

The background of the entire page is a vibrant, abstract Indigenous Australian artwork. It features a dense field of small dots in various colors (red, orange, yellow, purple, black, white, green) forming larger circular patterns. A prominent, flowing blue and white band, resembling a river or a path, winds through the center of the composition. The overall effect is one of dynamic energy and cultural richness.

ANNUAL REPORT 2018–19



Australian Government

Australian Trade and Investment Commission



Austrade at a glance

WHO ARE WE?

We are the Australian Trade and Investment Commission—or Austrade—and we're responsible for promoting Australian trade, investment and education to the world. We help Australian businesses grow by linking them to global export opportunities; we attract international investment to help Australia reach its economic potential; we help startups innovate and go global and we promote Australia's leading-edge education services to the world to help drive growth in this sector. Our tourism policy and programs also help to build a thriving tourism industry.

We also help Australian citizens by providing consular and passport services in designated overseas locations.

OUR MISSION

Our mission is to promote Australian exports and international education, strengthen Australia's tourism sector, and attract investment into Australia. We do this by providing quality advice and services to exporters, education institutions and investors, including generating market information and insights, promoting Australian capabilities, making connections through an extensive global network of contacts, leveraging the 'badge of government' offshore, and working collaboratively with partner organisations.

OUR STAFF

1,073 Austrade staff at 30 June 2019, 65 per cent of whom were employed in client-focused operations in Australia and overseas. Staff turnover was 11.9 per cent and the gender balance was 58 per cent female and 42 per cent male.

WHERE WE WORK

117 locations at 30 June 2019, including 79 overseas locations in 48 markets, with 14 of those locations also providing consular services on behalf of the Australian Government. Within Australia, Austrade had 10 offices, complemented by a further 28 TradeStart offices. See the network map on pages 6–7.



EXTENDING OUR REACH

Austrade works with other agencies and organisations onshore and offshore to extend our reach into the business community and leverage external resources, knowledge and skills, including agencies within the Foreign Affairs and Trade portfolio and across the Australian Government, state and territory governments, industry associations, business councils, and chambers of commerce.

OUR PURPOSE

To deliver quality trade and investment services to businesses to grow Australia's prosperity.

The services we provide reflect the changing needs of our clients. These services include generating and providing market information and insights; promoting Australian capability; and facilitating connections through our extensive global network. Austrade also helps Australian citizens overseas by providing consular and passport services in designated locations.

OUR VALUES



Generosity of spirit

By working with people from different backgrounds, different experiences and working styles, we learn and get another view. Diverse views make for better decisions, helping one another grow and thrive.



Collaboration

Inclusion is a bridge—a way to connect diverse perspectives. Understanding, valuing and respecting differences that clients, communities and colleagues present will only enable us to better connect.



Innovation

Harnessing inclusion and diversity to drive innovation will create a culture that enables people to contribute something unique. This will help us to drive the agency forward and position us to better adapt to the world of work that is forever changing.



Transparency

We will promote greater inclusion by increasing transparency about our diversity policies, targets and progress.

ACKNOWLEDGEMENT OF COUNTRY AND TRADITIONAL OWNERS

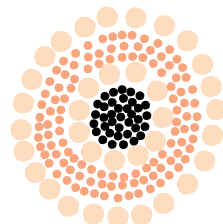
The Australian Trade and Investment Commission shows respect by acknowledging the traditional custodians of country throughout Australia and their continuing connections to land, waters and communities. We pay our respect to their cultures and elders past, present and future.

COVER ARTWORK

Artist: Bradley Kickett

Title: *Trade Grounds*

Please refer to page 133 for the story of *Trade Grounds*.





Australian Government

Australian Trade and Investment Commission

27 September 2019

Senator the Hon Simon Birmingham
Minister for Trade, Tourism and Investment
Parliament House
Canberra ACT 2600

Dear Minister

It is my pleasure to present to you the annual report of the Australian Trade and Investment Commission (Austrade) for the financial year 2018–19.

The report has been prepared pursuant to section 46 of the *Public Governance, Performance and Accountability Act 2013* and section 92 of the *Australian Trade and Investment Commission Act 1985*, and reflects the matters Austrade dealt with and the legislation it administered in pursuing its purpose for the year to 30 June 2019.

I certify I am satisfied Austrade has, in accordance with section 10 of the Public Governance, Performance and Accountability Rule 2014:

- › prepared appropriate fraud risk assessments and a fraud control plan for 2018–19
- › put in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet the specific needs of Austrade
- › taken all reasonable measures to appropriately deal with fraud relating to Austrade.

In presenting this annual report, I would like to acknowledge the contribution made throughout the year by my colleagues in Austrade.

Yours sincerely

A handwritten signature in black ink, reading 'Stephanie Fahey'.

Dr Stephanie Fahey
Chief Executive Officer

Australian Trade and Investment Commission Annual Report 2018–19

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Highlights from 2018–19

Continued to deliver value to Australian businesses

91%

of all clients surveyed say they were satisfied with Austrade's services, and 78 per cent say they achieved a commercial outcome within 12 months of working with Austrade (see page 92).

Progressed the development of a stronger nation brand



Over 350 business and industry leaders

from a range of industries, and across all states and territories and online, provided insights and input into the development of Australia's nation brand (see pages 84–5).

Strengthened Australia's tourism sector

\$122.1b

in overnight visitor expenditure in the 12 months to June 2019, up 11 per cent on the previous year. This is the first year it has reached the \$115 billion target set under the Tourism 2020 strategy (see page 109).

Assisted Australian businesses through the Export Market Development Grants (EMDG) scheme

3,928

EMDG recipients received reimbursements worth \$131.4 million in 2018–19 (see page 94).

Won productive foreign direct investment

\$8b

in investment value, resulting from 185 investment outcomes, increased the stock of productive foreign direct investment in Australia, and helped create and safeguard Australian jobs (see page 25).

Promoted Australia's free trade agreements



1,517 participants attended 23 free trade agreement seminars across

Australia, continuing to highlight opportunities across Australia's 11 existing free trade agreements, as well as anticipated benefits from upcoming agreements (see page 88).

Strengthened client service delivery



Austrade commenced a major client service redesign. The first new service arising from the redesign came online in April 2019—a new tool to support digital product and services exporters (see page 76).

Provided consular and passport services

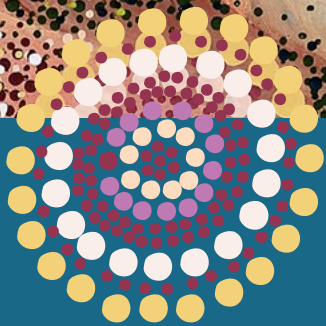
98.7 %

of the 16,599 passport applications received at Austrade consular offices during 2018–19 were scanned within 24 hours, within the 3 per cent tolerance benchmark agreed with the Australian Passport Office (see page 115).

Contributed to policy development



Austrade provided its commercial insights on a range of policy issues, including visa settings, supporting services exporters, aviation access and non-tariff barriers (see pages 108–13).



PART 1

Agency overview

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About Austrade

Purpose statement

During 2018–19, the purpose of the Australian Trade and Investment Commission—Austrade—was to deliver quality trade and investment services to businesses to grow Australia's prosperity.

The services we provide reflect the changing needs of our clients. These services include generating and providing market information and insights; promoting Australian capability; and facilitating connections through our extensive global network.

Austrade also helps Australian citizens overseas by providing consular and passport services in designated locations.

An extensive network

At 30 June 2019, Austrade's network comprised 117 locations, including 10 offices in major Australian centres, complemented by 28 TradeStart offices, and 79 different locations overseas. Fourteen of the locations overseas also provided consular services in locations where the Department of Foreign Affairs and Trade does not have a presence.

Austrade also operated Landing Pads in Shanghai, Berlin, Singapore, San Francisco and Tel Aviv. Landing Pads are designed to provide market-ready Australian startups with a short-term operational base in global innovation hotspots. For more information on Austrade's Landing Pads, see page 78. Austrade also operates the Australian Trade and Defence Office in West Jerusalem. Austrade's Australian and overseas locations are shown in Figure 1 on pages 6–7.

Legislation

Austrade was established by the *Australian Trade and Investment Commission Act 1985*. It is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*, and a statutory agency under the *Public Service Act 1999*. Austrade is part of the Foreign Affairs and Trade portfolio.

Ministerial responsibility

Austrade's CEO reports to the Minister for Trade, Tourism and Investment, Senator the Hon Simon Birmingham, who held this position from 28 August 2018. During the reporting period, the Hon Steven Ciobo MP held this position from 1 July 2018 until 28 August 2018.

During the reporting period, the Hon Mark Coulton MP held the position of Assistant Minister for Trade, Tourism and Investment from 1 July 2018 until 29 May 2019, when he became Assistant Trade and Investment Minister. Senator the Hon Jonathon Duniam was appointed Assistant Minister for Regional Tourism from 29 May 2019.

A professional workforce

Austrade has a highly educated, culturally diverse workforce, with a mix of private and public sector experience. A selection of staff profiles highlighting this diversity and experience are featured throughout this report.

At 30 June 2019, Austrade employed 1,073 staff, 65 per cent of whom were employed in client-focused operations in Australia and overseas. For more information on Austrade's staffing, see pages 130–1.

Financial performance

In 2018–19, Austrade continued to maintain an effective financial management framework and achieved improvements in practices and processes.

Further analysis of Austrade's financial position is provided in the financial review on pages 12–14, and in the financial statements in Part 4 of this report.

Maintaining high levels of service

Each year, Austrade undertakes a comprehensive Service Improvement Study to assess service delivery and identify areas for improvement in its services to Australian organisations. The study is conducted independently and results are delivered quarterly.

In 2018–19, the Service Improvement Study found 91 per cent of Austrade's clients were satisfied with their dealings with the agency during the past 12 months. This result reflects the strong client service culture that exists within Austrade. For more information, see pages 92–3.

Austrade also conducts regular surveys of seminar and minister-led business mission participants to improve service delivery in these areas.

A brief history of Austrade

1985–86

Austrade was established by the *Australian Trade Commission Act 1985*, and several export assistance agencies, including the Export Market Development Grants board, were consolidated into one organisation. Operations commenced in January 1986 and Austrade was located in the Industry portfolio.

1990

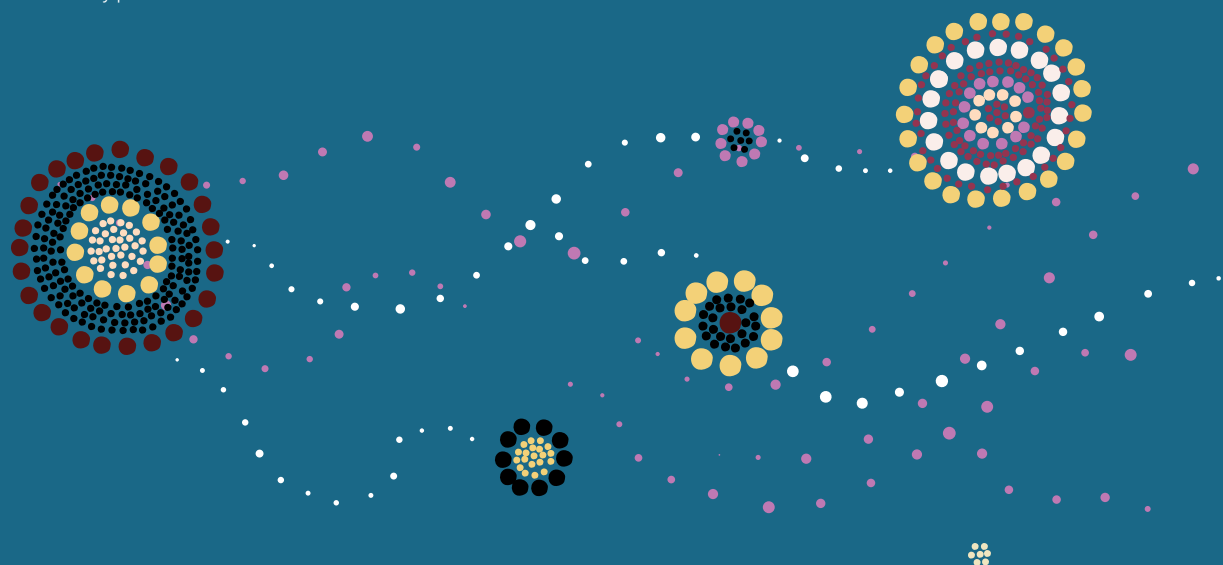
Austrade's board commissioned McKinsey & Company to review the span of the agency's activity and structure.

1991

Austrade moved from the Industry portfolio to the Foreign Affairs and Trade portfolio.

1992

Austrade established its National Export Hotline—13 28 78.



2011

A comprehensive review of Austrade resulted in a realignment of its network, with trade resources focused on Asian and growth and emerging markets that provided the greatest opportunities for Australian businesses. Austrade's investment resources were focused on more mature, capital-rich markets.

2010

Austrade assumed responsibility for the international promotion of Australia's education and training sector.

2013

Austrade was given responsibility for tourism policy, programs and research.

2015

Austrade was given nomination responsibilities for the Significant Investor Visa and a new Premium Investor Visa, with a new complying investment framework for both coming into effect from July 2015.

1997–98

The Business Club Australia program was launched. Eight TradeStart offices were also opened, extending Austrade's export advisory services to regional Australia. The network has since been expanded and now includes 28 TradeStart offices located around Australia.

2001–02

An agreement was negotiated between federal, state and territory governments to cooperate in doubling the number of Australian companies exporting.

2006

From 1 July 2006, Austrade operated under the *Financial Management and Accountability Act 1997* and its board of directors was replaced with an executive management structure. Prior to this, Austrade operated under the *Commonwealth Authorities and Companies Act 1997*.

2008

Austrade took on responsibility for the promotion and attraction of productive foreign direct investment into Australia.

2016

In May 2016, Austrade became the 'Australian Trade and Investment Commission' to reflect its ongoing work in attracting productive foreign direct investment.

2017

Austrade commissioned an organisational capability assessment to help it meet future challenges.

2018

In February 2018, Austrade's structure changed to reflect a client-centred, digital-first future. Austrade's overseas locations were grouped into seven overseas regions, complemented by eight industry sectors. These are supported by a Client Group, and a Business, Partnerships and Support Group.

2019

Austrade commenced a client-centred service redesign. A new tool to support digital product and services exporters came online in April. In May, Austrade started trialling a new advisory service for expanding exporters.

Austrade's network

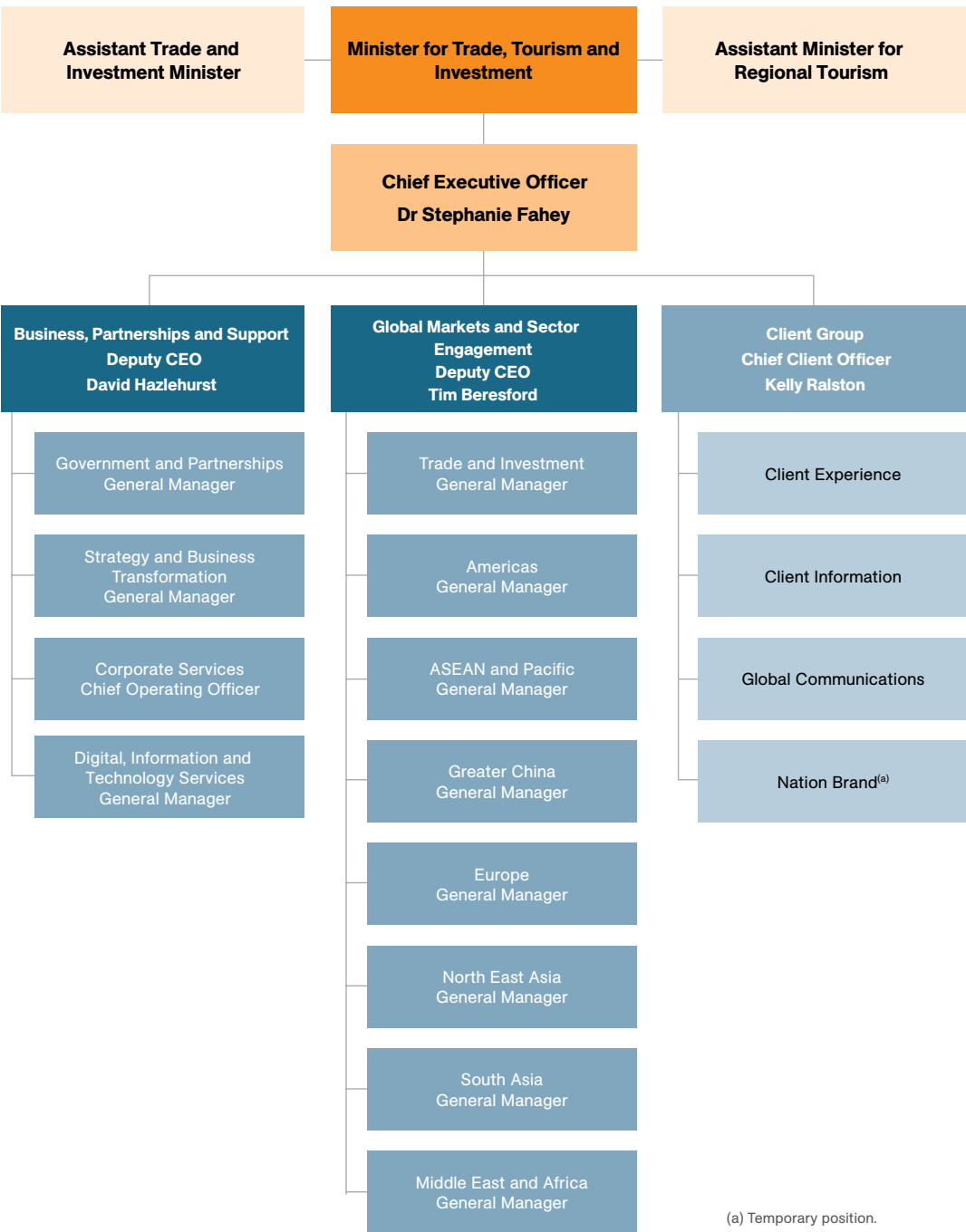
Figure 1: Austrade's Australian and overseas locations, at 30 June 2019





Organisational structure

Figure 2: Austrade's organisational structure, at 30 June 2019



Chief Executive Officer's review



Dr Stephanie Fahey, Chief Executive Officer, Austrade

Year in review

I'm delighted to present my third annual report for Austrade, which covers my second full year as Chief Executive Officer.

When I started in this role in 2017, I set out to develop a deep understanding of how Austrade can best contribute to Australian prosperity. That journey started with many conversations with our clients: exporters of Australian goods and services; investors seeking to make productive foreign direct investment in Australia; and customers—the purchasers of the goods and services that Australia exports.

During 2017–18, we developed a strategy and launched a transformation that is turning Austrade into an organisation that truly revolves around our clients. It's a significant amount of work, and it spans a number of years, including 2018–19.

In conjunction with our Corporate Plan 2018–19, our Austrade Strategy 2018–2022 explained what we wanted to achieve over the four-year period to 2021–22, and how we're going to do it. Internally, this translated into the 14 components of our transformation plan, which sets concrete goals for what we need to accomplish.

This year was about getting the foundations right: we've completed many of the things we needed to do to allow Austrade to push forward on its transformation journey. I've touched on some of the most important achievements below.

Bolstered budget model and processes

During 2018–19, we changed our internal budgeting process so that we're now following a four-year cycle, allowing us to plan further and better. Corporate business areas now have the ability to bid for funding—where they can present a compelling case for benefits to our clients, they'll receive additional funding.

