

# **Australian Trade Commission (AUSTRADE)**

## **Agency Resources and Planned Performance**



# AUSTRALIAN TRADE COMMISSION

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# AUSTRALIAN TRADE COMMISSION (AUSTRADE)

## Section 1: Agency Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Australian Trade Commission (Austrade) is the Australian Government's international trade, education and investment promotion agency, operating as a statutory agency within the Foreign Affairs and Trade portfolio.

Austrade's outcomes are:

- to advance Australia's trade, investment and education promotion interests through information, advice and services to business, the education sector and governments; and
- the protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas.

The changes to Austrade's structure and operating model arising from the review of Austrade, announced by the Minister for Trade in May 2011, were progressively implemented during 2012-13.

With Australian businesses and education institutions continuing to face a challenging international trading environment, Austrade can provide assistance through the provision of practical in-market support and advice. Through its international network, Austrade will draw on its relationships and connections with international customers, investors and decision makers to identify both general and specific opportunities of value and relevance to Australia.

These activities provide the most value in markets where language and business culture can be a barrier; where there is less openness of regulatory frameworks and transparency of business processes; where there are difficulties accessing distribution channels and commercial connections; and where the value of the 'badge of government' is highest. The focus in Asian and growth and emerging markets continues on international trade and education opportunities aligned with Australian capability and where there is a clear role for government through Austrade. Austrade also promotes direct foreign investment into Australia from select Asian markets. In established markets, such as North America and Europe, Austrade's predominant focus is on inward investment and education services, making greater use of partners, referrals and online information and services.

For foreign direct investment, Austrade has aligned its focus with agreed government priorities in target markets. The Federal Government has confirmed four priority areas

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of major infrastructure; tourism infrastructure; innovation and clean energy. State and Territory governments have agreed on multi-state priorities of digital economy; food and agribusiness; and resources. Outside of these agreed priority areas, Austrade will work in partnership with State and Territory governments to facilitate such investments.

Austrade will continue to work with industry to encourage use of the “*Australia Unlimited*” brand beyond the period of dedicated funding, and support activities with the potential to showcase Australia’s credentials to influential international audiences. Austrade will continue to promote the international standing of Australia’s education system as world class and globally connected, including through use of the “*Future Unlimited*” branding.

Austrade’s network of offices across 49 markets is weighted towards Asian and growth and emerging markets that have high potential, including the opening of a new Post in Myanmar. Austrade’s activities in these markets will continue to have a strong focus on trade development, marketing of education services and, in selected markets, international investment attraction.

The additional budget savings to be delivered by Austrade in 2013-14, as part of whole of Government savings requirements, will be made within this overall strategic context.

Within Australia, Austrade has 12 locations. Our reach is enhanced via the TradeStart network that Austrade manages in partnership with State, Territory and Local governments and industry bodies across 31 locations in metropolitan and regional Australia, which deliver the trade and education services of Austrade.

Austrade currently administers two grants schemes on behalf of the Australian Government; the Export Market Development Grants (EMDG) Scheme and Asian Century Business Engagement (ACBE) Plan:

- EMDG assists small and medium-sized Australian businesses to address the challenges associated with undertaking promotion in export markets and achieve international business growth through reimbursement of up to 50 per cent of expenses incurred on eligible export promotion over \$20,000. The scheme has been realigned to reflect the Government’s emphasis on East Asian and emerging and growth markets, while returning an on-going saving to the budget of \$25 million per annum. This closer alignment involves increasing the number of grants available in East Asian and emerging and growth markets to eight and reducing the number of grants available in certain developed markets to five.
- Austrade will also administer the Asian Century Business Engagement (ACBE) Plan, which is a new program that will run from 1 July 2013. The focus of the Plan is to assist member-based Australian business organisations and, through them, small and medium-sized Australian enterprises, to harness commercial opportunities in the Asian region.

Austrade also delivers timely consular and passport services to Australians in specific locations overseas.

To ensure we continue to deliver Austrade's outcomes, Austrade remains focused on developing our staff capabilities and language skills to align with the delivery of our stated objectives and activities.

