant and equipment, and intangibles.

Schedules of administered activity

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

Schedule of budgeted income and expenses administered on behalf of government

Austrade will have available appropriation revenue of \$159.28 million for payments it will administer on behalf of the government including the movement of administered funds from 2006-07 of \$8.88 million

Grant expenditure relating to the EMDG scheme is budgeted at \$151.32 million. The balance of \$7.96 million in expenditure relates to the costs of administering the EMDG scheme on behalf of the Government.

Schedule of budgeted assets and liabilities administered on behalf of government

Total assets and liabilities administered by Austrade on behalf of the Commonwealth are not expected to change in 2007-08.

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 Export Market Development Grants scheme.

Schedule of administered property, plant, equipment and intangibles — summary of movement

Not applicable to Austrade.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental income statement (for the period ended 30 June)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	176,267	170,343	170,982	172,628	174,306
Goods and services	27,910	29,479	29,479	29,479	29,479
Fees and fines	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	2,500	3,427	3,227	3,227	3,227
Total revenue	206,677	203,249	203,688	205,334	207,012
Gains					
Foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Sale of assets	250	250	250	250	250
Other	-	-	-	-	-
Total gains	250	250	250	250	250
Total income	206,927	203,499	203,938	205,584	207,262
EXPENSE					
Employees	101,928	97,732	97,921	98,055	98,742
Suppliers	95,571	92,236	92,242	93,754	94,745
Grants	-	-	-	-	-
Depreciation and amortisation	13,028	13,131	13,375	13,375	13,375
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	200	200	200	200	200
Losses from sale of assets	200	200	200	200	200
Foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	210,927	203,499	203,938	205,584	207,262
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-

Table 5.1: Budgeted departmental income statement (for the period ended 30 June) (cont)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
Surplus (Deficit) before income tax					
Income tax expense					
Surplus/(Deficit)					
Minority interest in surplus (deficit)	-	-	-	-	-
Surplus (deficit) attributable to the Australian Government	(4,000)	-	-	-	-

Table 5.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and equivalents	5,500	5,500	5,500	5,500	5,500
Trade and other Receivables	30,817	22,822	24,512	26,202	27,005
Investments accounted for under the equity method	-	-	-	-	-
Investments	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	36,317	28,322	30,012	31,702	32,505
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	35,808	48,581	46,996	45,411	43,826
Investment properties	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	12,304	12,773	13,155	13,537	13,919
Biological assets	-	-	-	-	-
Other	4,961	4,961	4,961	4,961	4,961
Total non-financial assets	53,073	66,315	65,112	63,909	62,706
Assets held for sale	-	-	-	-	-
Total assets	89,390	94,637	95,124	95,611	95,211
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	20,736	22,236	23,736	25,236	25,236
Other	-	-	-	-	-
Total provisions	20,736	22,236	23,736	25,236	25,236
Payables					
Suppliers	11,528	10,710	9,892	9,074	9,074
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Other	5,720	5,412	5,104	4,796	4,796
Total payables	17,248	16,122	14,996	13,870	13,870
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	37,984	38,358	38,732	39,106	39,106
Net assets	51,406	56,279	56,392	56,505	56,105

Table 5.2: Budgeted departmental balance sheet (as at 30 June) (cont)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	30,193	35,066	35,179	35,292	35,292
Reserves	35,373	35,373	35,373	35,373	34,973
Retained surpluses or accumulated deficits	(14,160)	(14,160)	(14,160)	(14,160)	(14,160)
Total parent entity interest	51,406	56,279	56,392	56,505	56,105
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	51,406	56,279	56,392	56,505	56,105
Current assets	39,598	31,603	33,293	34,983	35,786
Non-current assets	49,792	63,034	61,831	60,628	59,425
Current liabilities	33,351	33,680	34,008	34,336	34,336
Non-current liabilities	4,633	4,678	4,724	4,770	4,770