Enhanced capability

Changing our business model means that the demands on our staff will also change. We're anticipating this by assessing what capabilities our staff will need, and developing plans to upskill them so that they're ready to work under our new business model.

Sharpened focus on policy inputs

Austrade embraced a more open and contemporary approach to sharing information and insights, using data to inform our practices. That's fed into a more focused approach to how we use our commercial insights to inform government policymaking (see pages 108–13).

Strengthened key performance indicators

We introduced a new corporate performance framework, with a focus on measuring trade and investment outcomes. Supporting this framework is a set of management reporting dashboards, which allow staff to see the impact of their work, and give management the information they need to make decisions.

Reinforced relationships with key partners

We reinforced relationships with our partners, including Export Finance Australia (formerly Efic), CSIRO and the Department of Industry, Innovation and Science (see page 103).

Optimising our offshore presence

We completed our international network review, which included centralising human resource and finance functions onshore, and examining where we can make the best use of our resources. That's resulted in a distinct pivot to the Indo-Pacific region, which will take shape over 2019–20 and beyond (see pages 40–41).

A new nation brand for Australia

We began developing a new and cohesive nation brand, involving some of Australia's most respected industry leaders. By strengthening our global reputation, Australia's nation brand will attract more people to invest, study and work in Australia, to visit our country, and to buy our products and services (see pages 84–5).

Transformation of client services

I'm conscious that many of the steps above are internally focused. They were nevertheless necessary steps to prepare us for the transition to the new ways we'll be working with our clients.

The far-reaching redesign of our client services will maximise the impact of our limited human and financial resources. We know Austrade has the greatest impact when we deliver tailored

services to our clients. Working intensively with companies is where our real competitive advantage lies. That has been the focus for much of our work during 2018–19, and it has borne fruit in a comprehensive plan for the rollout of new services from now through 2020. For a full overview of that work, see page 76.

While this redesign work has been going on, we haven't lost sight of the fact that we need to keep servicing our clients. This report presents an overview of that ongoing work. It's a tribute to Austrade's staff that they've been able to deliver so much value to our clients, while also thinking about and planning for how the future will look.

Our work has helped our clients—exporters and investors—achieve the outcomes they wanted.

And our clients have in turn rewarded Austrade with high levels of satisfaction (see page 92).

We've helped our clients via programs such as the Export Market Development Grants scheme (page 94), and shown them the benefits of Australia's free trade agreements (page 89). Tourism expenditure is now at record levels (page 72), and we've also been able to help Australians overseas through our consular network (pages 114–16).

All this has contributed to our purpose of delivering quality trade and investment services to businesses to grow Australia's prosperity. And we've managed to achieve this against a backdrop of escalating trade tensions and slowing growth (see page 36).

Outlook for 2019–20

As I indicated above, Austrade's focus for 2019–20 is firmly on our client service redesign. This coming year will see a suite of new services introduced, bringing new clients into the fold, and ensuring that we achieve our purpose in an evolving world.

What will that mean for clients? On the one hand, it will mean that we'll use digital technologies to broaden our reach, delivering services at scale to a greater number of businesses, who will be able to access them where and when they need them. On the other hand, we'll place a greater focus on businesses with high potential to make a major contribution to Australia's prosperity. These two strands encompass a number of discrete programs that will be launched during the course of 2019–20.

A major characteristic of our transformation journey has been a focus on listening to and understanding what our clients want from us. We've learned that their needs have evolved, and they will continue to do so—and that is the fundamental driver for Austrade's service redesign. We need to remain attentive to our clients, and the technological and geopolitical environments in which they operate.

Finally, I'd like to pay tribute to Austrade's staff, both in Australia and across our international network. They have demonstrated talent, passion for their work, and complete commitment to Austrade and to our clients. Through their work, they are contributing to Australia's prosperity, which is Austrade's reason for being.



Dr Stephanie Fahey

Chief Executive Officer

Financial review

Year in review

In 2018–19, the Government provided Austrade with \$204.8 million in funding for ordinary annual services. Revenue from Government increased by \$15.1 million compared to 2017–18. This increase was mainly due to:

- › an increase in funding for developing Australia's nation brand (\$3.2 million)
- › a one-off movement from 2017–18 to 2018–19 to fund the Approved Destination Status scheme (a net increase of \$5.2 million)
- › a reduction in Austrade's contribution to the Foreign Affairs and Trade portfolio savings (\$1.9 million)
- › foreign exchange adjustments (a net increase of \$3.5 million)
- › funding of \$0.7 million to establish the Australian Trade and Investment Office in West Jerusalem.

In addition, Austrade received \$27.0 million in own-source revenue—a decrease of \$1.7 million compared to 2017–18, due to lower client service revenue and sponsorships.

Expenditure was higher in 2018–19, in line with increased revenue from Government.

Austrade also received \$15.9 million to fund capital expenditure, including \$14.1 million from the departmental capital budget and \$1.7 million in equity injections.

Figure 3 on the next page summarises Austrade's financial performance over the last four years, and Figure 4 summarises Austrade's financial position at 30 June 2019.

Austrade's financial statements for 2018–19 are provided at Part 4 of this report, and Austrade's financial and staffing resource tables are provided at Appendix D.

Outlook for 2019–20

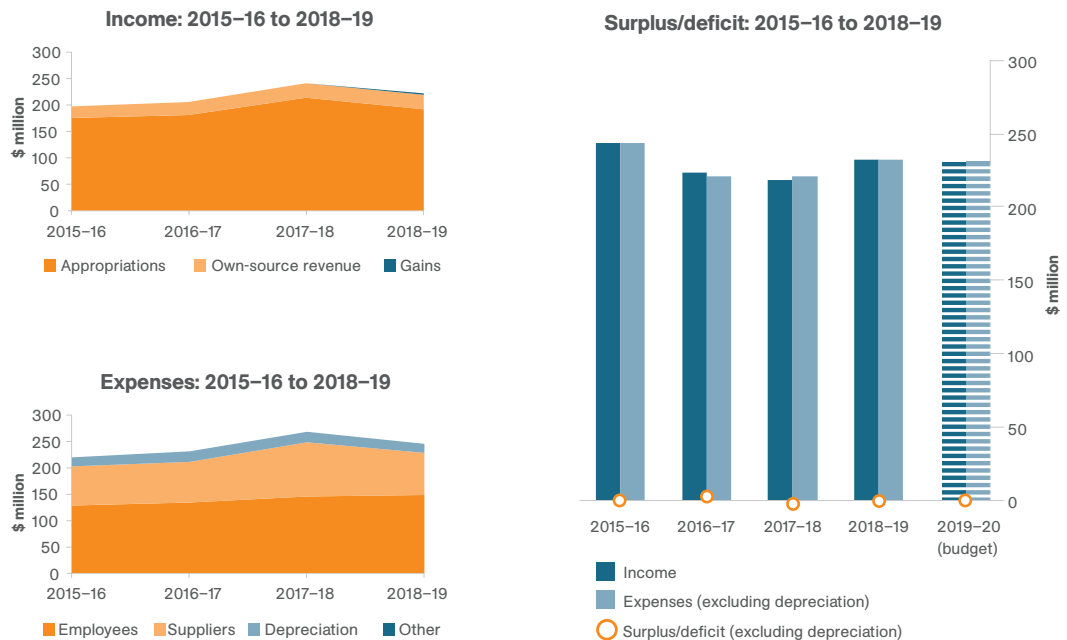
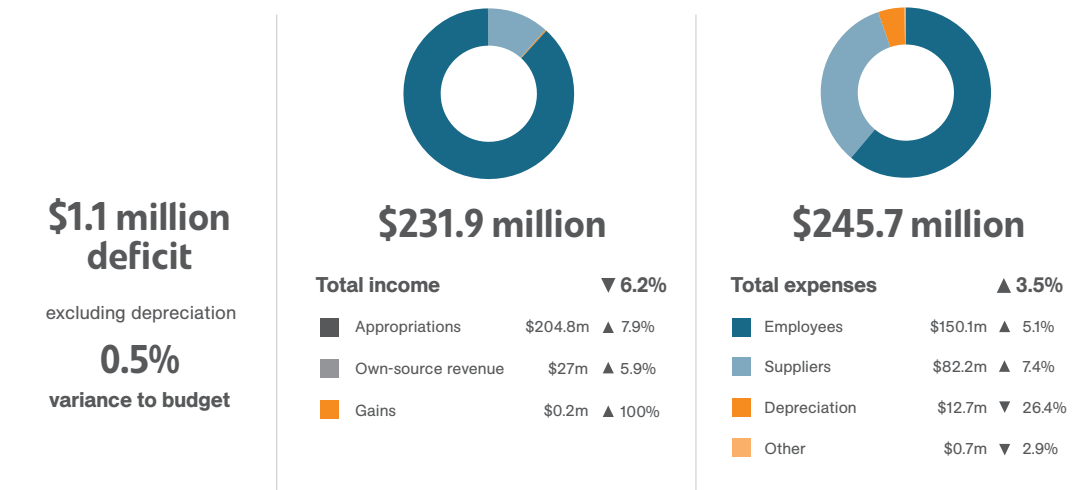
Austrade continues to operate within a challenging fiscal environment, absorbing savings and an additional efficiency dividend of \$12.3 million over the forward estimates.

Austrade has implemented financial management practices to support strategic allocation of resources and ensure the organisation can adapt to the rapidly changing economic and market environment it operates within.

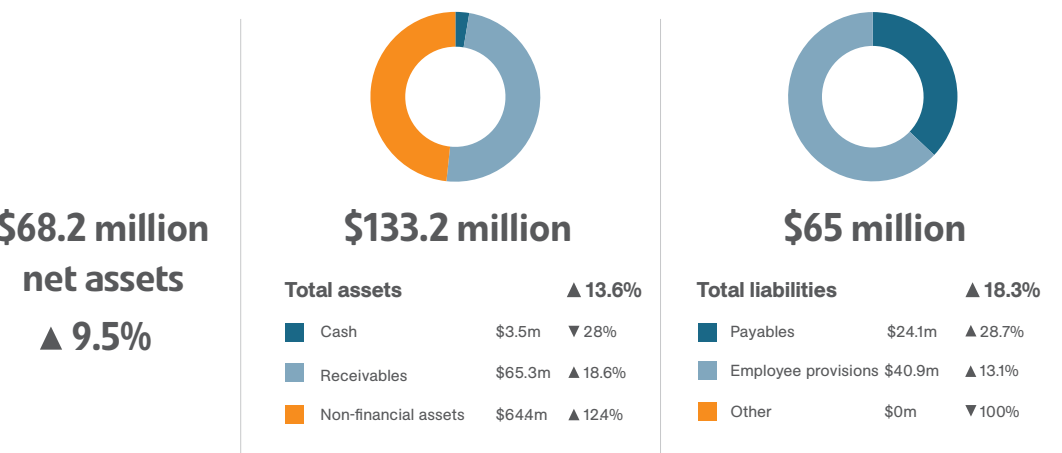
Austrade will continue to regularly review its allocation of resources (both budget and people) in response to strategic priorities. This includes strengthening and optimising client service delivery, and investing in future capability to meet client needs.

Financial performance in 2018–19

Figure 3: Austrade's financial performance, 2018–19 (including four-year trends)



Note: Figures have been rounded. Comparative percentage movements are in relation to the 2017–18 financial year. An increase in dollar value is shown as a positive percentage movement (upward arrow) and a decrease in dollar value is shown as a negative percentage movement (downward arrow).



Note: Figures have been rounded. Comparative percentage movements are in relation to the 2017–18 financial year. An increase in dollar value is shown as a positive percentage movement (upward arrow) and a decrease in dollar value is shown as a negative percentage movement (downward arrow).



PART 2

Report on performance

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Reporting framework

Austrade operates under the Australian Government's outcomes and programs framework. Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community, and government programs are the primary means by which agencies achieve their intended outcomes.

Corporate plan

Austrade's 2018–19 corporate plan, which was approved by the Minister for Trade, Tourism and Investment, covers the four-year period from 2018–19 to 2021–22, and is Austrade's primary planning document. Austrade has identified one purpose as part of its 2018–19 corporate plan:

To deliver quality trade and investment services to businesses to grow Australia's prosperity

Our purpose is associated with a set of performance measures and can be linked to Austrade's outcomes and programs in the Portfolio Budget Statements 2018–19 (Figure 5).

Portfolio budget statements

The Portfolio Budget Statements 2018–19 for the Foreign Affairs and Trade portfolio identify the outcomes, associated programs and key performance indicators the Government uses to assess Austrade's performance. In 2018–19, Austrade had two outcomes that were achieved through three specific programs (Figure 5).

Figure 5: Austrade's outcome and program framework for 2018–19



Annual performance statements

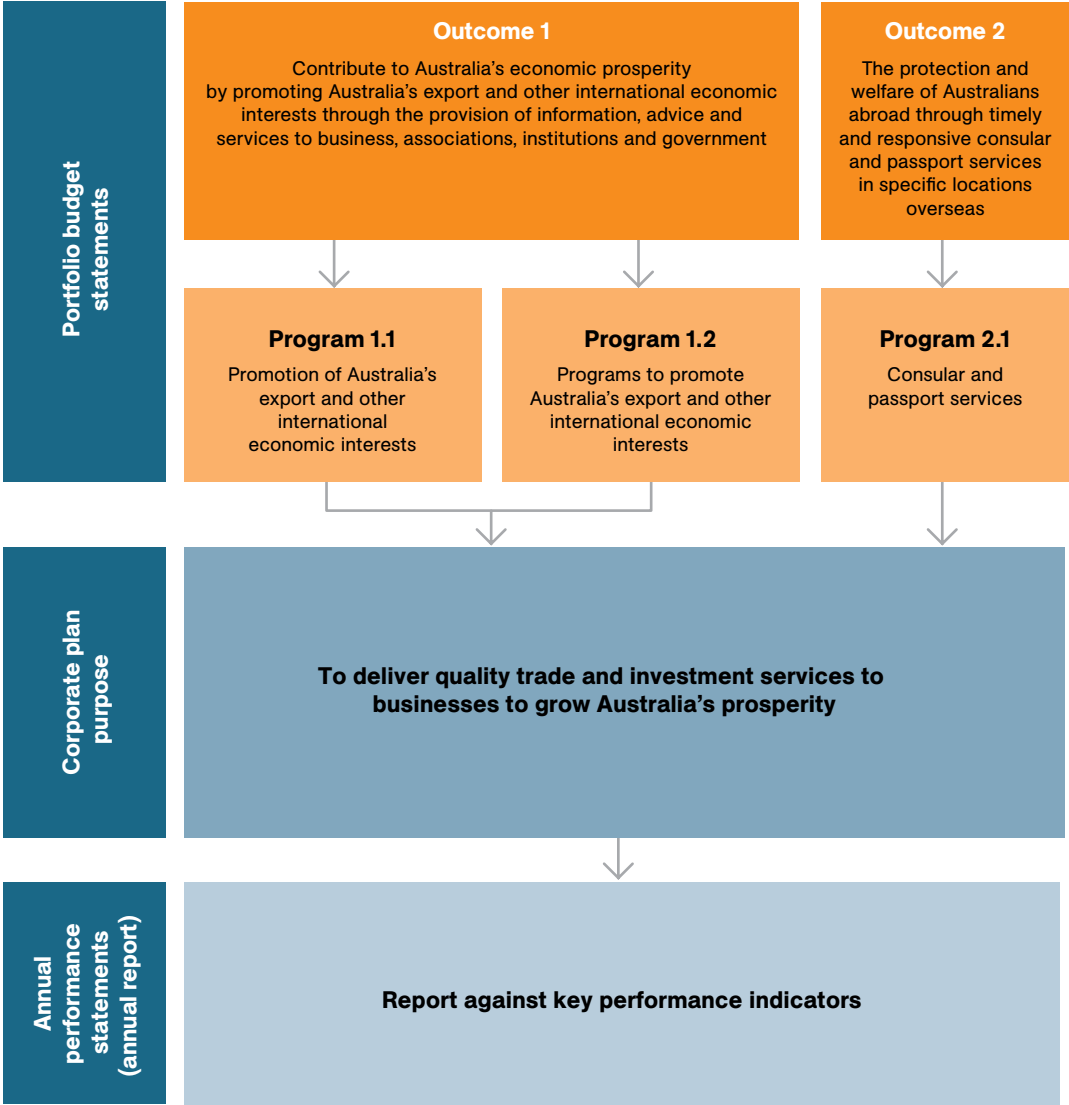
Austrade's annual performance statements, which start on page 19, show Austrade's achievements in 2018–19 against its purpose from its Corporate Plan 2018–19 and its key performance indicators set out in its Portfolio Budget Statements 2018–19. Austrade's annual performance statements, and additional performance reporting information, have been developed in accordance with guidelines provided by the Department of Finance. The annual performance statements have been structured to mirror the layout of the key performance indicators in the corporate plan.

How Austrade's corporate plan, portfolio budget statements and annual performance statements interrelate

The annual performance statements clearly link performance criteria with the relevant source document—the corporate plan, the portfolio budget statements, or both. All performance criteria are contained in the corporate plan; the portfolio budget statements contain a subset. Figure 6 on the next page sets out the relationship between reporting measures outlined in Austrade's corporate plan, portfolio budget statements and annual performance statements for 2018–19.

Further detail on Austrade's achievements against its performance measures follows the annual performance statements, using a combination of methods, including charts, tables, narrative discussion and case studies (see pages 35–116). The annual performance statements include page references to relevant supplementary information for ease of navigation.

Figure 6: Relationship between portfolio budget statements, corporate plan and annual performance statements



Annual performance statements

As the accountable authority of the Australian Trade and Investment Commission, it gives me great pleasure to present the agency's 2018–19 annual performance statements, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, based on advice from Austrade management and Austrade's Audit and Risk Committee, Austrade's annual performance statements accurately reflect the performance of the agency and comply with subsection 39(2) of the PGPA Act.



Dr Stephanie Fahey
Chief Executive Officer

27 September 2019

Approach

The performance criteria that Austrade reports against are contained in its Corporate Plan 2018–19; some also appear in its Portfolio Budget Statements 2018–19. The relationship between the corporate plan, portfolio budget statements and annual performance statements is shown in Figure 6 on page 18.

The performance criteria in these annual performance statements respond to the purpose set out in Austrade's corporate plan:

- ▶ To deliver quality trade and investment services to businesses to grow Australia's prosperity.

The services we provide reflect the changing needs of our clients. These services include generating and providing market information and insights; promoting Australian capability; and facilitating connections through our extensive global network.

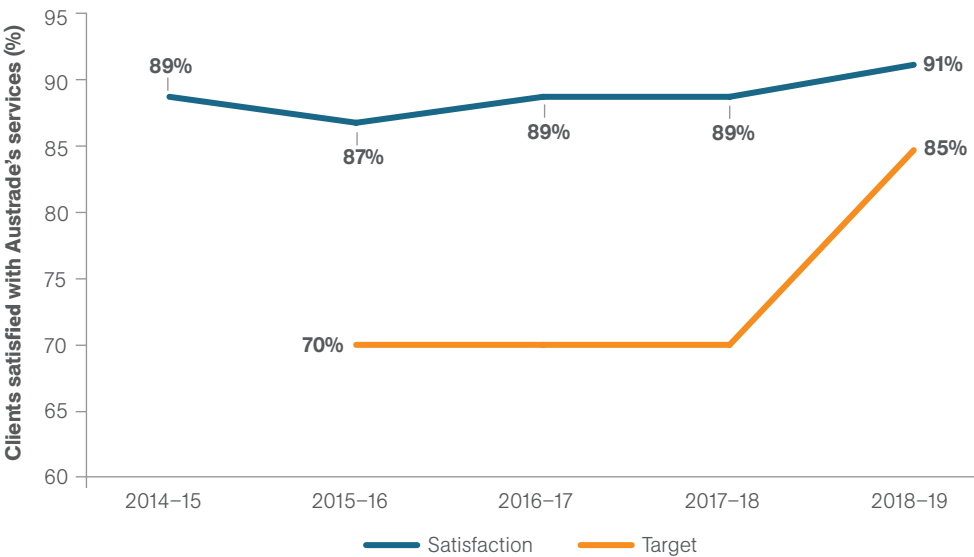
Austrade also helps Australian citizens overseas by providing consular and passport services in designated locations.