## 1.2 AGENCY RESOURCE STATEMENT

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

**Table 1.1: Austrade Resource Statement — Budget Estimates for 2013-14 as at Budget May 2013**

	Estimate of prior year amounts available in 2013-14 \$'000	+ Proposed at Budget 2013-14 \$'000	= Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
<b>Ordinary annual services <sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	49,295	<sup>5</sup>	49,295	47,285
Departmental appropriation <sup>3</sup>	-	170,162	170,162	179,292
s31 Relevant agency receipts <sup>4</sup>	-	21,842	21,842	21,842
<b>Total</b>	<b>49,295</b>	<b>192,004</b>	<b>241,299</b>	<b>248,419</b>
<b>Administered expenses</b>				
Outcome 1		126,900	126,900	125,400
<b>Total</b>	<b>-</b>	<b>126,900</b>	<b>126,900</b>	<b>125,400</b>
<b>Total ordinary annual services</b>	<b>A 49,295</b>	<b>318,904</b>	<b>368,199</b>	<b>373,819</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	4,914		4,914	5,340
<b>Total</b>	<b>4,914</b>	<b>-</b>	<b>4,914</b>	<b>5,340</b>
<b>Total other services</b>	<b>B 4,914</b>	<b>-</b>	<b>4,914</b>	<b>5,340</b>
<b>Total available annual appropriations</b>	<b>54,209</b>	<b>318,904</b>	<b>373,113</b>	<b>379,159</b>
<b>Total net resourcing for Austrade</b>	<b>54,209</b>	<b>318,904</b>	<b>373,113</b>	<b>379,159</b>

1 Appropriation Bill (No.1) 2013-14.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$11.235m in 2013-14 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 s31 Relevant Agency receipts — estimate.

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

Reader note: All figures are GST exclusive.



### 1.3 BUDGET MEASURES

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

**Table 1.2: Agency 2013-14 Budget measures**

**Part 1: Measures announced since the 2012-13 MYEFO**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>Expense measures</b>						
Targeted savings - public service efficiencies <sup>1</sup>	1.1, 2.1					
Departmental expenses		-	(335)	(467)	(484)	(424)
<b>Total</b>		-	<b>(335)</b>	<b>(467)</b>	<b>(484)</b>	<b>(424)</b>
Nairobi chancery - construction <sup>2</sup>	1.1					
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Total expense measures</b>						
Departmental		-	<b>(335)</b>	<b>(467)</b>	<b>(484)</b>	<b>(424)</b>
<b>Total</b>		-	<b>(335)</b>	<b>(467)</b>	<b>(484)</b>	<b>(424)</b>

<sup>1</sup> The fiscal impact reported for the measure "Targeted savings – public service efficiencies" is in addition to the impact previously reported for this measure in the 2012-13 the Foreign Affairs and Trade Portfolio Additional Estimates Statement."

<sup>2</sup> Austrade's funding has been absorbed within existing resources.  
Prepared on a Government Finance Statistics (fiscal) basis.

## Section 2: Outcomes and planned performance

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

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

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

Outcome 1: Advance Australia's trade, investment and education promotion interests through information, advice and services to business, the education sector and governments

#### **Outcome 1 Strategy**

Austrade will apply its knowledge of and connections in international markets, and its status as a Government organisation, to identify and present international opportunities to Australian businesses and education institutions and provide them with in-market support and advice. Austrade's full range of services will be delivered in Asian and growth and emerging markets that offer commercial potential and provide opportunities aligned with Australian capability.

In established markets, Austrade will focus on inward investment and education. Austrade partners with other Commonwealth Government agencies and State, Territory and Local governments, and public and private sector organisations, in delivering its trade, investment and international education strategies.