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

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

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	27,906	29,479	29,479	29,479	29,479
Appropriations	153,806	178,338	169,292	170,938	173,503
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Other	7,393	8,291	8,047	8,119	8,117
Total cash received	189,105	216,108	206,818	208,536	211,099
Cash used					
Employees	102,428	96,232	96,307	96,555	98,742
Suppliers	96,697	93,362	93,482	94,880	94,745
Grants	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other	4,893	4,864	4,820	4,892	4,890
Income taxes paid	-	-	-	-	-
Total cash used	204,018	194,458	194,609	196,327	198,377
Net cash from or (used by) operating activities	(14,913)	21,650	12,209	12,209	12,722
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	250	250	250	250	50
Proceeds from sales of financial instruments	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	250	250	250	250	50
Cash used					
Purchase of property, plant and equipment	20,050	26,773	12,572	12,572	12,772
Purchase of financial instrum	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	20,050	26,773	12,572	12,572	12,772
Net cash from or (used by) investing activities	(19,800)	(26,523)	(12,322)	(12,322)	(12,722)

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

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	8,281	4,873	113	113	-
Proceeds from issuing financial instruments	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	8,281	4,873	113	113	-
Cash used					
Repayments of debt	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	8,281	4,873	113	113	-
Net increase or (decrease) in cash held	(26,432)	-	-	-	-
Cash at the beginning of the reporting period	31,932	5,500	5,500	5,500	5,500
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	5,500	5,500	5,500	5,500	5,500

Table 5.4: Departmental statement of changes in equity — summary of movement (Budget year 2007-08)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	(14,160)	19,499	15,874	30,193	51,406
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(14,160)	19,499	15,874	30,193	51,406
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense	(14,160)	19,499	15,874	30,193	51,406
Surplus (deficit) for the period	-	-	-	-	-
Total income and expenses recognised directly in equity	(14,160)	19,499	15,874	30,193	51,406
Transactions with owners					
<i>Distribution to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	4,873	4,873
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	(14,160)	19,499	15,874	35,066	56,279
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2008	(14,160)	19,499	15,874	35,066	56,279

Table 5.5: Departmental capital budget statement

	Estimated Actual 2006-07 \$'000	Budget Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000	Forward Estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	8,281	4,873	113	113	-
Total loans					
Total capital appropriations	8,281	4,873	113	113	-
Represented by:					
Purchase of non-financial assets	8,281	4,873	113	113	-
Other	-	-	-	-	-
Total represented by	8,281	4,873	113	113	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	8,281	4,873	113	113	-
Funded internally by					
Departmental resources	11,769	21,900	12,459	12,459	12,772
Total	20,050	26,773	12,572	12,572	12,772

Table 5.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment	Buildings	Specialist	Other	Heritage	Computer	Other	Total
	\$'000	\$'000	\$'000	military	infrastructure	and cultural	software	intangibles	\$'000
		property		equipment	plant and	assets	intangibles		
				equipment	equipment				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	-	-	-	-	46,216	-	28,271	-	74,487
Accumulated depreciation	-	-	-	-	10,408	-	15,967	-	26,375
Opening net book value	-	-	-	-	56,624	-	12,304	-	68,928
Additions:									
by purchase	-	-	-	-	21,779	-	4,994	-	26,773
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-	-
from acquisitions of entities or	-	-	-	-	-	-	-	-	-
operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through	-	-	-	-	-	-	-	-	-
equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	-	-	-	-	-
Impairments recognised in operating	-	-	-	-	8,606	-	4,525	-	13,131
result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	200	-	-	-	200
Disposals:									
from disposal of entities or	-	-	-	-	-	-	-	-	-
operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	200	-	-	-	200
As at 30 June 2008									
Gross book value	-	-	-	-	67,595	-	33,265	-	100,860
Accumulated depreciation	-	-	-	-	19,014	-	20,492	-	39,506
Estimated closing net book value	-	-	-	-	48,581	-	12,773	-	61,354

Table 5.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
Total taxation	-	-	-	-	-
Non-taxation					
Goods and services	-	-	-	-	-
Fees and fines	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Other sources of non-taxation revenues	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Total non-taxation	-	-	-	-	-
Total revenues administered on behalf of Government	-	-	-	-	-
Gains					
Foreign exchange	-	-	-	-	-
Sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Reversal of previous asset writedowns	-	-	-	-	-
Total gains administered on behalf of Government	-	-	-	-	-
Total income administered on behalf of Government	-	-	-	-	-
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	143,500	151,316	142,880	142,880	142,880
Subsidies	-	-	-	-	-
Personal benefits	-	-	-	-	-
Employees	5,792	5,680	5,350	5,350	5,350
Suppliers	2,228	2,284	2,170	2,170	2,170
Depreciation and amortisation	-	-	-	-	-
Write down and impairment of assets	-	-	-	-	-
Finance costs	-	-	-	-	-
Other	-	-	-	-	-
Asset sales	-	-	-	-	-
Foreign exchange	-	-	-	-	-
Total expenses administered on behalf of Government	151,520	159,280	150,400	150,400	150,400

Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	50	50	50	50	50
Receivables	533	533	533	533	533
Taxation receivables	-	-	-	-	-
Investments	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total financial assets	583	583	583	583	583
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	-	-	-	-	-
Investment properties	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	-	-	-	-	-
Biological assets	-	-	-	-	-
Other	-	-	-	-	-
Total non-financial assets	-	-	-	-	-
Total assets administered on behalf of Government	583	583	583	583	583
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Australian Government securities	-	-	-	-	-
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	1,863	1,863	1,863	1,863	1,863
Taxation refunds provided	-	-	-	-	-
Australian currency on issue	-	-	-	-	-
Other provisions	-	-	-	-	-
Total provisions	1,863	1,863	1,863	1,863	1,863

Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June) (cont)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
Payables					
Suppliers	159	159	159	159	159
Subsidies	-	-	-	-	-
Personal benefits payable	-	-	-	-	-
Grants	-	-	-	-	-
Other payables	-	-	-	-	-
Total payables	159	159	159	159	159
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities administered on behalf of Government	2,022	2,022	2,022	2,022	2,022

Table 5.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Taxes	-	-	-	-	-
Fees	-	-	-	-	-
Sales of goods and rendering of services	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net GST received	200	195	195	195	195
Other	-	-	-	-	-
Total cash received	200	195	195	195	195
Cash used					
Borrowing costs	-	-	-	-	-
Employees	5,792	5,680	5,350	5,350	5,350
Grant payments	143,500	151,316	142,880	142,880	142,880
Subsidies paid	-	-	-	-	-
Personal benefits	-	-	-	-	-
Suppliers	2,228	2,284	2,170	2,170	2,170
Net GST paid	200	195	195	195	195
Other	-	-	-	-	-
Total cash used	151,720	159,475	150,595	150,595	150,595
Net cash from or (used by) operating activities	(151,520)	(159,280)	(150,400)	(150,400)	(150,400)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment and intangibles	-	-	-	-	-
Proceeds from sales of investments	-	-	-	-	-
Repayments of advances	-	-	-	-	-
Transfers from other entities	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-

Table 5.9: Schedule of budgeted administered cash flows (for the period ended 30 June) (cont)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
Cash used					
Purchase of property, plant and equipment and intangibles	-	-	-	-	-
Advances and loans made	-	-	-	-	-
Transfers to other entities	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	-	-	-	-	-
Cash from Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Net repayment of borrowings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	-	-	-	-	-
Net increase or (decrease) in cash held					
Cash at beginning of reporting period	7,040	50	50	50	50
Cash from Official Public Account for:					
- appropriations	151,520	159,280	150,400	150,400	150,400
- special accounts	-	-	-	-	-
Transfers from other entities (Finance - Whole of Government)	-	-	-	-	-
Cash to Official Public Account for:					
- appropriations	(6,990)	-	-	-	-
- special accounts	-	-	-	-	-
Transfers to other entities (Finance - Whole of Government)	-	-	-	-	-
Effect of exchange rate movements on cash at beginning of reporting period	-	-	-	-	-
Cash at end of reporting period	50	50	50	50	50

Austrade Budget Statement: Budgeted financial statements

Table 5.10: Schedule of administered capital budget

Not applicable to Austrade

**Table 5.11: Schedule of administered property, plant, equipment and intangibles
— summary of movement (Budget Year 2007-08)**

Not applicable to Austrade

5.3 NOTES TO THE FINANCIAL STATEMENTS

Departmental Financial Statements and Schedule of Administered Activity

Under the Australian Government's accrual-based budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions agencies do not have control over (Administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

- Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.
- Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises.

Appropriations in the accrual budgeting framework

Under the Australian Government's accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the Government's funding for outputs from agencies;
- Departmental capital appropriations: for investments by the Government for either additional equity or loans in agencies;
- Administered expense appropriations: for the estimated Administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- Administered capital appropriations: for increases in Administered equity through funding non-expense Administered payments.

Special appropriations fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to State governments).

Austrade Budget Statement: Budgeted financial statements

Asset valuation

In accordance with current Australian Accounting Standards and the Finance Minister's Orders Austrade's assets are carried at fair value.