Where possible, the presentation of the results includes a graph showing the progression of outcomes over five years, as well as the targets that outcomes have been measured against. For most measures, targets were put in place for 2015–16. No targets were in place for 2014–15, and targets for that year are therefore absent from the graphs. Similarly, newer key performance indicators only show historical data from the time they were put in place.

Client services

Satisfaction with Austrade’s services	
High level of satisfaction for Ministers, Australian business community, institutions and key partners with Austrade’s services	Target: Austrade expects this level of satisfaction to be at least 85%, as measured in surveys and feedback.
Source of criterion: Corporate Plan 2018–19 (Table 2); PBS 2018–19, Program 1.1 (Table 2.1.3)	Result: 91%

Figure 7: Client satisfaction with Austrade services, 2014–15 to 2018–19



Criterion met. Austrade conducts its independent Service Improvement Study to find ways to improve its services to businesses and institutions. The study surveys Austrade’s clients, based on their recent engagement with the agency. The sustained high levels of satisfaction from the survey respondents across five years—including a score of 91 per cent in the most recent reporting period—prompted Austrade to increase the target for this measure from 70 per cent to 85 per cent in 2018–19.

Despite the high level of satisfaction with Austrade’s client services, individual client feedback suggests there is some inconsistency in delivery of services across Austrade’s global network. As a result, Austrade’s client services redesign is focused on addressing client pain points along their international business journey, helping them achieve greater economic impact, and maintaining and growing client satisfaction levels.

The Service Improvement Study covers trade, education and tourism clients. Results are delivered quarterly. A total of 622 responses were received for 2018–19, compared to 614 in 2017–18.

During 2018–19, Austrade coordinated two minister-led business missions—one to Japan and one to Indonesia. In a survey of participants on the Japan mission, 92 per cent of respondents stated that all or most of their objectives for the mission were met, and all respondents rated Austrade as very or extremely good.

Satisfaction with Austrade’s services

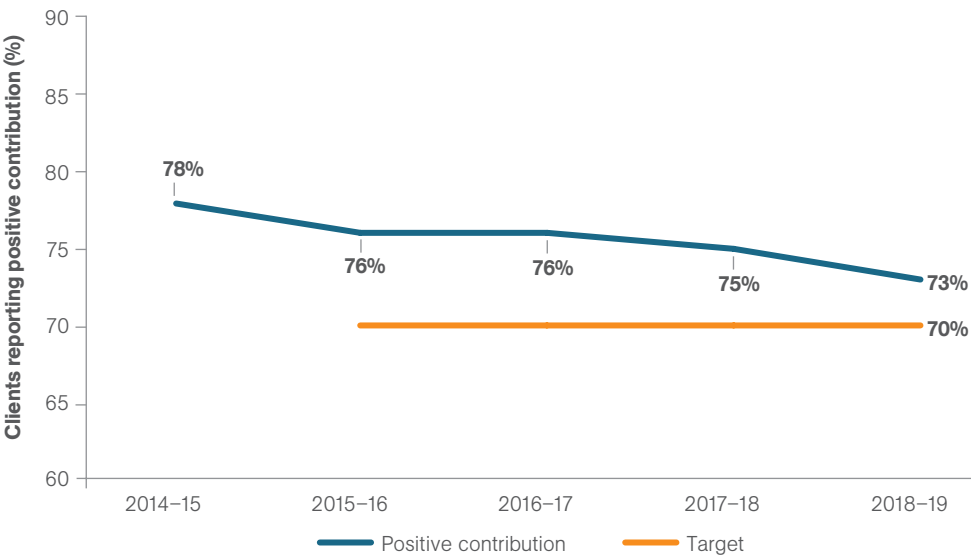
Proportion of Australian businesses and institutions that have engaged with Austrade and say Austrade made a positive contribution to their international business activities

Target: 70% of Australian businesses and institutions that have engaged with Austrade say Austrade made a positive contribution to their international business activities.

Source of criterion: Corporate Plan 2018–19 (Table 2)

Result: 73%

Figure 8: Austrade’s contribution to clients’ international business activities, 2014–15 to 2018–19



Criterion met. Seventy-three per cent of survey respondents say Austrade made a positive contribution to their international business activities. While the level remains above the target of 70 per cent, the decline can be attributed to a rise in the proportion of respondents citing that Austrade 'neither helped nor hindered us in achieving our objectives'. Within the cohort of respondents noting a positive contribution, there was a fall of seven percentage points in the proportion saying that Austrade's 'contribution was significant to achieving their objectives' and an increase in the proportion of respondents saying Austrade's 'contribution was positive and helpful, but we would have achieved our objectives anyway'. Austrade's service redesign approach is putting a greater focus on client segmentation, a clearer value proposition, and providing services to organisations with the greatest economic potential.

Note that this information is derived from a follow-up survey to the main Service Improvement Study. It takes place 12 months after clients receive a service from Austrade, and asks them about their experiences after they receive the service. In 2018–19, the survey encompassed responses from trade, education and tourism clients, and it received 362 responses during the year. This compares to 148 responses in the previous year, which used a more restrictive methodology.

The survey asks, 'Overall, how would you sum up the contribution that Austrade has made to your international business activities over the past 12 months?' This question allows clients to choose one response from a range of possible contributions that Austrade made, including:

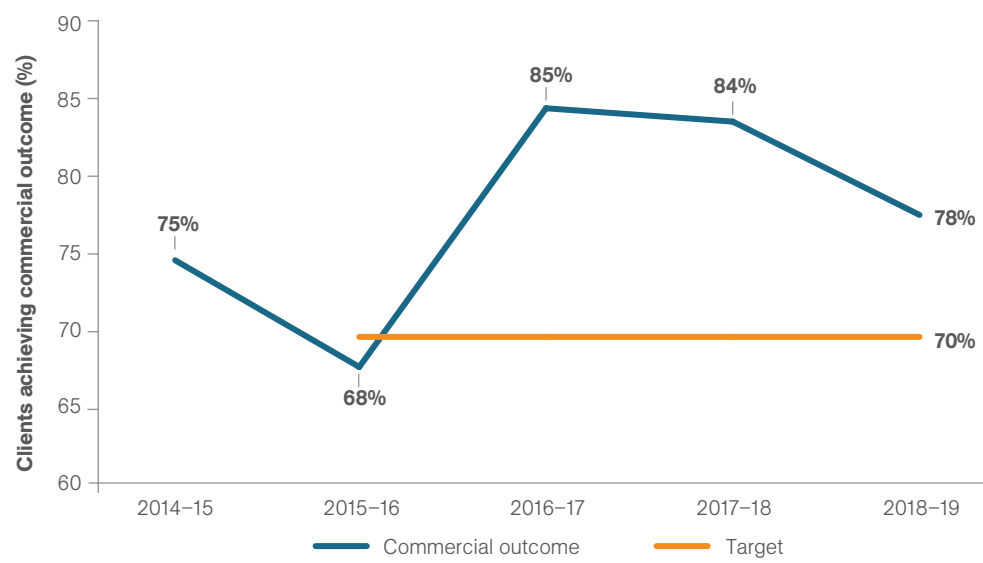
- › Their contribution was critical to achieving our objectives
- › Their contribution was significant to achieving our objectives
- › Their contribution was positive and helpful but we would have achieved our objectives anyway.

The result can also be arrived at by subtracting the following response options from 100 per cent:

- › They neither helped nor hindered us in achieving our objectives
- › They were not helpful and a negative factor in achieving our objectives
- › Don't know.

Satisfaction with Austrade's services	
Proportion of Australian businesses that have engaged with Austrade and say they achieved some form of commercial outcome as a result of working with Austrade	Target: 70% of Australian businesses and institutions that have engaged with Austrade say they achieved some form of commercial outcome within 12 months of working with Austrade.
Source of criterion: Corporate Plan 2018–19 (Table 1)	Result: 78%

Figure 9: Proportion of clients achieving commercial outcome as a result of working with Austrade, 2014–15 to 2018–19



Criterion met. In 2018–19, Austrade’s Service Improvement Study found 78 per cent of respondents indicated they achieved some form of commercial outcome within 12 months of working with Austrade. High levels of satisfaction recorded for this measure demonstrate Austrade’s success in helping its clients do business overseas. For the last three years, this measure has recorded results above the 70 per cent target. However, it has declined from 85 per cent in 2016–17 to 78 per cent in 2018–19.

Compared to the previous year, there have been declines across most categories of outcomes, but particularly in the two categories: ‘Commenced negotiations with potential buyers, distributors, agents, partners or investors’, which fell from 44 per cent in 2017–18 to 28 per cent in 2018–19; and ‘Gained access to networks of key decision-makers, customers or contacts in overseas market’, which fell from 55 per cent to 40 per cent over the same period. Austrade’s client services redesign has a major focus on knowing our clients better, and an agreed global action plan that includes highly targeted connections to maximise economic impact.

Note that this information is derived from a follow-up survey to the main Service Improvement Study. It takes place 12 months after clients receive a service from Austrade, and asks about outcomes achieved after they receive the service. In 2018–19, the survey encompassed responses from trade, education and tourism clients, and received 362 responses during the year. This compares to 148 responses in the previous year, which used a more restrictive methodology.

The survey asks, ‘Thinking back on your recent interactions with Austrade, which of the following commercial outcomes did you achieve in the last 12 months?’ This question allows clients to choose one or more responses from 15 possible contributions that Austrade made, including:

- › Made export sales in a new market
- › Gained access to networks of key decision-makers, customers or contacts in overseas markets
- › Formed a collaborative partnership with an overseas organisation or institution.

The result is arrived at by subtracting the response options ‘No outcomes achieved’ and ‘Don’t know’ from 100 per cent. A full list of possible survey responses is provided below.

Service Improvement Study survey question and possible responses

Thinking back on your recent interactions with Austrade, which of the following commercial outcomes did you achieve in the last 12 months?

<input type="checkbox"/>	Gained access to networks of key decision-makers, customers or contacts in overseas markets
<input type="checkbox"/>	Made export sales in a new market
<input type="checkbox"/>	Increased export sales in existing markets
<input type="checkbox"/>	Began recruiting international students to your institution in Australia or overseas
<input type="checkbox"/>	Increased your existing international student enrolments
<input type="checkbox"/>	Raised your organisation's profile in a new or existing market
<input type="checkbox"/>	Commenced negotiations with potential buyers, distributors, agents, partners or investors
<input type="checkbox"/>	Entered into an international commercial agreement with an international distributor, agent, customer or partner
<input type="checkbox"/>	Formed a collaborative partnership with an overseas organisation or institution
<input type="checkbox"/>	Submitted a bid or tender for a contract overseas
<input type="checkbox"/>	Opened a representative office or campus overseas
<input type="checkbox"/>	Achieved sales through your overseas representative office or campus
<input type="checkbox"/>	Agreed to collaborate on a research and development project with an international partner
<input type="checkbox"/>	Received an overseas investment into your Australian project or opportunity
<input type="checkbox"/>	Achieved any other commercial outcome?
<input type="checkbox"/>	No outcomes achieved
<input type="checkbox"/>	Don't know

Investment

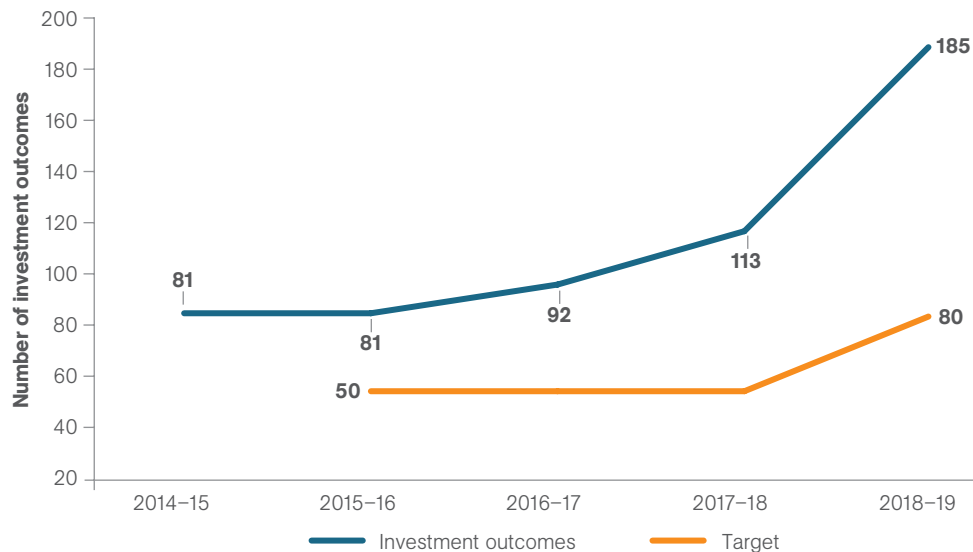
The number and value of investment outcomes facilitated, measured in terms of investment value, jobs created/retained and anticipated annual exports

Target: At least 80 investment outcomes facilitated

Source of criterion: Corporate Plan 2018–19 (Table 1)

Result: 185 investment outcomes

Figure 10: Number of investment outcomes facilitated, 2014–15 to 2018–19



Criterion met. During 2018–19, Austrade facilitated 185 investment outcomes, comprising 140 inward investments and 45 priority milestones. For information on Austrade’s specific activities to facilitate investment outcomes in 2018–19, see ‘Australia’s international network’ (pages 40–56) and ‘Global sectors’ (pages 56–71).

In the reporting period, investment value reached \$8.0 billion, and 11,489 jobs were created or retained. The investment value figure was up on the same period in 2017–18 (\$4.8 billion), while the jobs created was down (from 27,588 in 2017–18, which was affected by Samsung C&T Corporation’s WestConnex Stage 3 bid—this bid significantly increased the ‘jobs created’ figure in 2017–18 by some 10,000). Anticipated annual exports in the period to 30 June 2019 reached \$1 billion, compared to \$333 million for the same period in 2017–18.

The Albemarle investment into a lithium production facility in Western Australia, recorded in December 2018, accounted for an investment value of \$1.8 billion, the largest single inward investment in 2018–19.

Export Market Development Grants (EMDG) scheme

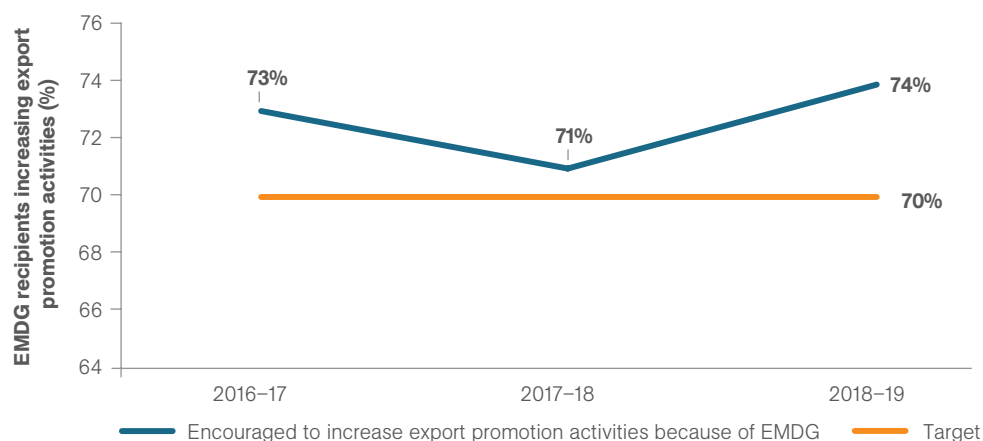
EMDG recipients report that the receipt of a grant encouraged them to increase their export promotion activities

Target: Austrade expects at least 70% of EMDG recipients to report that receiving a grant in 2018–19 encouraged them to increase their export promotion activities.

Source of criterion: PBS 2018–19, Program 1.2 (Table 2.1.3); Corporate Plan 2018–19 (Table 2)

Result: 74% of respondents to a survey of EMDG recipients reported in 2018–19 that receiving a grant encouraged them to increase their export promotion activities.

Figure 11: Proportion of EMDG recipients encouraged to increase export promotion activities, 2016–17 to 2018–19



Criterion met. During 2018–19, 74 per cent of respondents to a survey reported the receipt of an EMDG payment encouraged them to increase their export promotion activities, compared to 71 per cent in 2017–18.

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The question asks, ‘In the next two years, how do you expect your export promotion/marketing activity to change as a result of receiving the EMDG grant?’, and respondents can nominate ‘increase’, ‘remain relatively constant’ or ‘decline’.

The outcome is above the target of 70 per cent set out in the Corporate Plan 2018–19. This is the third year that this metric has been reported and the second in which it has been a key performance indicator. A total of 484 respondents answered this question in 2018–19, compared to 336 in 2017–18.

Free trade agreement (FTA) promotion

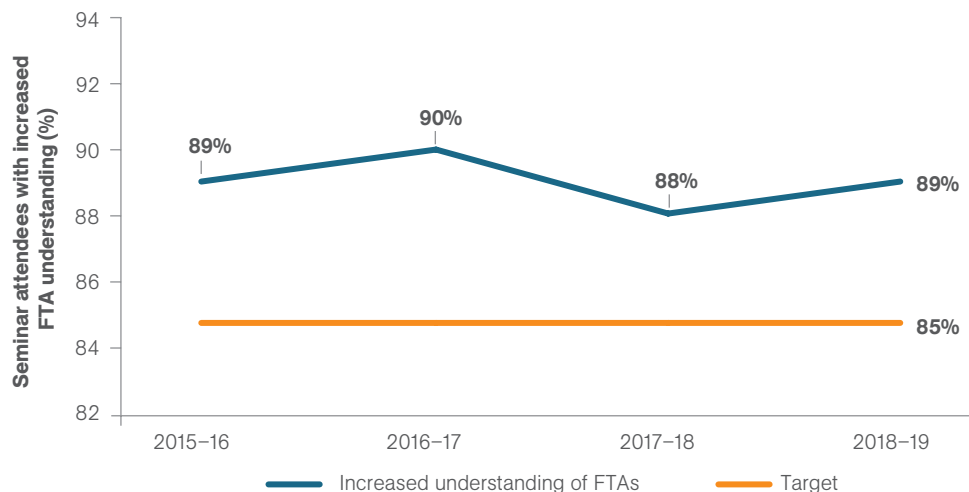
Proportion of seminar and roadshow attendees reporting an increased understanding of how to use and benefit from FTAs

Target: Austrade expects at least 85% of seminar and roadshow attendees to report an increased understanding of how to use and benefit from FTAs in 2018–19, as measured by feedback forms.

Source of criterion: PBS 2018–19, Program 1.2 (Table 2.1.3); Corporate Plan 2018–19 (Table 2)

Result: 89% of survey respondents reported that attending the roadshows in the period resulted in an increased understanding of how to use and benefit from FTAs.

Figure 12: Proportion of FTA seminar attendees with increased understanding of FTAs, 2015–16 to 2018–19



Criterion met. Eighty-nine per cent of respondents who attended FTA roadshows during the period reported that their understanding of how to use and benefit from FTAs had increased. A total of 356 participants responded to the survey. Over the last four years, this measure has fluctuated in a very narrow band, varying from 88 per cent to 90 per cent. In all four years, this has been above the target of 85 per cent.