## Outcome Expense Statement

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

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

<b>Outcome 1: Advance Australia's trade, investment and education promotion interests through information, advice and services to business, the education sector and governments.</b>	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
<b>Program 1.1: Trade, education and investment development</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	170,424	168,340
Expenses not requiring appropriation in the Budget year <sup>2</sup>	18,520	17,944
<b>Total for Program 1.1</b>	<b>188,944</b>	<b>186,284</b>
<b>Program 1.2: Export Market Development Grants Scheme</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	125,400	125,400
<b>Total for Program 1.2</b>	<b>125,400</b>	<b>125,400</b>
<b>Program 1.3: Asian Century Business Engagement</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	1,500
<b>Total for Program 1.3</b>	<b>-</b>	<b>1,500</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	125,400	126,900
Departmental expenses		
Departmental appropriation <sup>1</sup>	170,424	168,340
Expenses not requiring appropriation in the Budget year <sup>2</sup>	18,520	17,944
<b>Total expenses for Outcome 1</b>	<b>314,344</b>	<b>313,184</b>
	2012-13	2013-14
<b>Average Staffing Level (number)</b>	925	895

<sup>1</sup> Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

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

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

## Contributions to Outcome 1

### Program 1.1: Trade, education and investment promotion

#### Program Objective

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

#### Program Expenses

	2012-13 Revised budget (\$'000)	2013-14 Budget (\$'000)	2014-15 Forward year 1 (\$'000)	2015-16 Forward year 2 (\$'000)	2016-17 Forward year 3 (\$'000)
Annual departmental expenses:					
Departmental item	170,424	168,340	170,926	171,215	172,953
Expenses not requiring appropriation in the Budget year <sup>1</sup>	18,520	17,944	15,050	14,828	15,002
<b>Total program expenses</b>	<b>188,944</b>	<b>186,284</b>	<b>185,976</b>	<b>186,043</b>	<b>187,955</b>

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

#### Program 1.1 Deliverables

Australia's trade and economic interests are maximised through:

- Delivering market-related services and advice to assist Australian firms and education institutions in international business.
- Identifying general and specific international business opportunities for Australian firms and education institutions, particularly in Asia and growth and emerging markets that offer commercial potential and align with Australian capability; where there are difficulties accessing distribution channels and commercial connections; and where the value of the 'badge of government' is highest.
- Building linkages and networks with key decision-makers, buyers, investors and institutions and facilitating access to them in international markets.
- Assisting Australian firms and education institutions with 'behind the border' barriers to trade and investment, consistent with legal obligations including anti-bribery and corruption laws both in Australia and overseas.
- Working with partner Commonwealth Government agencies in the agreed priority areas of major infrastructure; tourism infrastructure; innovation and

clean energy, to assist in the promotion and attraction of productive, direct foreign investment.

- Partnering with State and Territory government agencies to implement productive, direct foreign investment strategies for agreed multi-state priorities of digital economy; food and agribusiness; and resources.
- Identifying potential foreign investors and presenting the business case for investing in Australia; introducing leads to States and Territories and Commonwealth partners.
- Helping to increase demand for Australia's education services, positioning Australia as a provider of high quality services to international students including through the *Future Unlimited* brand in order to assist in building a sustainable Australian international education sector.
- Promoting Australia through the nation brand, *Australia Unlimited* in target markets to advance Australia's image and reputation covering trade, investment and education.
- Assessing applications for the income tax exemption available under Section 23AF of the *Income Tax Assessment Act 1936*, to assist the international competitiveness of Australian companies and government organisations competing to win international tenders.
- Drawing on Austrade's global, commercial perspective to provide advice to Government.

**Program 1.1 Key Performance Indicators**

- High level of satisfaction by Ministers, Australian business community and education institutions with Austrade's services.
- Provision of valued practical market focused services, advice and information to Australian businesses and education institutions.
- Identification and distribution of opportunities to Australian businesses and education institutions.
- Achievement of agreed inwards investment objectives for priority areas in target markets, by working in conjunction with Commonwealth, State and Territory government agencies.
- Effective promotion of Australia as a destination for productive foreign direct investment; a source of competitive high quality goods and services; and as a world class international education destination and supplier of education and

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training services.

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

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

**Program Objective**

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

**Program Expenses**

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Administered item	125,400	125,400	125,400	125,400	125,400
<b>Total program expenses</b>	<b>125,400</b>	<b>125,400</b>	<b>125,400</b>	<b>125,400</b>	<b>125,400</b>

**Program 1.2 Deliverables**

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

**Program 1.2 Key Performance Indicators**

Key Performance Indicators	2012-13 Revised budget	2013-14 Budget
Number of grant applications	3,045	3,000-3,500
Number of grant recipients	2,800	2,800-3,300

**Program 1.3: Trade development schemes – Asian Century Business Engagement Plan (ACBE)**

**Program Objective**

Provide member-based business organisations with support to develop new initiatives to strengthen business linkages between Australia and Asia and harness commercial opportunities in Asia for small to medium sized Australian businesses.

**Program Expenses**

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Administered item	-	1,500	1,500	1,500	1,500
<b>Total program expenses</b>	<b>-</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>

**Program 1.3 Deliverables**

Administration of the Asian Century Business Engagement Plan, providing partial reimbursement for expenditure on eligible business engagement activities.

**Program 1.3 Key Performance Indicators**

- Number of grant applications.
- Number of grant recipients.



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

### Outcome 2 Strategy

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

### Outcome Expense Statement

Table 2.1.1 provides an overview of the total expenses for Outcome 2 by Program.

**Table 2.1.1: Budgeted Expenses for Outcome 2**

<b>Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas</b>	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
<b>Program 2.1: Consular and passport services</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	12,218	12,429
<b>Total for Program 2.1</b>	<b>12,218</b>	<b>12,429</b>
<b>Outcome 2 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	12,218	12,429
<b>Total expenses for Outcome 1</b>	<b>12,218</b>	<b>12,429</b>
	2012-13	2013-14
<b>Average Staffing Level (number)</b>	35	35

<sup>1</sup> Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.  
Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

## Contributions to Outcome 2

### Program 2.1: Consular and passport services

#### Program Objective

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

#### Program Expenses

	2012-13 Revised budget (\$'000)	2013-14 Budget (\$'000)	2014-15 Forward year 1 (\$'000)	2015-16 Forward year 2 (\$'000)	2016-17 Forward year 3 (\$'000)
Annual departmental expenses:					
Departmental item	12,218	12,429	12,658	12,714	12,944
<b>Total program expenses</b>	<b>12,218</b>	<b>12,429</b>	<b>12,658</b>	<b>12,714</b>	<b>12,944</b>

#### Program 2.1 Deliverables

In specific locations overseas:

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

#### Program 2.1 Key Performance Indicators

In specific locations overseas:

- Delivery of effective, efficient, timely and responsive consular services.
- Delivery of effective, efficient, timely and responsive passport services, with routine passports issued within ten working days and urgent passport issues dealt with in a timely and responsive manner.

- Anticipating high-risk events and scenarios through consular contingency planning, valid and viable procedures and networks, and through regular reviews and tests of plans.

Key Performance Indicators	2012-13 Revised budget	2013-14 Budget
Passport applications received	11,500	12,000
Number of notarial acts	11,850	12,750

Please note the 2012-13 revised budget figures on both passports and notarial acts have been lowered due to the closure of the Atlanta office in August 2012.

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of Administered Funds Between Years**

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

There has been no movement of administered funds between years for Austrade since the 2012-13 Budget.

### 3.1.2 Special Accounts

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

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

	Opening balance <b>2013-14</b> <i>2012-13</i>	Receipts <b>2013-14</b> <i>2012-13</i>	Payments <b>2013-14</b> <i>2012-13</i>	Adjustments <b>2013-14</b> <i>2012-13</i>	Closing balance <b>2013-14</b> <i>2012-13</i>
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Admin Payments and receipts for Other Entities Special Account <sup>1</sup> (A)	1 100	9,200	(9,200)	-	100
<b>Total Special Accounts 2013-14 Budget estimate</b>	<b>100</b>	<b>9,200</b>	<b>(9,200)</b>	<b>-</b>	<b>100</b>
<i>Total Special Accounts 2012-13 estimated actual</i>	<i>100</i>	<i>9,200</i>	<i>(9,200)</i>	<i>-</i>	<i>100</i>

<sup>1</sup> s20 Financial Management and Accountability Act, 1997 Determination 2006/15