The FTA team ran 23 FTA seminars in 2018–19, which attracted a total of 1,517 participants. This represented an increase of over 100 per cent from the number of participants in 2017–18, during which 22 seminars were run.

Analysis of client services results

The results from Austrade's client surveys—sustained over multiple years—demonstrate that Austrade has been able to provide a consistently high level of service. The overall satisfaction measure has remained above 90 per cent, above the newly raised target of 85 per cent.

When combined with the other survey results—the 73 per cent of respondents who said working with Austrade made a positive contribution to their international business activities, and the 78 per cent who said they achieved a commercial outcome as a result of working with Austrade—we see that Austrade made a positive difference to its clients, and enabled them to achieve commercial success in international business. This responds squarely to Austrade's purpose, as our clients' success translates directly into greater Australian prosperity through increased export earnings, greater profitability, and more employment. Austrade's clients have achieved outcomes even against a backdrop of slowing trade volumes and greater protectionism: trade restrictions on imports have increased sixfold since 2016.

In measuring our performance, we rely on our clients responding to requests for information on the services they received. This method has suffered from an element of survey fatigue among clients in recent years, resulting in falling numbers of respondents to the survey requests—an issue being experienced globally. Austrade and our survey service provider have used a variety of methods to stem the decline in the response rate, which have borne fruit in 2018–19. As a result, the overall results are still robust, but this is a factor in prompting us to re-examine our approach to measuring client satisfaction.

Austrade has been able to maintain these high levels of satisfaction while undertaking a substantial client service redesign during 2018–19. This will lead to new services being introduced over the course of 2019–20. As part of this redesign, Austrade is examining more timely and less burdensome ways for our clients to provide information about how we are performing, while attempting to keep the response rate at a level that provides meaningful information.

Austrade delivers services to attract productive foreign direct investment to Australia. The encouraging investment results have been achieved against a backdrop of global uncertainty and increasing protectionism. With the exception of jobs created/retained, all the other metrics were up on 2017–18. However, it should be noted that the supplementary information on investment outcomes—including investment value, anticipated exports, and jobs created/retained—are all provided to Austrade on a voluntary basis, and may therefore understate the true amount. This factor also introduces additional year-on-year variability into these figures. Productive foreign direct investment contributes to Australian prosperity by creating jobs, raising productivity and lowering prices.

The 74 per cent of respondents reporting that the receipt of an EMDG payment encouraged them to increase their export promotion activities shows the success of the EMDG scheme in stimulating international marketing expenditure. Clients have seen the positive results of international promotional expenditure, which has increased their willingness spend further. Note that the scheme reimburses a portion of expenditure that has previously taken place.

While the results from the key performance indicator for FTA promotion show sustained high performance—above the target of 85 per cent—the ongoing nature of the program means that many attendees have previously attended information sessions. In order to ensure that attendees report an increased understanding of how to use and benefit from FTAs, the sessions have continued to evolve to provide additional information, including about FTAs that have recently entered into force.

Policy

Policy—effective contribution

Effective contribution to whole-of-government policy development, including using Austrade’s commercial insights

Target: Not applicable

Source of criterion: Corporate Plan 2018–19 (Table 3)

Result: Criterion met.

Criterion met. Austrade’s knowledge of government policy agendas and decision-making processes—and our ability to translate that knowledge for our clients’ benefit—is a core element of Austrade’s advantage for our clients and contributes substantially to Austrade’s use of the badge of government to drive value for our clients. We demonstrate our contribution to policy development through the following four examples.

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Working with industry and government to support services exporters

Businesses in the services sector can face unique exporting challenges, with complex and sometimes opaque barriers across government. Austrade is committed to working closely with services exporters and government agencies to identify and pursue action on issues that affect the international competitiveness of Australia’s services sector.

Following a roundtable with industry leaders, hosted by Senator the Hon Simon Birmingham, Minister for Trade, Tourism and Investment in November 2018, Austrade and the Department of Foreign Affairs and Trade worked with financial services, professional services, and information and communications technology and e-commerce exporters to develop practical recommendations to address barriers to services exports and increase competitiveness. Austrade and its partners in government and industry will take forward actions to support services firms to internationalise and simplify domestic regulation.

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Aviation access to key markets

Austrade continued to play an active role in enhancing aviation access to key tourism markets during 2018–19. Austrade participated in the International Civil Aviation Organization Air Services Negotiation Event (ICAN) in December 2018, where the Australian delegation met representatives from a number of markets. New air services arrangements were negotiated with Guyana and Rwanda, and improvements were made to air services arrangements with Sri Lanka, Oman, Jordan and Bahrain. These new arrangements will help achieve the Tourism 2020 upper-bound target of \$140 billion in overnight visitor expenditure by 2020, as well as contribute towards broader trade and international education outcomes.

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Business and investment visa settings

Austrade strives to ensure Australia’s visa settings remain internationally competitive and contribute to national economic prosperity. In 2018–19, Austrade worked with the Department of Home Affairs to develop new fast-track visa options for major foreign investment companies (introduced in March 2019). Austrade industry insights also contributed to the introduction of new global talent migration programs that meet business needs.

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Addressing non-tariff trade barriers

Non-tariff barriers (NTBs) are an increasing concern for Australian businesses looking to expand exports and compete internationally. At the enterprise level, Austrade is making a valuable contribution to a whole-of-government strategy to address NTBs, including partnering with other agencies to launch the Australian Government's action plan for addressing non-tariff trade barriers, and an online gateway for reporting NTBs, in December 2018.

In April 2019, Austrade resolved a significant market entry issue for Australian grape exporters, who have been exporting to Bangladesh for 10 years. The issue arose following a change in import permit requirements, which impacted 95 per cent of Australian grape exports. Based on Austrade's representations, the change to import permits was revised, facilitating the export of Australian grapes to Bangladesh—a testimony to Austrade's value to Australian exporters in tackling NTBs.

Policy—deliver on priorities

Deliver policy priorities and outputs for which Austrade has responsibility, including in the Foreign Policy White Paper, Tourism 2020 Implementation Plan (2015–2020), and Australian International Education 2025

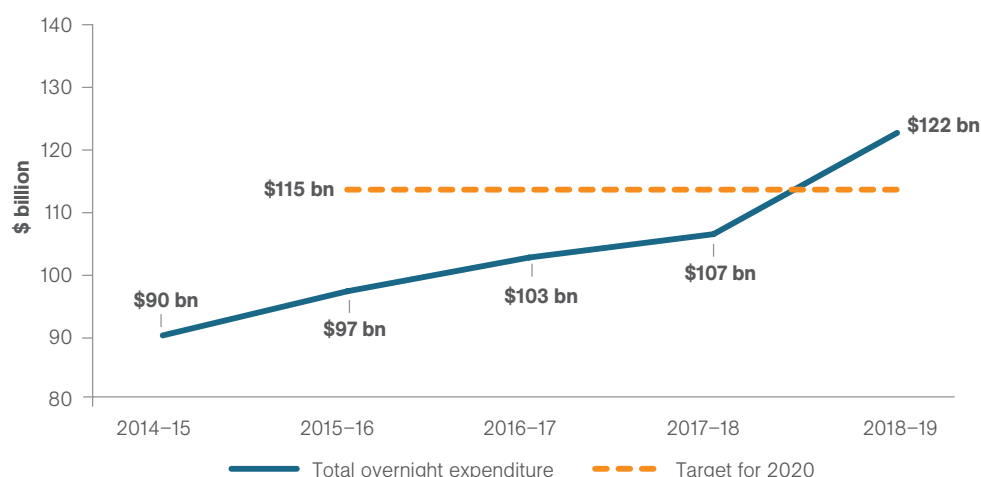
Target (for tourism):

Double overnight visitor expenditure to between \$115 billion and \$140 billion by 2020.

Source of criterion: Corporate Plan 2018–19 (Table 3)

Result: Overnight visitor expenditure reached \$122.1 billion in the 12 months to June 2019.

Figure 13: Total overnight visitor expenditure, 2014–15 to 2018–19



Criterion met**Tourism**Page
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Overnight visitor expenditure reached \$122.1 billion in the 12 months to June 2019. Domestic overnight spend comprised \$77.5 billion, an increase of 15 per cent on the same period in the previous year. International overnight spend comprised \$44.6 billion, up 5 per cent on the same period in the previous year. Together, the increase represented 11 per cent.

This is the first year that overnight visitor expenditure has tracked above the \$115 billion lower-bound target set under the Tourism 2020 strategy, which has the goal of doubling overnight domestic and international visitor expenditure to between \$115 billion and \$140 billion by 2020. Tourism 2020 is a long-term, whole-of-government and industry strategy to build the resilience and competitiveness of Australia's tourism industry and grow its contribution to the Australian economy. It focuses on improving the industry's performance by pursuing new opportunities for growth and addressing supply-side factors.

Foreign Policy White PaperPage
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During 2018–19, Austrade continued to deliver on its business engagement responsibilities under the 2017 Foreign Policy White Paper, including progressing the development of Australia's nation brand. By strengthening Australia's global reputation, this industry-led initiative is designed to attract people to visit Australia, to study, work and invest in Australia, and to buy Australian products and services. The brand is being developed in three stages: the strategy (with inputs from market research) is complete; creative work is in testing; and implementation planning is well advanced.

International educationPage
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The Australian International Education 2025 (AIE2025) market development roadmap sets the aspiration for Australian education providers to increase their reach to more global learners. This includes both attracting more students to study in Australia and expanding our digital and transnational footprint.

As at June 2019, there were 630,000 international students in Australia. While Australia is on track to reach the predicted 720,000 students by 2025, onshore growth is expected to moderate. This follows double-digit growth in onshore student numbers in the preceding five years.

Austrade supports a number of edtech providers, including through our Landing Pad program, to reach a growing cohort of global learners. Our efforts in the education sector play a central role in helping Australian education providers reach more global learners by facilitating partnerships and other in-market opportunities. However, data limitations can make it difficult to measure the digital reach of Australian education providers internationally.

Analysis of policy results

Austrade uses its commercial insights to make contributions to the Australian Government's policy development process. With the exception of tourism policy, other government departments have principal responsibility for policy development. This limits Austrade's ability to drive policy development. In addition, the nature of policy development is that not all efforts translate into tangible outcomes.

However, Austrade's deep commercial knowledge across many sectors allows it to provide valuable insights to the policymaking process, as set out in the examples on pages 29 and 30. Austrade provides particular insights to visa and air services policy development, as these can have significant commercial implications.

As noted above, Austrade has designated responsibility for tourism policy development. Austrade uses the key performance indicator of doubling overnight visitor expenditure to between \$115 billion and \$140 billion by 2020—the target established under the Tourism 2020 strategy—as a proxy for the effectiveness of its work in this area. While many factors are at play in visitor expenditure—including economic growth, exchange rates and major events, which are clearly outside Austrade's control—it remains a valid top-line measure for the success of Australia's visitor economy, and of the policy settings that underlie it.

Consular and passport services

Effective consular and passport services

Timely and effective delivery of consular and passport services to Australians overseas

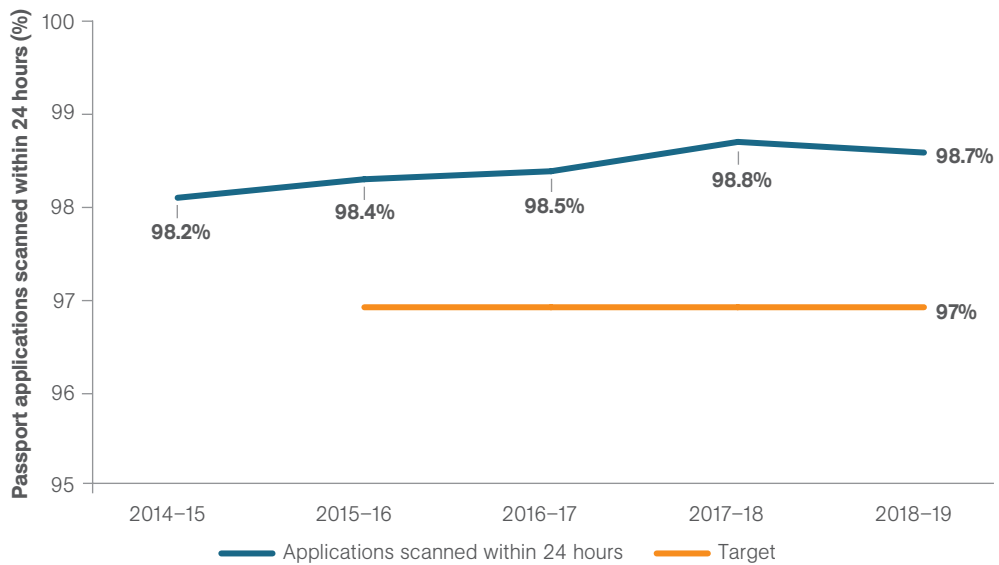
Target: 97% of routine passport applications are processed accurately as per Australian Passport Office benchmark (corporate plan criterion).

Austrade meets DFAT's standards for provision of consular and passport services (PBS criterion).

Source of criterion: PBS 2018–19, Program 2.1 (Table 2.2.3); Corporate Plan 2018–19 (Table 4)

Result: 98.7% of passports processed accurately within 24 hours.

Figure 14: Proportion of passport applications scanned by Austrade within 24 hours, 2014–15 to 2018–19



Criterion met. Austrade delivers consular and passport services on behalf of the Australian Government in particular locations where Austrade has a presence. Austrade's primary responsibility in the process of issuing a passport is reviewing, accepting and scanning passport applications. From that point, the application transfers to the Australian Passport Office, which is responsible for printing and issuing the passport. The high proportion of applications (98.7 per cent) that were accurately scanned within 24 hours of receipt points to Austrade's timely and effective delivery of the component of passport services that lies within Austrade's control. This proportion is slightly (0.1 percentage points) below the level achieved in 2017–18, but the trend over five years shows variance within a very small band, and in all cases over the target of 97 per cent.

The number of passport applications increased by 6.6 per cent in 2018–19, compared to 2017–18.

Note that the Portfolio Budget Statements 2018–19 have slightly different wording for this target from that used in the Corporate Plan 2018–19. While the corporate plan has a target that '97% of routine passports are processed accurately as per [the] Australian Passport Office benchmark', the portfolio budget statements require only that the provision of consular and passport services meets the standards of the Department of Foreign Affairs and Trade (DFAT). The more precise target from the corporate plan will be used in future.

Analysis of consular and passport services results

Austrade delivers consular and passport services through 14 of its locations around the world, in cities where the Department of Foreign Affairs and Trade does not have a presence. We deliver these services on behalf of the Australian Government, leveraging our presence in commercial centres such as Frankfurt, Sao Paulo and Dubai.

Austrade is active in a small but essential part of the process of delivering Australian passports to citizens. It ensures the application forms are complete and correct, and scans the forms into the system provided by the Australian Passport Office. The low error rate points to Austrade's success at managing this service on behalf of the Government. In addition to passport services, Austrade also provides consular services such as document certification and overseeing voting during Australian elections. These services are delivered against a backdrop of increasing security requirements for Australian passports, increasing numbers of Australians travelling overseas, and ongoing demand for Austrade's trade and investment services at posts with consular responsibilities.

Purpose: To deliver quality trade and investment services to businesses to grow Australia's prosperity

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

- › **Program 1.1: Promotion of Australia's export and other international economic interests**
- › **Program 1.2: Programs to promote Australia's export and other international economic interests**

This section includes supplementary narrative discussion, case studies and trend data that demonstrate Austrade's performance against our purpose, as set out in our 2018–19 corporate plan. It complements the summary of results against Austrade's performance criteria included in the annual performance statements (pages 20–32), and also demonstrates Austrade's performance against Outcome 1, Program 1.1 (reported from page 40), and Program 1.2 (reported on pages 89–90, 94–102 and 104–6), as set out in Austrade's Portfolio Budget Statements 2018–19. For more information on the relationship between Austrade's portfolio budget statements, corporate plan and annual performance statements, please refer to Figure 6 on page 18.

Achievements in 2018–19

11,489 jobs created or safeguarded through productive foreign direct investment facilitated by Austrade (see page 25).

73% of all clients responding to a survey said Austrade made a positive contribution to their international business activities—above the 70 per cent target from the Corporate Plan 2018–19 (see page 92).

74% of surveyed Export Market Development Grant recipients reported that the receipt of a grant encouraged them to increase their export promotion activities—above the 70 per cent target from the Corporate Plan 2018–19 (see page 94).

89% of free trade agreement (FTA) seminar attendees responding to a survey reported an increased understanding of how to use and benefit from FTAs as a result of attending a seminar—above the 85 per cent target from the Corporate Plan 2018–19 (see page 88).

Trade and investment environment

Australia faced a challenging global trade and investment environment during 2018–19. Following strong growth in 2017 and early 2018, political risks, along with country- and sector-specific factors, have contributed to slowing growth.

An escalation of trade tensions and a tightening of global financial conditions¹ are major contributors to the global slowdown. A widespread decline in business confidence and higher policy uncertainty has also contributed to reduced global momentum.

Momentum in global activity remained soft in the first half of 2019, largely reflecting an increasingly difficult business environment that included intensified US–China trade and technology tensions as well as prolonged uncertainty on the United Kingdom’s scheduled withdrawal from the European Union. There were positive surprises to growth in advanced economies, but weaker-than-expected activity in emerging market and developing economies. Overall, world growth is forecast at 3.2 per cent for 2019, improving to 3.5 per cent in 2020.²

The International Monetary Fund (IMF) stated that GDP releases so far in 2019, along with generally softening inflation, point to weaker-than-predicted global activity. Investment and demand for consumer durables have been subdued across advanced and emerging market economies as firms and households continue to delay long-term spending. Accordingly, world trade remains sluggish, with expected volume to grow by 2.5 per cent in 2019, down from 3.7 per cent in 2018.³

The IMF noted that the projected GDP growth pickup in 2020 is precarious, as most of the forecast improvement relies on stabilisation in currently stressed emerging market and developing economies and progress toward resolving trade policy differences. It is therefore subject to high uncertainty.

The United Nations Conference on Trade and Development (UNCTAD) reported that global foreign direct investment (FDI) flows continued their slide in 2018⁴—the third consecutive year of decline.

While FDI flows to developed economies reached the lowest point since 2004, falling by 27 per cent, FDI flows to developing countries remained relatively stable. In particular, FDI flows to developing Asia were solid, rising by 4 per cent.

Looking forward, UNCTAD is expecting a rebound in developed economies as the effect of the US tax reforms winds down. Greenfield project announcements—indicating forward spending plans—also point to an increase. Despite this, UNCTAD is projecting a modest recovery of 10 per cent to about US\$1.5 trillion, below the average over the past decade.

Australia remains an attractive place to do business

Australia is the only major developed economy to have recorded consecutive economic growth for the last 27 years and is now deep into its 28th. Australia is forecast to realise average annual real GDP growth of 2.7 per cent between 2020 and 2024. This rate is the highest among major advanced economies and is up from an average growth rate of 2.5 per cent between 2015 and 2019.⁵

1 United Nations, *World Economic Situation and Prospects 2019*, January 2019.

2 International Monetary Fund, *World Economic Outlook Update*, July 2019.

3 Ibid., Table 1, 'Overview of the *World Economic Outlook* projections', page 8.

4 United Nations Conference on Trade and Development, *World Investment Report 2019*, June 2019.

5 International Monetary Fund, *World Economic Outlook* database, April 2019.

Australia has the world's 14th-highest GDP, despite comprising just 0.3 per cent of the world's population. Australia's nominal GDP is estimated at \$1.9 trillion (or US\$1.4 trillion) and accounts for 1.6 per cent of the global economy. In 1999, Australia's total production value was just US\$411 billion, meaning it has more than tripled in two decades.⁶

Australia offers a powerful combination of plentiful natural resources and sophisticated services, backed by a highly educated labour force. Australia's resources sector is relied upon to fuel Asia's industrialisation. Agricultural commodities and premium food are in high demand, as are tourism, education, wealth management, healthcare and professional services.⁷

As a leading education provider, Australia is attracting students from around the world to its globally ranked universities and research and development institutions.