(A) = Administered

### 3.1.3 Australian Government Indigenous Expenditure

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

Outcome	Appropriations		Other \$'000	Total \$'000	Program
	Bill No. 1 \$'000	Total approp \$'000			
<b>Austrade</b>					
<b>Outcome 1</b>					
Departmental 2013-14	160	160	-	160	1.1
<i>Departmental 2012-13</i>	<i>74</i>	<i>74</i>	<i>-</i>	<i>74</i>	<i>1.1</i>
Total outcome 2013-14	160	160	-	160	
<i>Total outcome 2012-13</i>	<i>74</i>	<i>74</i>	<i>-</i>	<i>74</i>	
<b>Total AGIE 2013-14</b>	<b>160</b>	<b>160</b>	<b>-</b>	<b>160</b>	
<i>Total AGIE 2012-13</i>	<i>74</i>	<i>74</i>	<i>-</i>	<i>74</i>	

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Analysis of Budgeted Financial Statements**

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

#### **Departmental financial statements**

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

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

This statement provides estimated actual financial results for 2012-13 and the estimated revenue and expenses for 2013-14 and forward years.

Total income in 2013-14 is estimated to be \$180.9 million, which represents a decrease of \$1.9 million in appropriations from the 2012-13 estimated actual shown at Table 3.2.1. The decrease is primarily a result of:

- terminating programs – Brand Australia – a decrease of \$5.0 million; and
- measures agreed in prior years with a full year net impact in 2013-14 of \$2.1 million.

Partially offset by:

- foreign exchange and parameter adjustments – a net increase of \$2.6 million; and
- funding for transferring OPO utilities responsibility from DFAT to Austrade – an increase of \$0.3 million.

Austrade is receiving funding of \$11.2 million to fund the Departmental Capital Budget which is treated as an equity injection. Austrade has also obtained approval for an additional \$4.8 million of capital expenditure, funded by unspent prior years' appropriation.

Total estimated expenses for 2013-14 have decreased by \$2.5 million to reflect the reduction in income and a \$0.6 million reduction in estimated depreciation expense.

**Budgeted departmental balance sheet**

This statement discloses the estimated end of year financial position for Austrade. Austrade's budgeted net asset position at the end of 2013-14 of \$48.7 million represents an decrease of \$6.6 million from the 2012-13 estimated actual in table 3.2.2 due to the variation between capital program funding (\$11.2 million) and estimated depreciation expense (\$17.8 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 2013-14 is estimated to be \$48.7 million, a decrease of \$6.6 million due to the variation between capital program funding (\$11.2 million) and depreciation expense (\$17.8 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 2013-14 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.

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Administered expenses of \$126.9 million for 2013-14 relate to the EMDG Scheme (\$125.4 million) and ACBE Plan (\$1.5 million). The EMDG Scheme is comprised of \$119.1 million in grant expenditure and \$6.3 million in expenditure for the costs of administration on behalf of the Government. The ACBE Plan is comprised of \$1.5 million in grant expenditure.

#### **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 2013-14 are estimated at \$0.1 million and \$10.9 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.



### 3.2.2 Budgeted Financial Statements Tables

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	103,713	101,360	105,922	104,175	106,468
Suppliers	79,087	79,567	77,820	79,754	79,429
Depreciation and amortisation	18,362	17,786	14,892	14,828	15,002
<b>Total expenses</b>	<b>201,162</b>	<b>198,713</b>	<b>198,634</b>	<b>198,757</b>	<b>200,899</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	19,592	19,592	19,592	19,750	19,750
Rental income	500	500	500	500	500
Other	1,500	1,500	1,500	1,500	1,500
<b>Total own-source revenue</b>	<b>21,592</b>	<b>21,592</b>	<b>21,592</b>	<b>21,750</b>	<b>21,750</b>
<b>Gains</b>					
Sale of assets	250	250	250	250	250
Other	158	158	158	-	-
<b>Total gains</b>	<b>408</b>	<b>408</b>	<b>408</b>	<b>250</b>	<b>250</b>
<b>Total own-source income</b>	<b>22,000</b>	<b>22,000</b>	<b>22,000</b>	<b>22,000</b>	<b>22,000</b>
<b>Net cost of (contribution by) services</b>	<b>179,162</b>	<b>176,713</b>	<b>176,634</b>	<b>176,757</b>	<b>178,899</b>
Revenue from Government	160,800	158,927	161,742	161,929	163,897
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(18,362)</b>	<b>(17,786)</b>	<b>(14,892)</b>	<b>(14,828)</b>	<b>(15,002)</b>
<b>Total comprehensive income (loss)</b>	<b>(18,362)</b>	<b>(17,786)</b>	<b>(14,892)</b>	<b>(14,828)</b>	<b>(15,002)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(18,362)</b>	<b>(17,786)</b>	<b>(14,892)</b>	<b>(14,828)</b>	<b>(15,002)</b>

Table continued on the following page.

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

<b>Note: Impact of Net Cash Appropriation Arrangements</b>					
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total Comprehensive Income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.</b>	<b>(18,362)</b>	<b>(17,786)</b>	<b>(14,892)</b>	<b>(14,828)</b>	<b>(15,002)</b>
less depreciation/amortisation expenses previously funded through revenue appropriations <sup>1</sup>	-	-	-	-	-
<b>Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>	<b>(18,362)</b>	<b>(17,786)</b>	<b>(14,892)</b>	<b>(14,828)</b>	<b>(15,002)</b>

<sup>1</sup> From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement. Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense and Audit Fees.

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted Departmental Balance Sheet  
(as at 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	5,500	5,500	5,500	5,500	5,500
Trade and other receivables	53,405	50,105	50,105	50,105	50,105
<b>Total financial assets</b>	<b>58,905</b>	<b>55,605</b>	<b>55,605</b>	<b>55,605</b>	<b>55,605</b>
<b>Non-financial assets</b>					
Land and buildings	10,254	9,798	10,378	11,405	12,977
Property, plant and equipment	18,976	20,192	20,006	18,577	17,290
Intangibles	15,032	12,521	11,850	12,138	11,753
Other non-financial assets	2,777	2,777	2,777	2,777	2,777
<b>Total non-financial assets</b>	<b>47,039</b>	<b>45,288</b>	<b>45,011</b>	<b>44,897</b>	<b>44,797</b>
<b>Total assets</b>	<b>105,944</b>	<b>100,893</b>	<b>100,616</b>	<b>100,502</b>	<b>100,402</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	9,451	9,451	9,451	9,451	9,451
Other payables	4,202	4,202	4,202	4,202	4,202
<b>Total payables</b>	<b>13,653</b>	<b>13,653</b>	<b>13,653</b>	<b>13,653</b>	<b>13,653</b>
<b>Provisions</b>					
Employee provisions	32,443	33,943	33,943	33,943	33,943
Other provisions	4,593	4,593	4,593	4,593	4,593
<b>Total provisions</b>	<b>37,036</b>	<b>38,536</b>	<b>38,536</b>	<b>38,536</b>	<b>38,536</b>
<b>Total liabilities</b>	<b>50,689</b>	<b>52,189</b>	<b>52,189</b>	<b>52,189</b>	<b>52,189</b>
<b>Net assets</b>	<b>55,255</b>	<b>48,704</b>	<b>48,427</b>	<b>48,313</b>	<b>48,213</b>
<b>EQUITY*</b>					
<b>Parent equity interest</b>					
<b>Interest</b>					
Contributed equity	62,572	73,807	88,422	103,136	118,038
Reserves	57,814	57,814	57,814	57,814	57,814
Retained surplus (accumulated deficit)	(65,131)	(82,917)	(97,809)	(112,637)	(127,639)
<b>Total non-controlling interest</b>	<b>55,255</b>	<b>48,704</b>	<b>48,427</b>	<b>48,313</b>	<b>48,213</b>
<b>Total Equity</b>	<b>55,255</b>	<b>48,704</b>	<b>48,427</b>	<b>48,313</b>	<b>48,213</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2013-14)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2013</b>					
Balance carried forward from previous period	(65,131)	19,089	38,725	62,572	55,255
<b>Adjusted opening balance</b>	<b>(65,131)</b>	<b>19,089</b>	<b>38,725</b>	<b>62,572</b>	<b>55,255</b>
<b>Comprehensive income</b>					
Surplus (deficit) for the period	(17,786)				(17,786)