Multinational companies can benefit from Australia's network of free trade agreements. Australia also has strong business and cultural ties with Asia, and longstanding trade, investment and research links with Europe and North America.⁸

Australia's exports by composition and direction

Australian goods and services exports reached a record value of \$438 billion in 2018, up from \$387 billion in 2017.⁹ Australia's total exports accounted for 23 per cent of Australia's economic production, with one in five jobs in the Australian economy involving trade-related activities.¹⁰ Australia's top export markets for 2018 were China, Japan, the Republic of Korea, the United States and India (see Figure 15). Collectively, the top five

markets accounted for 61 per cent of Australia's total exports of goods and services in 2018.

Top-ranking commodities in export value include coal, iron ores and concentrates, and natural gas (see Figure 16). On current projections, Australia will edge past Qatar as the world's largest liquefied natural gas exporter (on an annual basis) in 2019.¹¹ Resources accounted for 49 per cent of Australia's total export value in 2018, growing 21 per cent from 2017.¹²

Australia also punches above its weight in major services exports associated with education-related travel and personal travel (excluding education). Services exports accounted for 21.2 per cent of total exports, valued at \$93 billion. They are fast growing, up 9 per cent from 2017.¹³

Global value chains

Australia's goods and services imports totalled \$415.0 billion in 2018, up from \$377.5 billion in 2017. Our major import markets include China, the United States, Japan and Thailand.¹⁴

Many of the goods and services we import are eventually consumed domestically. This is due to our low share of intermediate imports embodied within our exports. The foreign content of our exports stood at 10.1 per cent in 2016, compared to the OECD average of 25.3 per cent.¹⁵ By definition, that relatively low share of foreign value added in our exports reflects a much higher share of domestic value added. This is consistent with our export mix as we typically specialise in activities such as mining that take place towards the beginning of the global value chain.

6 Austrade, *Why Australia: Benchmark Report 2019*, January 2019.

7 Ibid.

8 Ibid.

9 Department of Foreign Affairs and Trade, *Composition of Trade, Australia, 2018*, July 2019

10 Department of Foreign Affairs and Trade, 'How trade benefits Australia', September 2018.

11 Department of Industry, Innovation and Science, *Resources and Energy Quarterly*, June 2019.

12 Department of Foreign Affairs and Trade, 'Australian trade indicators factsheet', June 2019.

13 Ibid.

14 Department of Foreign Affairs and Trade, *Composition of Trade, Australia, 2018*, July 2019

15 Organisation for Economic Co-operation and Development, 'Trade in value added: Australia', December 2018.

Australia's exporter community

The number of exporters increased more moderately (2 per cent) to 53,015. This continues the upward trend seen in the number of exporters from 2013–14 onwards.¹⁶ Exporters can broadly be classified into three groups:

- › **Large (or 'mega') exporters** generate individual export revenues of \$50 million or more, and account for most of Australia's export value. In 2017–18, this group comprised just 470 goods exporters, which together accounted for around 88 per cent of the value of all goods exports that year.
- › **Small to medium-sized exporters (or SMEx)** generate individual export revenues of between \$250,000 and \$50 million. This group comprised 11,049 goods exporters in 2017–18. The SMEx category accounted for about 11 per cent of goods export value in 2017–18.
- › **Micro-exporters** generate individual export revenues of less than \$250,000 and account for the majority of Australian exporters. Despite their weight of numbers, micro-exporters account for a very low share of total exports by value, and membership of this group exhibits a large amount of churn. In 2017–18, for example, this category accounted for about 78 per cent of goods exporters, but generated less than 0.5 per cent of goods exports by value.

While the mining industry made up only 1 per cent of the number of exporters, they continue to account for over half (57 per cent or \$180 billion) of the exports value. The second most dominant industry was manufacturing, contributing 24 per cent or \$75 billion of the exports value.

The mining industry also accounted for most (\$19 billion) of the increase in value of exports from 2016–17, which represented 79 per cent of the overall export increase of \$24 billion in 2017–18. This increase was influenced by continued demand for Australia's bulk commodities, such as coal and iron ore, and the expansion of multiple liquefied natural gas projects.

Australia's investment environment

Australia's stock of foreign direct investment (FDI) is now worth \$968 billion, having grown by an average 8.5 per cent per year since 2011.¹⁷ For 2018, Australia was the eighth-largest recipient in the world for FDI inflows. The European Union and North America contribute almost half of all the investment that arrives on Australian shores. FDI from the European Union surged by 14 per cent to \$226 billion in 2018. Investment from the United States rose 11 per cent to \$214 billion, while Canadians increased investment by 15 per cent to \$37 billion. Japan is Australia's second-largest investor. With a total FDI stock of over \$106 billion in 2018, Japanese investors now hold 11 per cent of the total stock of overseas investment in Australia. Japan has been Australia's second-largest source of FDI since 2015, when it overtook the United Kingdom.

In 2018, Australia's mining sector garnered 38 per cent of the total stock value of FDI in Australia. This means that overseas investors have stock worth \$366 billion invested in Australian mining. Next most popular among overseas investors are Australia's manufacturing and financial services sectors, followed by real estate. Together, these three sectors account for one-third of total FDI stock value. Some of

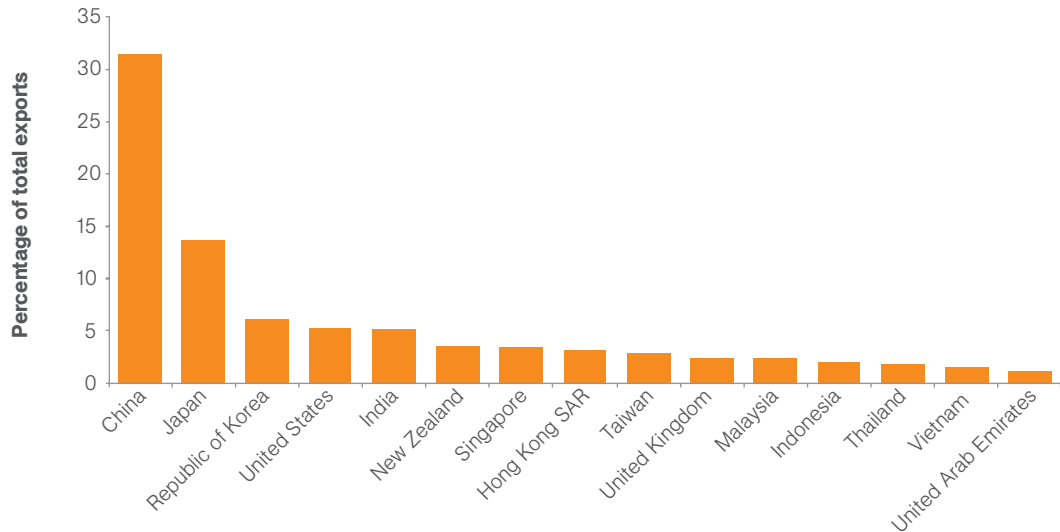
¹⁶ Australian Bureau of Statistics, *Characteristics of Australian Exporters, 2017–18*, cat. no. 368.0.55.006, 21 August 2019.

¹⁷ Australian Bureau of Statistics, *International Investment Position, Australia: Supplementary Statistics, 2018*, cat. no. 5352.0, 8 May 2019.

the less traditional destinations for overseas capital are also exciting interest. Australia's utilities sector holds \$22 billion in overseas-

owned assets. Meanwhile, foreign investors hold stakes worth \$9 billion in Australia's vibrant accommodation and food services sector.

Figure 15: Australia's top 15 export destinations for goods and services, 2018 (calendar year)

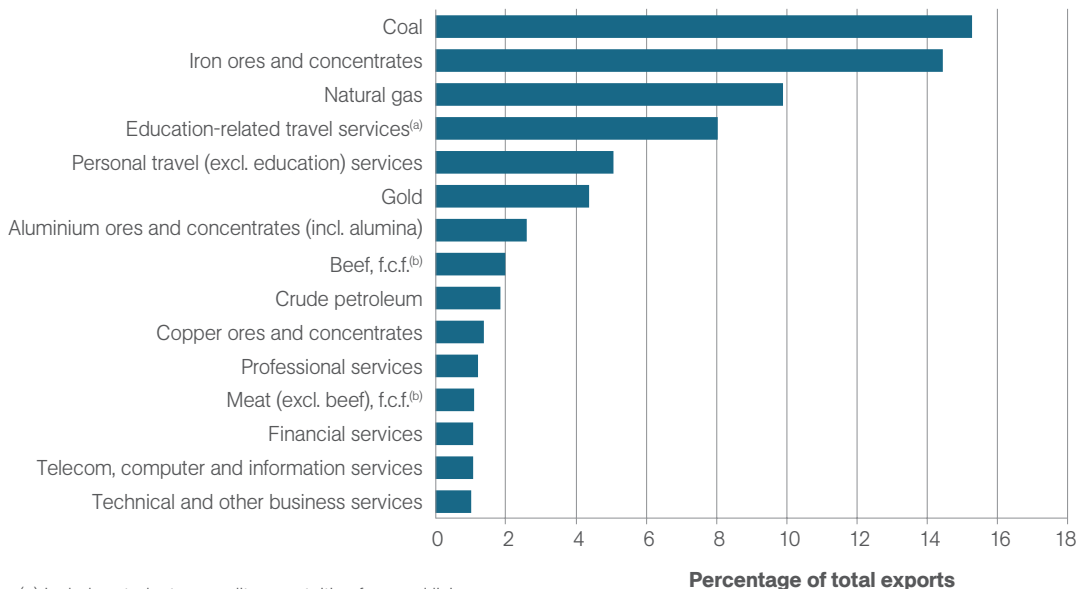


SAR = Special Administrative Region

Note: In Austrade's 2017-18 annual report, the relative positions of Japan and the Republic of Korea were erroneously transposed.

Source: DFAT and Austrade.

Figure 16: Australia's top 15 exports of goods and services, 2018 (calendar year)



(a) Includes student expenditure on tuition fees and living expenses.

(b) Fresh, chilled or frozen.

Source: DFAT and Austrade.

Structure and approach

Austrade works to match identified international demand with Australian capacity, capability and appetite for developing international markets. We do this by identifying the most suitable markets for exporting Australian products and services, as well as the market entry strategies most likely to succeed in developing international markets. We adopt a similar process when evaluating source markets for attracting productive foreign direct investment to Australia.

Austrade undertook an organisational capability assessment in 2017–18. One of the recommendations from that assessment was a revised operating structure, in which regional teams (each led by a general manager) would operate in seven distinct global regions to enable a coordinated approach, more efficient operations and improved engagement across regions, onshore and offshore.

Complementing the regional teams are eight sectoral lead teams, which are managed by senior industry/sector specialists responsible for identifying high-growth opportunities and the international positioning of Australia's capabilities. For more information on Austrade's sector approach, see pages 56–71.

The two parts of the organisation—the seven regional teams and the eight sectoral teams—work together across onshore and offshore operations in response to opportunities and priorities, and to manage key accounts and different client groups. This structure was in operation for all of 2018–19.

Austrade's international network

From June to September 2018, Austrade undertook analysis and review of its international network to identify opportunities to position Austrade for the future and support the broader transformation work currently being completed across the agency. The review considered Austrade's footprint, resource distribution and operating practices and how the network could be optimised. This was supplemented by discussions with Austrade's senior leadership, and targeted consultation with key stakeholders.

The analysis and review focused on the current operating model to address the following key elements:

- › where to play—analysis of Austrade's limited resources and where they could be best deployed to optimise return on investment, deliver value to clients, and fulfil government priorities
- › what to play—a sharpening of focus on trade and investment, with emphasis on enabling our understanding of services over time
- › how to play—a review of Austrade's processes, capabilities and partnerships to strengthen its operational performance.

In response to the findings from the international network review, Austrade released the report *Optimising Austrade's International Network: Blueprint Phase One* in November 2018.

Notably, the findings highlighted opportunities for changes to Austrade's current footprint and resource allocation, in particular reweighting resources across the network to strengthen and sharpen our activities in North East Asia, Greater China, ASEAN, South Asia, the Middle East and Africa, North America, Latin America, and New Zealand and the Pacific. Details of these changes are included in the regional outlines on pages 41–56.

At 30 June 2019, Austrade's network comprised 117 physical locations, including 10 offices in major Australian centres, which are complemented by 28 TradeStart offices (see Figure 1 on pages 6–7). Overseas, Austrade operates in 48 markets with 79 points of presence, 14 of which also provide consular services. In addition to these locations, Austrade has established Landing Pads in San Francisco, Tel Aviv, Shanghai, Singapore and Berlin, which are in separate locations to Austrade offices (see page 78). Austrade also operates the Australian Trade and Defence Office in West Jerusalem (see page 112).

The following pages provide a snapshot of our achievements during 2018–19 in each of the seven regions that make up Austrade's international network.

ASEAN and Pacific

Austrade's ASEAN and Pacific region comprises 13 points of presence and 112 staff across eight ASEAN countries (Indonesia, Singapore, Malaysia, Brunei, Thailand, Myanmar, Vietnam and the Philippines) and with offices in New Zealand, Papua New Guinea and Fiji. Austrade's regional headquarters is in Jakarta. We provide consular services in Auckland, and operate a Landing Pad in Singapore.

Austrade's international network review (see page 40) recommended bolstering resources in Kuala Lumpur, Hanoi and Ho Chi Minh City, establishing Jakarta and Surabaya as two major hubs in Indonesia, and strengthening Singapore's role as one of Austrade's five global investment hubs. As a part of Austrade's pivot toward ASEAN and the Pacific, commencing in 2019–20, Austrade will separate the management of New Zealand and the Pacific from ASEAN and establish Auckland as Austrade's regional hub and headquarters for the Pacific. This change reflects the growing strategic importance of

both the New Zealand and Pacific region and the ASEAN region, and reinforces Austrade's commitment to both regions.

The fast-growing ASEAN economies will become an increasingly important market for Australia. With a growing combined GDP of US\$2.97 trillion,¹⁸ more than 640 million consumers, a young demographic and a growing middle class. ASEAN accounted for some 14 per cent of total Australian trade in 2018, placing it second among Australia's trade partners. On the investment side, Singapore was the sixth-largest investor in Australia, reinforcing its significant role in Austrade's investment network.

In particular, Deloitte Access Economics expects Indonesia to become the world's fifth-largest economy by 2030, with the region's largest forecast growth in imports (8.3 per cent), seeing it overtake Thailand and Malaysia to become the region's second-largest importer (after Singapore) in the next 10 years.¹⁹ Equally, Austrade's clients have identified Indonesia as one of the key markets they are looking to explore. However, it remains a complex market where business-to-government links are critical—an area where Austrade can provide support. On 4 March 2019, Australia and Indonesia signed the Indonesia–Australia Comprehensive Economic Partnership Agreement (IA-CEPA). This agreement provides commercially meaningful outcomes for both countries and covers goods and services trade as well as investment. Once ratified, IA-CEPA will provide more certainty for Australian exporters and will guarantee the automatic issue of Indonesian import permits for key products such as live cattle, frozen beef, sheep meat, feed grains, rolled steel coil, citrus, carrots and potatoes.

¹⁸ Based on World Bank open data, available at <https://data.worldbank.org>.

¹⁹ Analysis by Deloitte Access Economics in Austrade, *Optimising Austrade's International Network: Blueprint Phase One*, November 2018.



Chris Bandy Trade Commissioner, Jakarta

As Trade Commissioner at Austrade's Jakarta office, Chris Bandy is responsible for assisting Australian

businesses access the Indonesian market across the defence, advanced manufacturing, infrastructure and consumer sectors.

Despite the challenges of the Indonesian market, Chris has seen many Australian businesses achieve success there. He said the recently signed Indonesia–Australia Comprehensive Economic Partnership Agreement will strengthen the trade and investment relationship between the two countries.

'You can't expect a return overnight,' Chris said. 'Indonesia is a relationship-based market where your largest initial investment will be time—time to understand the market and culture, time to find the right local partner, and time to refine your offering to suit the Indonesian market.'

Prior to working at Austrade, Chris worked in the international education sector, as well as with the Department of Foreign Affairs and Trade in Indonesia.

Chris has bachelor degrees in Asian Studies and Journalism from Curtin University and speaks fluent Bahasa Indonesia.

While fellow ASEAN member countries are the main recipients of investment flows from ASEAN firms, the size of outbound foreign direct investment from ASEAN to Australia grew by 6.5 per cent in 2018. This was led by Singapore, and Thailand—which grew by more than 7 per cent.²⁰ Leading ASEAN corporates and venture capitalists are diversifying their portfolios and view Australia as an attractive investment destination. Austrade's investment specialists have noted a rise in strategic acquisitions and joint ventures in the services and technology and renewable energy sectors as companies in the region look to expand and diversify their revenue streams.

Demand for premium food products has increased in the large emerging middle-class markets in the region. Austrade's efforts include providing strategic advice and support to expand channels to market for Australian fruit across ASEAN, through to effective collaboration with Horticulture Innovation Australia.

Austrade also continued to run programs in support of Australia's international education. In February 2019, Austrade coordinated 10 Australian universities and four training providers to present to the Indonesian Ministry of Communication and Information Technology regarding the ministry's digital talent scholarship program. This program aims to upskill 26,000 Indonesians in digital literacy in partnership with Indonesian institutions.

²⁰ Australian Bureau of Statistics, *International Investment Position, Australia: Supplementary Statistics, 2018*, cat. no. 5352.0, 8 May 2019.

In the resources and energy sector, Austrade continued to work with oil and gas services and technology companies to develop opportunities in the region, successfully building on existing partnerships with major customer Malaysian Petronas to match Australian oil and gas expertise to its supply chain requirements. This body of work demonstrated Australia's capabilities in providing the latest solutions to international operators.

Greater China

In 2018–19, the Greater China region—comprising mainland China, the special administrative regions of Hong Kong and Macau, and Taiwan—continued to be of strong interest to Australian businesses looking to internationalise their activities. During 2018–19, Austrade operated 12 points of presence and employed 113 staff in the region, in addition to operating a Landing Pad in Shanghai. Given the region's significance, Austrade will maintain its level of resourcing in the region, but will focus on its major hubs (Beijing, Shanghai, Chengdu, Guangzhou, Hong Kong and Taipei), as well as strengthening resources in areas of high demand, such as Shenzhen.

Together, Greater China accounted for almost 40 per cent (\$162.2 billion) of Australia's total exports in 2018 and 29 per cent (\$250 billion) of total two-way trade.²¹ This makes Greater China Australia's largest export market. On the investment side, despite overall declines in outflows in 2018–19, Chinese interest in Australia as an attractive investment destination remained strong. Sectors receiving significant attention included renewable energy (wind and solar) and battery storage, healthcare services and tourism infrastructure.

Over the period 2007–2017, the number of employees in the private sector in China grew substantially, while the number of people employed by state-owned companies remained static. The largest and fastest growing contributor to the economy is the technology sector—43 per cent of the world's global unicorn companies (private startups with a market cap exceeding US\$1 billion) are located in China.

Rapidly developing and disruptive technologies such as artificial intelligence, virtual and augmented reality, and autonomous and electric vehicles, including the development of hydrogen as an alternative energy source, are providing significant new areas of commercial cooperation between Australia and China. In addition, Austrade is focused on the promotion of greater commercial collaboration across the agribusiness and food, health and medical, infrastructure, financial services, and education sectors, which all continue to show strong potential for growth.