<b>Total comprehensive income</b>	<b>(17,786)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,786)</b>
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Departmental Capital Budget (DCBs)				11,235	11,235
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,235</b>	<b>11,235</b>
<b>Estimated closing balance as at 30 June 2014</b>	<b>(82,917)</b>	<b>19,089</b>	<b>38,725</b>	<b>73,807</b>	<b>48,704</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(82,917)</b>	<b>19,089</b>	<b>38,725</b>	<b>73,807</b>	<b>48,704</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	161,190	162,227	161,742	161,929	163,897
Sale of goods and rendering of services	20,092	20,092	20,092	20,250	20,250
Net GST received	5,714	5,714	5,714	5,714	5,714
Other	1,500	1,500	1,500	1,500	1,500
<b>Total cash received</b>	<b>188,496</b>	<b>189,533</b>	<b>189,048</b>	<b>189,393</b>	<b>191,361</b>
<b>Cash used</b>					
Employees	102,213	99,860	105,922	104,175	106,468
Suppliers	78,929	79,409	77,662	79,754	79,429
Net GST paid	5,714	5,714	5,714	5,714	5,714
<b>Total cash used</b>	<b>186,856</b>	<b>184,983</b>	<b>189,298</b>	<b>189,643</b>	<b>191,611</b>
<b>Net cash from (used by) operating activities</b>	<b>1,640</b>	<b>4,550</b>	<b>(250)</b>	<b>(250)</b>	<b>(250)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	250	250	250	250	250
<b>Total cash received</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	18,492	16,035	14,615	14,714	14,902
<b>Total cash used</b>	<b>18,492</b>	<b>16,035</b>	<b>14,615</b>	<b>14,714</b>	<b>14,902</b>
<b>Net cash from (used by) investing activities</b>	<b>(18,242)</b>	<b>(15,785)</b>	<b>(14,365)</b>	<b>(14,464)</b>	<b>(14,652)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	18,492	11,235	14,615	14,714	14,902
<b>Total cash received</b>	<b>18,492</b>	<b>11,235</b>	<b>14,615</b>	<b>14,714</b>	<b>14,902</b>
<b>Net cash from (used by) financing activities</b>	<b>18,492</b>	<b>11,235</b>	<b>14,615</b>	<b>14,714</b>	<b>14,902</b>
<b>Net increase (decrease) in cash held</b>	<b>1,890</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	3,610	5,500	5,500	5,500	5,500
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	18,492	11,235	14,615	14,714	14,902
<b>Total new capital appropriations</b>	<b>18,492</b>	<b>11,235</b>	<b>14,615</b>	<b>14,714</b>	<b>14,902</b>
<b>Provided for:</b>					
Purchase of non-financial assets	18,492	11,235	14,615	14,714	14,902
<b>Total Items</b>	<b>18,492</b>	<b>11,235</b>	<b>14,615</b>	<b>14,714</b>	<b>14,902</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB <sup>1</sup>	18,492	16,035 <sup>2</sup>	14,615	14,714	14,902
<b>TOTAL</b>	<b>18,492</b>	<b>16,035</b>	<b>14,615</b>	<b>14,714</b>	<b>14,902</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	18,492	16,035	14,615	14,714	14,902
<b>Total cash used to acquire assets</b>	<b>18,492</b>	<b>16,035</b>	<b>14,615</b>	<b>14,714</b>	<b>14,902</b>

<sup>1</sup> Does not include annual finance lease costs. Include purchase from current and previous years' Departmental Capital budget (DCBs).

<sup>2</sup> Includes \$4.8m in prior years' unspent Departmental Capital budget (DCBs).

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of Asset Movements (2013-14)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2013</b>				
Gross book value	18,944	41,304	53,136	113,384
Accumulated depreciation/amortisation and impairment	(8,690)	(22,328)	(38,104)	(69,122)
<b>Opening net book balance</b>	<b>10,254</b>	<b>18,976</b>	<b>15,032</b>	<b>44,262</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services <sup>1</sup>	4,762	8,796	2,477	16,035
<b>Total additions</b>	<b>4,762</b>	<b>8,796</b>	<b>2,477</b>	<b>16,035</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(5,218)	(7,580)	(4,988)	(17,786)
<b>Total other movements</b>	<b>(5,218)</b>	<b>(7,580)</b>	<b>(4,988)</b>	<b>(17,786)</b>
<b>As at 30 June 2014</b>				
Gross book value	23,706	50,100	55,613	129,419
Accumulated depreciation/amortisation and impairment	(13,908)	(29,908)	(43,092)	(86,908)
<b>Closing net book balance</b>	<b>9,798</b>	<b>20,192</b>	<b>12,521</b>	<b>42,511</b>

<sup>1</sup> "Appropriation ordinary annual services" refer to funding provided through Appropriation Bill No. 1 (2013-14) for depreciation / amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Employee benefits	4,600	4,600	4,600	4,600	4,600
Suppliers	1,670	1,670	1,670	1,670	1,670
Grants	119,130	120,630	120,630	120,630	120,630
<b>Total expenses administered on behalf of Government</b>	<b>125,400</b>	<b>126,900</b>	<b>126,900</b>	<b>126,900</b>	<b>126,900</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Total own-sourced income administered on behalf of Government</b>	-	-	-	-	-

Prepared on Australian Accounting Standards basis.



**Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	-	-
Other financial assets	52	52	52	52	52
<b>Total financial assets</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>
<b>Total assets administered on behalf of Government</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	73	73	73	73	73
Other payables	159	159	159	159	159
<b>Total payables</b>	<b>232</b>	<b>232</b>	<b>232</b>	<b>232</b>	<b>232</b>
<b>Provisions</b>					
Employee provisions	2,378	2,378	2,378	2,378	2,378
Other provisions	8,370	8,370	8,370	8,370	8,370
<b>Total provisions</b>	<b>10,748</b>	<b>10,748</b>	<b>10,748</b>	<b>10,748</b>	<b>10,748</b>
<b>Total liabilities administered on behalf of Government</b>	<b>10,980</b>	<b>10,980</b>	<b>10,980</b>	<b>10,980</b>	<b>10,980</b>
<b>Net assets/(liabilities)</b>	<b>(10,928)</b>	<b>(10,928)</b>	<b>(10,928)</b>	<b>(10,928)</b>	<b>(10,928)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	195	195	195	195	195
<b>Total cash received</b>	<b>195</b>	<b>195</b>	<b>195</b>	<b>195</b>	<b>195</b>
<b>Cash used</b>					
Grant	119,130	120,630	120,630	120,630	120,630
Suppliers	2,170	2,170	2,170	1,670	1,670
Net GST paid	195	195	195	195	195
Employees	4,100	4,100	4,100	4,600	4,600
<b>Total cash used</b>	<b>125,595</b>	<b>127,095</b>	<b>127,095</b>	<b>127,095</b>	<b>127,095</b>
<b>Net cash from (used by) operating activities</b>	<b>(125,400)</b>	<b>(126,900)</b>	<b>(126,900)</b>	<b>(126,900)</b>	<b>(126,900)</b>
<b>Net increase (decrease) in cash held</b>	<b>(125,400)</b>	<b>(126,900)</b>	<b>(126,900)</b>	<b>(126,900)</b>	<b>(126,900)</b>
Cash and cash equivalents at beginning of reporting period	1	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	125,399	126,900	126,900	126,900	126,900
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

### **3.2.3 Notes to the Financial Statements**

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

Under the Government's budgeting framework, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions that agencies do not have control over (administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

#### **Departmental**

Departmental assets, liabilities, revenues and expenses in relation to an agency or authority are those which are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs which are incurred by the agency in providing its goods and services.

#### **Administered**

Administered items are revenues, expenses, assets and liabilities which are managed by an agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and administered revenues include taxes, fees, fines and excises.