Our initiatives in the education sector included a focus on research commercialisation opportunities, with 10 Australian universities exhibiting research articles at the China International Import Expo. In addition, Austrade's China Education Business Planning Summit in May 2019 involved nearly 130 stakeholders from institutions, education agencies and government coming together to discuss and share long-term market planning. Austrade and its partners undertook promotion of Australia as a study destination that generates strong career outcomes at careers fairs in Beijing and Shanghai. A Group of Eight employer roundtable also allowed Australia's top research universities to showcase their graduate attributes to over 50 leading Chinese employers.

²¹ Department of Foreign Affairs and Trade, China, Hong Kong and Taiwan trade and investment fact sheets, February 2019.

Case study: Festival of Australia deepens ties with China

In conjunction with industry and business partners, in May–June 2019, Austrade undertook one of the most significant promotions of Australia in China to date. The Festival of Australia consisted of 41 separate events across 10 cities in China, positioning Australia as a supplier of high-quality food and beverages, and financial, health and medical services and technologies.

The two-week festival also highlighted the Australian lifestyle and sports, and provided a unique opportunity to expand our networks and test new ways of profiling Australia.

An integrated digital marketing campaign using social media platforms WeChat and Weibo, as well as live streaming events in partnership with Alibaba and Port Adelaide Football Club, resulted in an overall verified audience of more than 90 million over the two weeks of Festival of Australia activities.

One single live streaming event, 'Breakfast of Champions', held prior to the Port Adelaide versus St Kilda AFL match in Shanghai,

promoted Australia's finest breakfast products and ingredients, resulting in a viewership of over 8 million.

The success of the model in reaching large audiences of consumers and businesses in China provides a strong foundation for future similar initiatives to support Australia's branding and reputation in the market.



Well-known food blogger Mo Mo live streams to her fans at the 'Breakfast of Champions' event, part of the Festival of Australia in China.

Energy reform in Taiwan is driving growth in the island's renewable sector, and Austrade supported Taiwanese and Australian firms to establish partnerships in offshore wind and large-scale solar developments. Recognition of Australian biomedical capability is strong, with Taiwanese pharmaceutical companies conducting clinical trials in Australia and seeking collaboration in digital health. As Australia is already the second most popular study destination for Taiwanese students, Austrade is partnering with Taiwanese government

and industry stakeholders to bring Australian expertise in industry skills training to the market.

In the Hong Kong market, Austrade is focused on introducing Australian opportunities to Hong Kong's extensive network of major investors. For example, in the tourism sector, Austrade partnered with Tourism Australia to exhibit hotel and regional investment opportunities as part of the Hotel Investment Conference Asia Pacific 2018.

Partnerships that assist business are an important part of Austrade's strategic planning in the Greater China market. In 2018–19, Austrade worked closely with state and territory governments, chambers of commerce, industry associations, and marketing bodies such as Tourism Australia, Meat & Livestock Australia, Dairy Australia, Horticulture Innovation Australia and Wine Australia to deliver promotional events and seminars across China that supported businesses (see case study on page 44).

Engaging with mainland Chinese, Hong Kong and Taiwanese corporates, and in particular the private sector, to attract further investment into government priority sectors such as waste management, resources and energy, and health will be a continuing focus for Austrade over the short to medium term.

South Asia

As at 30 June 2019, Austrade operated from 11 points of presence and with 54 staff across South Asia, with its regional headquarters in New Delhi. The region covers India, Sri Lanka, Nepal, Pakistan and Bangladesh. Austrade's international network review recommended an optimisation and bolstering of resource allocation across India. In addition, the review also recommended that Pakistan transfer into the Middle East and Africa region during 2019–20 to leverage the well-established trade route between the United Arab Emirates and Pakistan.

In 2018, Australia's total exports to India grew 10 per cent to \$22.3 billion. India ranked number five in Australia's export destinations. Our two-way trade increased by a similar percentage to \$30.4 billion, ranking India at number six.²² Australian investment in India

increased almost 12 per cent to \$15.6 billion, slightly ahead of India's investment in Australia at \$15.1 billion.²³ However, in 2016–17, only 2,087 exporters engaged with India, compared to 7,214 with China.²⁴ Total two-way trade with the region included significant contributions from Bangladesh (\$4.2 billion), Nepal (\$2.4 billion), Sri Lanka (\$1.7 billion) and Pakistan (\$1.7 billion).²⁵

High growth rates are expected to continue in India and the wider South Asia region. India is already the sixth-largest economy in the world, with a GDP of US\$2.84 trillion in 2018 and an annual growth rate of around 7.3 per cent.²⁶ India is also the fastest growing major economy, and is poised to move to a top-three global position by 2030. Despite recent gains, ease of doing business remains relatively low, though improvements are being made through such measures as the goods and services tax, the introduction of a bankruptcy code, e-government and financial inclusion.

India is reliant on imports of key commodities such as energy, food and raw materials, and is therefore susceptible to price fluctuations and subsequent balance of payments and inflation pressures. Other challenges include the complexity of delivering physical and social infrastructure to 1.3 billion people and approximately 12 million job seekers entering the market each year. Australia and India's economies are complementary in many ways, and these challenges offer avenues for the two markets to engage. For example, exports of education

²² Department of Foreign Affairs and Trade, trade time series data 2018, <https://dfat.gov.au/about-us/publications/Pages/trade-statistical-pivot-tables.aspx> (accessed 17 May 2019).

²³ Australian Bureau of Statistics, *International Investment Position, Australia: Supplementary Statistics 2018*, cat. no. 5352.0, 8 May 2019.

²⁴ Australian Bureau of Statistics, *Characteristics of Australian Exporters, 2016–17*, cat. no. 5368.0.55.006, 20 June 2018.

²⁵ Department of Foreign Affairs and Trade, country fact sheets—Sri Lanka, Pakistan, Nepal and Bangladesh, <https://dfat.gov.au/trade/resources/Pages/trade-and-economic-fact-sheets-for-countries-economies-and-regions.aspx> (accessed 31 July 2019).

²⁶ World Bank national accounts data, and OECD national accounts data files.

Case study: Helping Australian institutions navigate transnational education opportunities in India

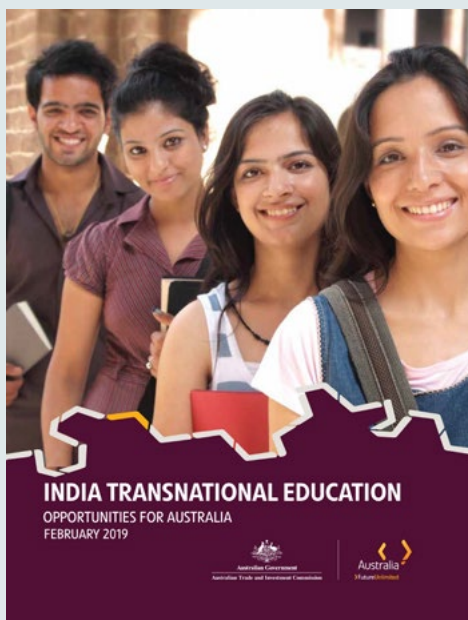
Australian higher education institutions are significantly increasing their engagement in South Asia to build partnerships and diversify business risk. In February 2019, Austrade launched the report *India Transnational Education: Opportunities for Australia*. The report responds to demand from institutions for more information on how to establish a presence in India on their own. India has a particularly complex regulatory system, with legal, tax and capital movement requirements relating to the establishment of foreign education entities.

Despite this complexity, a number of foreign education institutions, including some from Australia, have successfully established corporate structures in India. These structures support a range of activities, while adhering to the regulatory limitations on foreign institutions awarding degree programs on their own and setting up a campus in India.

In developing the report, Austrade worked with the Australian Department of Education and Training in New Delhi and engaged a professional services supplier of market entry, tax and regulatory advice on technical issues. The report helps Australian institutions understand regulatory

changes in the sector, and in-market corporate structures.

Reinforcing Australia's brand presence in India is a key recommendation of the India Economic Strategy. India's recent regulatory changes allow for the country's domestic institutions to operate with more autonomy, which will in turn catalyse more opportunities for Australia. This report will continue to inform and engage Australia's higher education institutions and allow them to target the best strategy for market entry.



services (student recruitment) already represent \$8.5 billion to the Australian economy,²⁷ and education was identified as the flagship sector under the India Economic Strategy.

Key activities for Austrade in South Asia during 2018–19 included responding to the report, *An India Economic Strategy to 2035: Navigating from Potential to Delivery*, and joint delivery with the Department of Foreign Affairs and Trade of the India Economic Roadshow, which engaged up to 600 business in Australia. In addition to education (as noted above), the report identified three lead sectors (agribusiness, resources and tourism) and six promising sectors (energy, health, financial services, infrastructure, sport, science and innovation).

In the education sector, Austrade developed strategies and worked with Australian institutions seeking in-market engagements and partnerships. Thirty-seven opportunities were produced for Austrade's Market Information Package, with 3,990 page views, including a report on transnational education opportunities with India (see case study on page 46), and India's 'knowledge cities'. Austrade continued to digitise the 'Film, Fly, Experience Australia' video competition and rolled out an associated social media campaign that generated more than 5.9 million impressions and a reach of more than 870,000 students and parents.

As the region is an energy importer, Austrade is particularly active in exploring opportunities for Australian resources and energy businesses. Australia participated in the International Mining and Machinery Exhibition 2018 in Kolkata as the 'Focus Country', featuring 31 Australian exhibitors and a 57-member Australian mining business delegation. Australian participation profiled the

entire mining value chain covering IT, mining machinery, mineral beneficiation, environment, safety and training. To build Australian businesses' understanding of the Indian market, Austrade also focused on delivering insights, webinars and virtual showcase activities on food and agribusiness, as well as other sectors.

On the investment side, Austrade facilitated investment in Australia by India-based Ola Cabs, an online transportation network company developed by ANI Technologies. Ola Cabs is now operating across six major Australian cities, and has recruited approximately 45 employees in addition to the drivers who use their ride sharing platform. The company is now in the process of establishing an Australian head office and a second site focused on research and development for internal operations.

North East Asia

Austrade's North East Asia regional grouping consists of Japan, the Republic of Korea (Korea) and Mongolia, with a total of 58 staff. Austrade has four offices across Japan—three of which provide consular services—as well as a presence in Seoul and Ulaanbaatar. In Japan, the New South Wales and South Australian trade and investment offices are co-located with Austrade in Tokyo.

In 2018, Japan and Korea represented Australia's second- and third-largest export markets, respectively, while Japan's investment stock (including portfolio investment) in Australia was the fourth largest in 2018.²⁸

27 Australian Bureau of Statistics, *International Trade: Supplementary Information: Calendar Year, 2018*, cat. no. 5368.0.55.004, 24 May 2019 (Table 7.4).

28 Department of Foreign Affairs and Trade, 'Australian trade indicators factsheet' and 'International investment Australia factsheet', June 2019.

Case study: Novotech contracted by Korea's PharmAbcine to conduct clinical trials in Australia

Korea-based PharmAbcine has engaged Novotech, one of Australia's largest contract research organisations, to undertake the initial trials of a brain cancer treatment in Queensland. As part of its expansion plans, PharmAbcine has established an office in Brisbane and will expand its footprint to other Australian cities.

According to Dr Jin-San Yoo, President and CEO of PharmAbcine, the trials showcase Australia as a preferred partner for Asia-based drug development companies. Australia provides access to a wide diversity of patients for trial enrolment and the ease of working in a proximate time zone. Other factors working to Australia's advantage are a competitive cost structure, advanced medical research environment, rapid trial approvals and robust regulatory framework.

Novotech completed early-phase trials in Queensland in August 2017. After gaining both orphan drug designation and investigational new drug approval from the US Food and Drug Administration, PharmAbcine and Novotech are preparing for global Phase 2 trials.

'Austrade was instrumental in supporting PharmAbcine's efforts with conducting

clinical trials in Australia by introducing a contract research organisation and providing essential regulatory information,' said Dr Yoo.

'Furthermore, Austrade's support throughout the AusBiotech conference—facilitating business meetings with industry and relevant government bodies—helped us ascertain that Australia was the right destination for PharmAbcine to invest into for our global expansion strategy.'



Korea was also among the top 20 investors in Australia, and has been growing at more than 7 per cent annually over the last five years. North East Asia's deep and mature capital markets make Australia a natural complement for the region as it seeks to diversify via profitable and stable investment opportunities overseas.

Both Japan and Korea are mature and dependable business partners, with a combined bilateral trade value with Australia of \$126.7 billion in 2018.²⁹

²⁹ Department of Foreign Affairs and Trade, Japan and Korea fact sheets, June 2019.

Notwithstanding the uncertain impact of the current trade dispute between the United States and China, Japan's real GDP is still set to grow at 1 per cent, which reflects additional fiscal support to mitigate the planned effects of the increase in consumption tax in October 2019. The outlook for Korea, at 2.6 per cent real GDP growth, reflects its reliance on export-led growth and aggressive international investment growth plans. However, growth in both countries will moderate again unless longer-term productivity, wage inflation and female workforce participation rates are addressed.

Despite their modest growth rates, both countries are at the forefront in Asia of digitisation, which continues to support strong corporate capital investment, and presents trade and investment opportunities for Australia. Offsetting the broader economic slowdown, technology industries such as e-commerce, mobile payments, and artificial intelligence will unleash productivity increases. In particular, Korea's 5G network launch in April 2019 will foster an ecosystem of next-generation, network-based industries and services. On the demand side, an increase in Japan's inbound tourism numbers to 40 million in 2020 with the support of the Tokyo Olympics, burgeoning aged care sectors, as well as leading medtech sectors, will drive some incremental economic growth in both countries.

Austrade's sector engagement in trade and investment in the region has an emphasis on food and agriculture, health, infrastructure, defence industries, education, tourism, and resources and energy.

To support a low-emissions energy future and assist in generating economic opportunities through exports and investments in natural resources, Austrade is also pivoting towards a focus on new energy outcomes. Austrade

attracted over 20 Japanese companies to the 'Australia's Hydrogen Future' seminar, led by Dr Alan Finkel, Australia's Chief Scientist, and Dr Patrick Hartley, Research Director, Oil, Gas and Fuels, CSIRO (see also 'Energy markets' on page 67). In partnership with the South Australian and Queensland governments, and with representatives from six Australian companies, Austrade attended the 15th Fuel Cell Expo in Tokyo in February 2019 to raise awareness of Australia as a prospective hydrogen exporter for Japan.

Austrade contributed to a number of outcomes across the region during the year. For example, Austrade's assistance helped the following Australian organisations win contracts in the Japanese tourism sector:

- ▶ the Holmesglen Institute of TAFE will provide hospitality training to help prepare students for the global tourism market
- ▶ Rugby Australia will deliver pre-Rugby World Cup event promotions
- ▶ GAO Group will deliver digital marketing services.

To increase cooperation in IT and cyber, the Faculty of Engineering and Information Technology at the University of Technology, Sydney (UTS) signed a partnership agreement with Hokkaido University. Under a Hokkaido University-funded program, UTS developed an 'internet of things' and blockchain-enabled provenance tracking system for high-value Japanese Wagyu beef. Austrade also ensured that the blockchain protocol can be applied to Australian beef exports in the event of a biosecurity issue.

In response to growing demand for critical minerals such as lithium and cobalt, essential for high-tech industries in Japan and Korea, Austrade used its extensive contacts in

existing supply chains and in the research and development sector to push for collaboration and develop new sources of the minerals that will be more sustainable and competitive. Opportunities were presented at a seminar hosted by Austrade, Geoscience Australia and the Japan Oil, Gas and Metals National Corporation (JOGMEC) in Tokyo in October 2018.

Middle East and Africa

Austrade has 10 points of presence and 53 staff in the Middle East and Africa region, which covers 67 countries. The region comprises two distinct subregions—the Middle East and North Africa, which also includes Turkey, and Sub-Saharan Africa. Austrade's regional headquarters are in the United Arab Emirates (UAE) commercial hub, Dubai, where Austrade also provides consular services, as well as services to the staff of four Australian Government agencies.

Following Austrade's international network review, Pakistan will become part of Austrade's Middle East and Africa region during 2019–20 to leverage the well-established trade route between the UAE and Pakistan. Also in response to the review, Austrade will reposition resources from the Middle East and Africa to India, and rebalance resource allocation within the Middle East and Africa region.

The UAE is Australia's largest trading partner in the region by a wide margin, and ranks 15th overall. Foreign direct investment in Australia from the region was valued at \$34.4 billion (cumulative) in 2018, with investors from the UAE, Kuwait, Saudi Arabia and South Africa accounting for most of this investment.

The World Bank expects economic growth in the Middle East and North Africa to be around 1.5 to 3.5 per cent during 2019 to 2021. According to the International Monetary Fund, regional growth

in Sub-Saharan Africa is predicted to increase to 3.5 per cent in 2019 from 3 per cent in 2018, before stabilising around 4 per cent over the medium term. Saudi Arabia, Iran and the UAE are the largest economies in the Middle East, making up almost two-thirds of its GDP. In Africa, Nigeria is the largest economy, but South Africa is Australia's largest export destination, accounting for 35 per cent of total exports to the continent in 2017.

Within the Middle East and Africa, a number of factors are at play that determine where Austrade directs its efforts. A growing population, expanding middle class, rising disposable income, technology adoption, and investment in digital trading platforms have given a boost to e-commerce in the region—retail e-commerce sales in the Middle East and Africa are expected to rise to \$49 billion by 2021.

Africa alone holds more than 30 per cent of the world's mineral deposits, and around 165 Australian mining companies are currently doing business across Sub-Saharan Africa.

Healthcare is a key focus area for the Gulf Cooperation Council and African nations, and substantial investments are being made in the sector. Increased demand for healthcare, driven by higher prevalence of non-communicable diseases, population growth, and longer life expectancy, has helped identify clear opportunities to drive Australia's health services exports, and grow the digital health and medical technologies trade into the region.

Major events across the region—including Expo 2020 in Dubai and the 2020 G20 summit in Riyadh, Saudi Arabia—are providing opportunities for major contracts in the sectors described above.

To respond to these developments, Austrade

has developed insights on the e-commerce landscape in the UAE, Saudi Arabia, Turkey and Africa. In the mining and resources sector, Austrade has highlighted opportunities in process technologies, energy management, safety and environmental management through participation at Africa Down Under in Perth (August 2018), the Africa Focus Day at the International Mining and Resources Conference in Melbourne (October 2018), and the Investing in African Mining Indaba in Cape Town, South Africa (February 2019).

In collaboration with the Department of Foreign Affairs and Trade, state governments and industry associations, Austrade is organising a number of outreach activities to allow Australian businesses to take advantage of international commercial opportunities through Expo 2020. Australian companies have already been successful in winning major contracts worth \$100 million, including construction and design of expo buildings, event management and IT solutions.

Austrade is also active in the Middle East and Africa's food and agriculture sector, which is expanding due to a growing population and economic diversification. Australia has a growing presence at Gulfood in Dubai each year, and the Gourmet Australia in Africa events in Kenya and Tanzania resulted in increased demand and supply of Australian wines, and the first ever Australian Wagyu beef import into East and Central Africa.

The regional education strategy aims to transition Australia's position to a preferred partner in education delivery, services and technology. In March 2019, Austrade and EduGrowth partnered with Dubai Future Accelerators to run the UAE's first edtech boot camp, introducing seven clients to the UAE edtech market and facilitating connections to public and private partners and decision-makers.

Austrade also worked on strengthening Australia's position in defence, infrastructure and emerging technologies (fintech, blockchain and e-commerce). Australian defence industry companies received a boost through the first Oman defence industry trade mission, held in Muscat, in March 2019. Austrade also worked with Smart Dubai to invite three leading Australian subject matter experts as speakers to the Future Blockchain Summit in Dubai in April 2019. To coincide with the summit, Austrade ran its inaugural Australian blockchain mission, a tailored program for 19 delegates to profile industry expertise through engagements with government entities, accelerators, corporates and other startups.

Europe

With its regional headquarters in Frankfurt, Austrade operated 13 points of presence with 65 staff across the Europe region, which also encompasses Israel, Russia and Central Asia. An important development in 2018–19 was the establishment of the Australian Trade and Defence Office in West Jerusalem, while the programs delivered by the Landing Pads in Berlin and Tel Aviv continued to evolve. Austrade's activities in the region remained predominantly focused on the attraction of productive inward investment and promotion of education, with trade services for exporters provided in targeted sectors and less established markets in Central and Eastern Europe. In addition, Austrade provides consular services from four offices across the region.

Austrade's international network review recommended streamlining resource allocation in Russia and repositioning resources across Europe and India. The review also recognised Austrade's strong focus on attracting productive investment from Europe.

Case study: Australia–France Fintech Initiative

Inspired by a June 2018 event in Paris co-hosted by HE Mr Brendan Berne, Australian Ambassador to France, and Dr Stephanie Fahey, Austrade CEO, the Australia–France Fintech Initiative brought together leaders in the French fintech ecosystem, including major banks, innovative scaleups, regulators and fintech associations, to raise awareness about the Australian fintech sector and explore potential joint initiatives and collaboration.

Given the dynamism and ambition of both the French and Australian fintech sectors, promoting and reinforcing business-to-business and government-to-government exchanges was a natural process.

In January 2019, an Australian delegation attended the Paris Fintech Forum, with a return visit by a French delegation scheduled for Intersekt—a major fintech event—in Melbourne in October 2019.

Specific areas of interest include business and university collaboration, with knowledge exchange and joint research projects around technologies such as blockchain and quantum computing. Strong appetite emerged for broader information sharing around best practice in regulation, transaction security, market infrastructure, open banking and green finance.

The Australia–France Fintech Initiative's objectives include facilitating exchanges, driving technical innovation, creating new products and financial services, and increasing competitiveness, business cooperation and licencing between French and Australian financial actors.

A concrete example of the initiative's success was a commercial agreement signed between Australian high-growth blockchain company Pellar Technology with Atos, a world leader in IT infrastructure and solutions. This agreement enabled Pellar to participate in Atos's global value chain, reinforcing Australia's leadership position in blockchain technologies.



The Paris Fintech Forum 2019 brought together over 2,700 attendees from 75 countries to listen to more than 280 CEOs from banks, insurance, regulators and fintech companies on digital finance and fintech.

The European Union (EU) as a whole is one of the world's most powerful economies, with combined GDP of US\$18.7 trillion in 2018³⁰ and eight of the world's top 20 economies. The EU and Australia are strong economic partners, with

bilateral merchandise trade of over \$73 billion in 2018, and bilateral trade in services adding a further \$36 billion.³¹ Europe is a major source of investment capital and innovation for Australia, with foreign direct investment (FDI) from the EU surging 14 per cent in 2018 to

³⁰ Department of Foreign Affairs and Trade, European Union fact sheet, February 2019.

³¹ Ibid.

\$226 billion—Australia's largest source of FDI. The EU was Australia's second-largest outbound investment destination, with total stocks of outward investment (including FDI) standing at \$713 billion in 2018.³²

Australia has opened free trade agreement (FTA) negotiations with the EU, with the third round held in Canberra in March 2019. The FTA is likely to generate significant opportunities for Australia to expand business ties with an affluent market that shares many common values and interests.

The United Kingdom's planned exit from the European Union (or 'Brexit') was postponed to October 2019. The Australian Government has committed to launching free trade negotiations with the United Kingdom as soon as possible. Brexit has generated considerable uncertainty and likely shifts in commercial operations, presenting both opportunities and frictions for Australian companies. Austrade provided high-level advice to Australian businesses about the potential risks and opportunities associated with Brexit.

During 2018–19, Austrade concluded a number of significant inward investment projects with European investors that will contribute productive foreign investment to the Australian economy, creating or safeguarding Australian jobs. These outcomes reflected Austrade's work with high-value companies in strategic focus sectors, particularly agribusiness and food, major infrastructure, defence and advanced manufacturing, and resources and energy, including renewables and critical minerals.

Notable investment outcomes in major infrastructure included the establishment of new Australian operations by Strabag and the Serneke Group, respectively from Austria and Sweden. In advanced manufacturing, SOPHiA

Genetics also opened an Australian office, while Syngenta established a Seedcare Institute at Charles Sturt University's AgriPark in Wagga Wagga, New South Wales. Both SOPHiA and Syngenta are based in Switzerland.

The renewable energy sector was boosted by Italy's Enel Green Power winning a support agreement for the Cohuna Solar Farm in Victoria, while British Solar Renewables and Spain's Iberdrola Renovables Energía both established operations in Australia.

In selected European markets, Austrade continued to support Australian exporters with trade facilitation services. In Poland, Russia and Kazakhstan, Austrade helped a number of innovative Australian mining equipment, technology and services companies to achieve export sales. Notable examples included Palaris (roof bolting technologies), Australian Drilling Systems (ADS) (directional drilling), Deswik (mine planning and management software) and Scantech (materials analysers).

Americas

Austrade's Americas region encompasses North and South America and the Caribbean. It has its headquarters in New York, and a total of 14 points of presence and 91 staff across the region, of which six are in the United States. Austrade provides consular services from five of its offices in the Americas: Sao Paulo, Toronto, Vancouver, San Francisco and Houston, and also operates a Landing Pad in San Francisco. Austrade's international network review suggested a minor rebalancing of resources to North America, where the major focus is investment attraction. Of particular interest are the opportunities for high-growth technology companies in North America.

³² Ibid.

Case study: Artificial intelligence video analytics company captivates Silicon Valley venture capital

In 2018, Sydney-based company Unleash Live gained a landmark commercial contract, beating global competition in a bid to supply the California State Government with artificial intelligence video analytics for improved traffic and pedestrian flow. Unleash Live required a registered US business to service the contract and leveraged Austrade's San Francisco Landing Pad to navigate the process.

Unleash Live applies artificial intelligence to digital video and imagery, appealing to organisations with large, external operations. The company's cloud-based software ingests live video from drones and smartphones, and provides real-time analytics to enable faster decision-making.

Shortly after landing the California State Government contract, Unleash Live co-founder Hanno Blankenstein met the manager of Austrade's San Francisco Landing Pad. Austrade provided a briefing on the Landing Pad program, which helps Australian startups forge commercial connections, network with investors, and build a physical presence in the United States.

During the company's three-month residency, Austrade's network of mentors, program participants and alumni provided Hanno with practical advice. This included advice on how to pitch software, where to work when travelling interstate, and how to find and hire new talent. Austrade also helped the company gain entry to the US Government's SelectUSA program and provided an opportunity to pitch

The United States continues to be the largest single foreign investor in Australia, holding more than a quarter of the total investment with a \$939.5 billion share in 2018.³³ The United States is also Australia's second-largest traded services market and the number one location for Australian scaleups going global. However, growing headwinds from US policy developments such as America First, as well as trade tensions with China and the World Trade Organization, mean Austrade's role to work proactively with businesses to secure Australia's share of productive foreign direct investment is more important than ever.

US investment in Australia is responsible for

330,000 high-paying jobs³⁴ and is vital for introducing new technologies and fostering new and existing industries such as defence, space and agribusiness. Meanwhile, the increasing focus on hydrogen and artificial intelligence in the Canadian economy also makes Canada a key player in new industries that Australia is looking to attract and develop. Latin America is offering growth through geographic diversification at a time where traditional markets such as China and Europe (including the United Kingdom) are facing increasing trade tensions. Driven by the highest urbanisation rate in the world (80 per cent) and a growing population that is on track to become the third-largest (by region) in the world—

³³ Australian Bureau of Statistics, *International Investment Position, Australia: Supplementary Statistics*, 2018, cat. no. 5352.0, 8 May 2019.

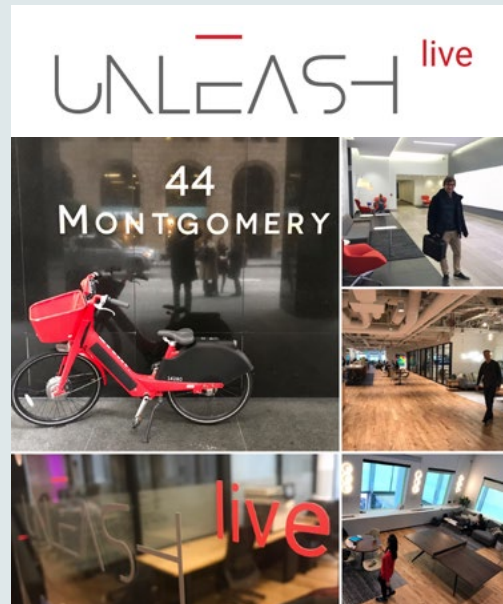
³⁴ US Studies Centre at the University of Sydney, *Indispensable economic partners: The US–Australia investment relationship*, August 2017.

to a room of more than 100 venture capitalists, including the largest incubator in the world.

‘We were impressed by Austrade’s commercial reach in the US,’ said Hanno. ‘Austrade has nurtured industrial contacts in the US over many years.

‘The Austrade staff are easygoing, pragmatic, honest, fast and always available. What made them great advisers is that they have all been through the US export learning curve themselves. Their advice was hands-on and real, because they had been in our position.’

The Landing Pad experience has helped to shape Unleash Live as it becomes a global exporter. Australia will remain the company’s home for product development, where the intellectual property is created and maintained, while the San Francisco office will focus on business development and sales.



Images from Unleash Live's residency at Austrade's San Francisco Landing Pad in 2018.

projected to reach 711 million by 2030³⁵—Latin America is an increasingly wealthy and attractive region for exports.

Building on North America’s high-tech strengths, Austrade has been driving two-way investment in disruptive digital technologies, leveraging Australia’s talent, world-class research and development, and favourable market conditions. Austrade supported a number of high-growth, high-tech companies through curated missions and programs in cybersecurity, agtech, artificial intelligence, space and blockchain, and played a catalyst role in strategic transactions involving US companies. For instance, GPS technology company Swift Navigation opened a research

and development office in Melbourne, and Ford is working with Austrade to scout for Australian autonomous vehicle innovations. Austrade also launched an official partnership with the new Global Cyber Center in New York, and built on the Texas Medical Center BioBridge, which has seen 10 Australian health companies move into the US market.

Supporting the launch of the Australian Space Agency (ASA), Austrade partnered with the American Chamber of Commerce in Australia on the first Australian space commercialisation mission, ran an Australian showcase at the Space Symposium in Colorado Springs in partnership with the ASA, CSIRO and G'Day USA, targeted key investors needed to build out the ecosystem in Australia, and brought a NSW space boot

³⁵ Euromonitor, *Latin America in 2030: The Future Demographic*, September 2017.

camp and a dual-use cohort to the San Francisco Landing Pad.

On the investment side, Canada maintains a significant investment in Australia’s infrastructure, led by pension funds, which are now diversifying into agriculture, technology and real estate. Two notable outcomes include PSP Investments’ \$200 million investment in agricultural company BFB, and CBRE Caledon’s acquisition of Origin Energy’s Acumen smart meter business.

The importance of the Latin American education market is reflected in Austrade’s strategy for the region: there were 80,000 Latin American enrolments in Australian education institutions in 2018, with Brazil and Colombia the fourth- and eighth-largest student markets for Australia, respectively.

Austrade is pioneering an ambitious digital approach to student recruitment in Latin America called ‘Find the Key’. The campaign attracts high-quality prospective students to information on studying in Australia through a digital game hosted on the Study in Australia website and delivered through Facebook and Instagram, with over 50,000 potential new students reached during the campaign’s first run.

Australian investment in Latin America is conservatively estimated at \$8 billion, with a strong foothold in the resources sector. During the International Mining and Resources Conference (IMARC) in Melbourne in October–

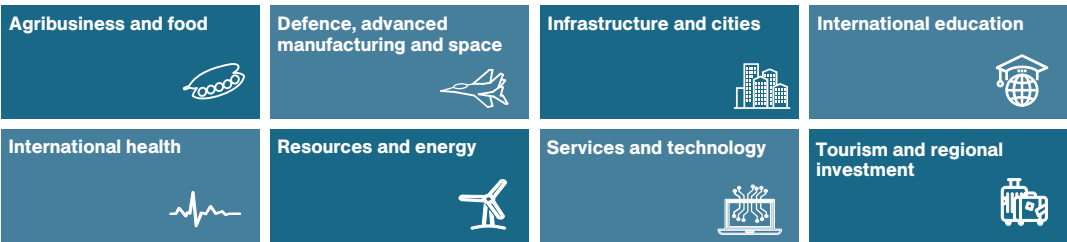
November 2018, Austrade and METS Ignited launched the second METStech Passport round, providing an exchange program for mining equipment, technology and services (METS) scaleups between Chile and Australia. In addition, Austrade and the world’s largest copper producer, Codelco, agreed to work together to introduce Australian METS companies into Codelco’s supply chain.

Global sectors

To best assist Australian companies in internationalising, we apply a sectoral focus that ensures we support a diversified economy and capture a broad range of opportunities. In 2018–19, Austrade’s eight priority sectors were agribusiness and food; defence, advanced manufacturing and space; infrastructure and cities; international education; international health; resources and energy; services and technology; and tourism and regional investment (see Figure 17).

In conjunction with our seven global regions (see pages 41–56), our sectoral approach ensures we can capitalise on developments across the globe, helping businesses to leverage a range of investment and export opportunities that benefit the Australian economy. Our sectoral teams based in Australia work hand in glove with dedicated sectoral specialists across our international network, forming a seamless

Figure 17: Austrade’s eight global sectors



Case study: Building a new medicinal cannabis industry

An exciting new industry is building on Toowoomba's critical mass as a national agribusiness centre with the decision by Canadian medicinal cannabis company, Asterion Cannabis, to establish the world's largest (40-hectare) and most innovative glasshouse in the region.

The global growth of the medicinal cannabis sector is predicted to reach \$148 billion by the mid-2020s. Asterion aims to capitalise on economies of scale and advanced technology by building the world's most efficient facility, producing 500,000 kilograms of dried cannabis flower per year using various strains and processing them into medicines for specific medical conditions.

The announcement by the Hon Greg Hunt MP, Minister for Health, in January 2018 that the Australian Government would allow the export of medicinal cannabis triggered the decision to locate the facility in Queensland. This investment was supported with Austrade assistance via site visits, grant information

and in-market introductions. Asterion's founders were already investing in developing systems that deliver tailor-made medicines to targeted locations in the body through its sister company, PreveCeutical. Much of the research for PreveCeutical is undertaken at the University of Queensland.

Asterion expects to employ around 1,000 locals in highly skilled and semi-skilled jobs at the facility and will work with local institutions, including TAFE, to ensure that local people are well trained for positions.



Asterion's proposed medicinal cannabis facility in Toowoomba.

community of expertise. This model allows Austrade to resource its sectoral teams to match government priorities and client demand. Increasingly, Austrade delivers its services in conjunction with partners, both in Australia and overseas (see 'Working with partners' on page 103).

Agribusiness and food

Australia is perceived internationally as a robust agricultural nation. We have a strong reputation as a best-practice producer and a high-quality, reliable trading partner. Global population growth

and the increasing affluence of the middle class in emerging economies are now also driving greater demand for our agricultural products. To ensure we play to our agricultural strengths and capitalise on this greater demand, Austrade worked across three themes in 2018–19—premium food; protein, grains and fibre; and agtech and foodtech.

► **Premium food**

In the area of premium food, Austrade focused on growing the export value of branded food and beverage categories. Austrade's direct international marketing support to industry stakeholders and exporting companies has been instrumental in the \$10 billion growth in Australia's food and beverage exports over the past five years. In 2018–19, Austrade supported packaged food exporters at key business matching events, including HOFEX (Hong Kong), SIAL China, Gulfood (UAE) and THAIFEX (Thailand), which are the premier food and beverage trade shows in their respective markets.

► **Protein, grains and fibre**

In the protein, grains and fibre area, Austrade focused on growing Australia's multiple agrifood export commodities, and worked to increase investment into the sector. To take advantage of the unique opportunity northern Australia presents, Austrade provided support to foreign investors with capital, frontier farming experience and export market networks. Targeting these investors also enables diversification and higher value production, such as horticulture and broadacre cropping. Austrade, the Office of Northern Australia, the Cooperative Research Centre for Developing Northern Australia, and the Northern Territory, Queensland and Western Australian governments are collaborating on an initiative to identify opportunities for northern Australian land owners to diversify land use to create additional revenue streams and develop new export supply chains.

In 2018–19, South East Asia, North East Asia and Latin America were the key regions for promotion and facilitation services to potential investors. Successful outcomes included various

cattle property acquisitions, and partnerships with international investors with development plans for future diversification. Austrade's investor pipeline suggests increased interest and transactions through to 2020–21.

► **Agtech and foodtech**

During 2018–19, Austrade showcased Australian agtech and foodtech capability, as well as investment and partnership opportunities for international firms looking to capitalise on Australian agtech and foodtech products and solutions. Our work has been driven by multidisciplinary advances in technology stimulated by digital disruption along the food supply chain, and has focused on driving a global 'Agriculture 4.0' campaign to promote Australia as a centre of excellence in agtech and foodtech.

Investment attraction and the long-term growth of knowledge-based agtech and foodtech exports in equipment, technologies and services were important objectives of the Agriculture 4.0 campaign. Austrade worked with an industry-led taskforce to implement projects that showcase Australia's agtech and foodtech investment and trade opportunities to the world in a collaborative, nationally coordinated way.

Austrade worked closely with the Department of Agriculture and the Department of Foreign Affairs and Trade on cross-industry issues that affect exporters, such as non-tariff trade barriers and air cargo inspection requirements, to minimise additional export costs and delays, and promote expansion in international markets. Austrade and the Department of Agriculture developed a detailed engagement plan that enables better sharing of market intelligence and consultation to support Australian exporters.

Defence, advanced manufacturing and space

Throughout 2018–19, Austrade provided services to exporters and foreign investors across the defence, civil marine, civil aerospace and aviation, civil security, space, and advanced manufacturing industries, with the objective of ensuring Australia capitalises on global trends and builds capabilities in these areas.

Increased security challenges across the globe are leading to increased defence and security activity in many markets, including in Australia, and bringing significant change to the Australian defence, advanced manufacturing and space sectors. The Australian Government supported each sector by developing policies and programs, including the establishment of the Australian Space Agency. Austrade kept pace with these developments by seconding staff to the Department of Defence and the Australian Space Agency to offer commercial and global insights to policy development and implementation.

► Defence industry

Austrade deepened its engagement with the Department of Defence to support the development and capabilities of the Australian defence industry. We commenced recruitment of eight business development managers to act as defence and security experts in key export markets, consistent with the Defence Export Strategy. These managers will provide Australian defence exporters with enhanced market intelligence and support Department of Defence export and investment activities. During 2018–19, five of the eight managers were recruited.

Austrade also worked with the Department of Defence to support multiple ‘team Australia’ defence activities and delivered new initiatives for defence exporters. The inaugural dual-use cohort to Austrade’s San Francisco Landing Pad (see

also page 78) supported startups and scaleups in the defence sector to enter the competitive US market. Austrade also conducted a targeted trade mission to Oman in response to the recent efforts of the Omani Government to diversify its economy and expand its defence expenditure. Both initiatives were highly successful. San Francisco Landing Pad companies benefitted from exposure to defence prime contractors and the US government, dual-use stakeholders and tailored support to develop their products across both civilian and defence markets. The Oman trade mission enabled intensive industry engagement with Omani defence businesses and senior decision-makers, creating a deeper understanding of the market and advancing business negotiations.

► Advanced manufacturing

The Industry 4.0 trend towards digitised and sophisticated manufacturing has been gaining traction and the advanced manufacturing sector is in a state of change. In particular, manufacturing in the future mobility sector, including the development of smart vehicles and roads, and driver-assistance technologies, is being transformed as a result of technological breakthroughs. Austrade has bolstered its trade and investment activities in the advanced manufacturing sector to support companies with innovative technologies and capabilities.

The industry is evolving from a traditional ‘single sector’ focus to developing leading Industry 4.0 disruptive technologies across multiple sectors. This shift is underpinned by strong research and development capabilities within Australian universities and other research institutions. In 2018–19, Austrade supported exporters by strengthening engagement with these institutions and identifying new export and investment opportunities.

Notably, Austrade and Flinders University's New Venture Institute led a delegation of Australian manufacturing businesses to Germany, the epicentre of Industry 4.0 innovation. The business mission included a 'boot camp' on the European market, engagement with major corporations and Industry 4.0 leaders, and attendance at the world's premier industrial technology event, Hannover Messe.

► **Space industry**

The Australian Space Agency (ASA) is working with Austrade and other government agencies to grow the Australian space sector to \$12 billion by 2030. Austrade is assisting the ASA by providing trade and investment support to Australian businesses and prospective investors. This support included running a mission with the support of the American Chamber of Commerce and the ASA to Houston and Los Angeles. Austrade worked with the ASA to unlock access to key players across the US space ecosystem, including attendance at the Commercial Space Conference and Exposition (SpaceCom) in Houston in November 2018.

► **Aviation and aerospace industry**

The global aviation and aerospace industry has seen major growth in aircraft orders to support increasing international passenger travel, due primarily to an emerging Asian middle class. During 2018–19, Austrade increased its support to Australian businesses in the aviation and aerospace sector to ensure they are ready to capitalise on these and other emerging opportunities. At the 2019 Avalon Airshow, Australia's premier aviation trade show, Austrade coordinated the visit programs of 70 international business delegates from China, India, Indonesia, Israel, Japan, Korea, Poland, the United States and Vietnam. This activity resulted in over 120

business-to-business meetings and several export outcomes, delivering on our objective to strengthen and grow the industry.

Infrastructure and cities

Australia is in the midst of an infrastructure building boom, providing opportunities for major construction, engineering, financing and technology companies. Austrade supported the planning and delivery of Australia's record infrastructure pipeline by attracting world-class international constructors to increase competition, capacity and choice for Australian governments delivering major infrastructure projects.

Rapid urbanisation, new technologies and the growth of the middle class are transforming cities and transport in our region. During 2018–19, Austrade promoted Australia's capability in future transport and mobility solutions to regional customers. Notably, we promoted Australian capability in future cities (real estate technology or 'proptech', construction technology, environmental analytics and data-driven urban management) to South East Asian customers through participation at Smart Cities Week in Sydney in October 2018. More than 50 ASEAN customers attended this peak domestic event, laying the foundation for an outbound mission to Indonesia, Malaysia and Thailand in March 2019.

The emerging future transport sector is growing rapidly in Australia. Throughout the year, Austrade recorded future transport investment outcomes from key markets, including the United States, China and Western Europe. We supported Australian rail technology exporters and led customer-focused Austrade engagement with multilateral banks.

Austrade also advised on the establishment of the Australian Infrastructure Financing Facility

Case study: Public transport reimagined

Via is a world-leading operator and developer of on-demand shared ride systems. The US company's software coordinates, in real time, the movement of millions of connected, human-driven or autonomous vehicles and their passengers, and is set to revolutionise public transport services.

Via's algorithm instantly matches customers with a dynamically routed vehicle and other passengers going their way. The goal is to encourage the use of shared rides to reduce single-occupancy vehicles, congestion and pollution.

Via is currently in partnership with Keolis Downer and Transport for NSW in Newcastle and Macquarie Park, Sydney, as part of the New South Wales Government's on-demand public transport pilot program. Using Via's technology, passengers can book transport from or near their home to a local transport hub or other centres. Services will be configured to take passengers where they want to go, when they want to travel, rather than running on designated routes.

Building on that success, Via has expanded to five different on-demand deployments in Australia, including a partnership with

Busways, which operates a new on-demand transport service in The Ponds and Schofields in north-western Sydney. Named 'Cooee', the service connects residents to two new Sydney Metro stations. Also under this partnership, Via launched its first autonomous vehicle deployment in the world in Coffs Harbour, which was Australia's first-ever automated vehicle project focused on shared rides.

Austrade worked with Via in 2018 to help the company establish its Australian office. Austrade supported a site visit to Australia to allow Via to connect with transport authorities and Australian partners, and build its local team.



Via's on-demand public transport technology in action.

for the Pacific. Announced by the Prime Minister, the Hon Scott Morrison MP, in November 2018, the \$2 billion facility will significantly boost Australia's support for infrastructure development in neighbouring Pacific countries and Timor-Leste. It will use grant funding combined with loans to support the development of high-priority infrastructure. Austrade drew on its commercial acumen to advise the Department of Foreign

Affairs and Trade on the design of the facility and delivered extensive business engagement with infrastructure finance firms, engineering, procurement and construction contractors, and small and medium-sized enterprises.

Austrade partnered with a number of organisations and government bodies throughout 2018–19 to drive trade and investment outcomes.

Notably, we collaborated with the Department of Infrastructure, Transport, Cities and Regional Development, the NSW Government, Western Sydney councils and Western Sydney Airport Corporation to deliver the Western Sydney City Deal and Aerotropolis investment attraction strategy.

In September 2018, the Australasian Railway Association and the Victorian and NSW governments worked with Austrade to deliver an industry mission, and the Australian Rail Industry Pavilion, at InnoTrans in Berlin, the world's largest trade rail-focused trade expo.

Working with Intelligent Transport Systems (ITS) Australia, five Austrade-selected startups exhibited as part of the stand at the ITS World Congress in Copenhagen in September 2018, the key global trade show for the intelligent transport systems sector.

Austrade also collaborated with the Australia and New Zealand Driverless Vehicle Initiative, the Department of Industry, Innovation and Science, and the Department of Infrastructure, Transport, Cities and Regional Development on a connected and automated vehicle mission to China in March 2019.

International education

International education is Australia's fourth-largest export, valued at \$35.2 billion in 2018.³⁶

Australia has been successful in attracting international students, but there is a strong need to diversify. The education sector must adopt a more strategic approach to internationalisation and expand into emerging and non-traditional markets, as well as introduce new methods for delivering education.

As the agency with responsibility for promoting Australian education, Austrade has worked to deliver on diversifying Australia's source markets and promoted new service offerings to clients in the education space. To do this, Austrade led and enabled greater collaboration between state and territory jurisdictions, industry partners and institutions throughout 2018–19. Austrade's new and continued ways of collaborating included developing a collaborative marketing framework for international education market prioritisation and collaboration, with a focus on aligning state and territory marketing efforts.

With funding through the Enabling Growth and Innovation Program, we also developed market action plans for Indonesia and Vietnam. The plans enable a cooperative focus and aligned effort to maximise impact and benefit for the sector and Australia's brand. The plans support the realisation of potential growth through a coordinated set of agreed actions in key markets. To promote the benefits of studying in Australia using a single vision and consistent voice, we developed a series of strategic messages to support the sector. The strategic messages focus on six key attributes that serve as points of difference and that appeal to an international audience: diversity, employability, environment, quality, student experience and visionary approach.

Austrade also continued the International Education Marketing Forum, with the quarterly forum (held in August, November, February and May) bringing together state and territory international education professionals to discuss opportunities for joint marketing and promotion. We supported the work of the Department of Education and the Council for International Education on a range of projects and priorities aligned to the National Strategy for International Education 2025 and Australian

³⁶ Australian Bureau of Statistics, *International Trade: Supplementary Information, Calendar Year, 2018*, cat. no. 5368.0.55.004, 24 May 2019.

International Education 2025, Austrade's market development roadmap.

During 2018–19, 389 organisations (and over 3,700 individual members) received 370 articles published in Austrade's Market Information Package, including 127 opportunities, and 88 market and data insights and reports. Finally, Austrade convened 'data hangouts' in Brisbane, Adelaide and Perth to optimise the sector's use of international education data to support informed decision-making on market prioritisation.

Austrade examined two key issues that are critical to Australia's international education sector—employability and regional dispersal of international students. By harnessing insights from key sector stakeholders and subject matter experts, we identified and communicated how Australia can best play to its strengths to help ensure a sustainable international education sector.

Austrade began trialling new approaches to digital marketing to ensure the Australian education sector remains globally competitive. We led the International Education Digital Engagement Framework Scoping Study, released in April 2019, which highlighted three key areas of shared opportunity to improve the digital experience of prospective and current international students in Australia—digital marketing, digital journey and digital quality. The recommendations from this study will be progressed in 2019–20.

International health

The demand for healthcare services and solutions is increasing as countries grapple with changing demographics, the prevalence of western diseases and the need for consumer-driven care models. For Australian industry, this represents opportunities across subsectors including biotech, digital health, medical devices



Abdul Ekram Manager, International Health

Abdul Ekram manages the International Health team at Austrade, leading initiatives in the biotechnology and

clinical trials sectors.

He works closely with industry and Austrade's global network to help Australian health sector companies succeed internationally. Some of Abdul's clients have achieved strong growth in diversified markets and regularly acknowledge his positive contributions. His knowledge and

understanding of trends and opportunities in the clinical trials sector is highly regarded by the industry and partners.

'It gives me a sense of purpose and pride when we see our work not only helping individual companies to grow, but helping to deliver better patient outcomes in Australia and globally,' Abdul said.

Abdul has over 15 years' experience working in international trade and investment, both in the private and public sectors.

and diagnostics, health and aged care services and intelligent health solutions.

Austrade worked with industry and government partners to support Australian health sector companies to expand globally. Advisers worked with companies and peak bodies in biotech, clinical trials, pharmaceuticals, digital health, broader health services, aged care solutions and complementary medicine to promote exports and attract investment.

Austrade, through its global network, actively promoted and positioned Australia as a strong, proven, innovative provider of intelligent health solutions, and as a trusted brand for healthcare products, services, solutions, and research and development. Austrade supported the industry to promote its strengths, particularly with global marketing messaging. For example, 'Why Australia for Clinical Trials' pitched Australia as an ideal location for clinical trials, and a destination with globally competitive strengths of quality, cost and speed.

In partnership with the Victorian Government, Austrade supported Victoria's next generation of digital health companies to find new customers, partners and opportunities in global markets. Our expert advisory services and expansive network in key trade markets around the world prepared companies in the Digital Health Fast Track Program for market entry offshore.

While Australia's research fundamentals are strong, there remain considerable challenges to increasing innovation and translating our research strengths into commercial outcomes. Austrade's investment attraction focus during 2018–19 included the commercialisation of research in targeted therapeutic areas, and strategic investment attraction in early-stage research projects within universities and independent research institutes. This

work supports the Australian Government's \$10.3 billion investment in research and development, and its ambition to maintain Australia's reputation as one of the world's leading hubs for health and medical research. Austrade's global approach is aligned with the government's industry growth plan for the medtech and pharmaceuticals sectors.

In 2018–19, Austrade assisted health exporters enter global markets through joint ventures and licensing agreements. We worked closely with industry, government and corporate partners, and we have collaboration plans in place with AusBiotech, the Australian Digital Health Agency, Australia's National Digital Health Initiative (ANDHealth), Leading Age Services Australia, MTPConnect and state governments. The plans commit partners to targeted initiatives that will accelerate the commercialisation of medical devices and digital health solutions in key markets. In collaboration with ANDHealth, Austrade launched a digital health website to attract international investors and raise the profile of Australian digital health capabilities and opportunities.

Austrade also delivered outbound trade and investment delegations to Singapore, China, Korea and Japan to raise Australia's profile abroad. In partnership with AusBiotech and MTPConnect, Austrade supported Australian companies at BioJapan in Yokohama in October 2018 and BioKorea in Seoul in April 2019, as well as through targeted business matching engagements to directly promote innovative Australian solutions to prospective customers in the region.

We also facilitated high-level customer and investor visits from Japan, Korea, China (including Hong Kong) and ASEAN to Australia. The visits included attendance at Australia's

leading life-science conference, AusMedtech, which was held in Melbourne in May 2019 and connects international players with Australia's largest healthcare companies.

Resources and energy

The Australian resources and energy sector experienced strong demand in 2018–19. International interest in the full range of opportunities—from renewable energy and storage, to lithium, base metals and bulk commodities—was high, which corresponded with significant client engagement activity for Austrade. At the same time, there was ongoing international demand for Australian service providers across mining equipment, technology and services (METS), oil and gas services, and smart grids.

► Critical minerals

Austrade played an active role in delivering Australia's Critical Minerals Strategy 2019, with a focus on helping Australian critical minerals companies to access international offtake agreements, as well as debt finance and equity investment. As a part of this work, Austrade successfully led CEO-level trade missions to select markets across the US, Canada and the EU during the first half of 2019. The Australian Critical Minerals Prospectus was—and will continue to be—the centrepiece of our international marketing activities. We will also actively seek to attract international investment into potential value-chain opportunities in lithium-ion battery manufacturing and rare earths processing. This work was supported by the launch of Austrade's *Lithium-ion Battery Value Chain* report by Senator the Hon Simon Birmingham, Minister for Trade, Tourism and Investment, in December 2018.

► Mining equipment, technology and services

Attracting investment into Australia from global resource companies with the appropriate technology and value proposition for the Australian market—such as US company Albemarle (see case study on page 66)—was the major focus of our resource investment activities.

Austrade's METS digital strategy informs our engagement with Australian industry and we communicated the strategy through a range of media channels. We expanded the recently launched METS 'Mining for Opportunities' podcast series and added new market webinars, profiling seven different METS markets. Austrade's engagement at the world-leading Prospectors and Developers Association of Canada (PDAC) convention on mining and exploration, held in Toronto in March 2019, furthered our efforts to connect Australian resource companies with potential investors and to support Australian METS companies looking to sell into multinational supply chains.

Austrade continued to link Australian capability to international demand for mining and oil and gas equipment, technology and services, particularly in digital technology. Our activities worked to build on Austrade's successful METS access programs for major resource companies operating in Latin America, which have generated long-term, multimillion-dollar sales over recent years. METS access programs into other regions such as South Asia—including an initial trial with BHP—were progressed with relevant industry partners. The Petronas Australian Technology Showcase in Perth in April 2019, which saw 47 Australian clients pitching at customer and market briefings, provided another example of how Austrade has developed trusted global partnerships and promoted Australian solutions internationally.

Case study: Super-charging Australia's lithium industry

In March 2019, the US-based Albemarle Corporation commenced earthworks on its estimated \$1.8 billion investment in a lithium advanced materials production plant in Kemerton, Western Australia. Once completed, the project will have a capacity of 50,000 tonnes per year of lithium hydroxide, and create 500 to 600 ongoing jobs and royalties of \$650 million over a 20-year period. The commissioning of the Kemerton site is expected to start in stages during the course of 2021.

Albemarle is a global specialty chemicals company with leading positions in lithium, bromine and refining catalysts. Alongside the Kemerton plant, Albemarle also has a minority share (49 per cent) in Talison Lithium Pty Ltd, along with a majority share in Tianqi Lithium Co Ltd (51 per cent) at Greenbushes in Western Australia's southwest.

Albemarle is the type of investor Austrade is targeting—it has a large balance sheet, is technology driven and offers a potential pipeline of investment. Austrade has had a longstanding relationship with Albemarle through the project identification, evaluation and planning phases. Austrade's Chicago office identified this investment opportunity in 2014 and introduced Albemarle to the Western Australian Government to facilitate assessment of potential sites. This was also an opportunity to develop an understanding of infrastructure requirements and necessary regulatory approvals.

Austrade was in close contact with Albemarle during the 18 months leading up to financial close. Assistance involved real-time updates, advice and guidance on local developments. Austrade worked particularly

hard to ensure the necessary approvals under the *Environment Protection and Biodiversity Conservation Act 1999* could be obtained at the same time as state-based approvals. Austrade also engaged Albemarle on a range of technical and social-licence challenges, facilitating frequent site and Canberra visits, and providing introductions to relevant federal and state government ministers, officials and industry bodies.

This investment is a welcome vote of confidence in Australia's downstream lithium processing. Albemarle's entry into the Australian market accords with the Australian Government's priority of creating opportunities for Australia further along the lithium value chain and in high-tech industries. The Kemerton project also complements the Australian Government's Critical Minerals Strategy released in 2019.



L-R: David Klanecky, Vice President, Lithium Division, Albemarle; His Excellency Arthur Culvahouse, US Ambassador to Australia; the Hon Mark McGowan MLA, Premier of Western Australia; Senator the Hon Simon Birmingham, Minister for Trade, Tourism and Investment; and Daniel O'Shea, Site Director and Country Manager, Albemarle, turn the soil to launch construction at Albemarle's new lithium refinery at Kemerton, Western Australia, in March 2019.

► Energy markets

Helping innovative Australian energy exporters identify market opportunities, and promoting sector diversification, remained a focus of Austrade's activities in 2018–19, including through showcasing emerging markets or new sector opportunities. Examples include promoting Australian smart grid technology to Colombia and the growing offshore wind industry in Taiwan, which complements Australian capability developed through offshore liquefied natural gas projects in Western Australia and the Northern Territory.

Investor interest in Australian renewable energy projects rose over 2018–19, with interest spurred on by the maturing corporate power purchase agreement market. A number of companies that had been scoping the market for several years either committed to establishing a presence in Australia or invested in specific projects. Several of these market participants were reinvestors who continue to see Australia as a stable, low-risk market in which to deploy capital.

Austrade will continue to play an active role in developing the National Hydrogen Strategy, which is led by the Australian Chief Scientist and is due to be launched in December 2019. Austrade's insights and relationships from its global network are contributing to the development of the strategy. Partnering with several state and territory governments, Austrade coordinated the first Australian delegation to the globally recognised International Hydrogen and Fuel Cell Expo in Japan during March 2019 (see also page 49). Delegates noted that they were able to make customer and partner contacts that they would never have made without participating in the expo as 'team Australia'.

Note: On page 95 of Austrade's 2017–18 annual report, the third bullet point should read '19 resources and energy outcomes accounted for 17 per cent', rather than '17 resources and energy outcomes accounted for 17 per cent'.

Services and technology

During 2018–19, Austrade continued to see strong growth in the Australian innovation ecosystem, with companies providing diverse solutions in cybersecurity, fintech, blockchain, creative and immersive media (including virtual and augmented reality), digital gaming and screen, and artificial intelligence. Austrade introductions to new markets and international contacts helped fast-track clients' access to hotspots of change, disruption and opportunity, build their knowledge and showcase their innovative capability on the global stage.

Cybersecurity remains a key growth area due to increasing government and private sector demand for technologies and services in this field. Austrade worked to position Australian industry by promoting capability overseas and promoting Australia as a destination for cybersecurity foreign direct investment. In 2018–19, Austrade, in collaboration with AustCyber, delivered the inaugural Cyber Security Mission to ASEAN and the third mission to the United States. The ASEAN mission, in October 2018, led directly to six significant trade outcomes for four emerging cybersecurity companies. Companies involved in the mission to the United States, in February–March 2019, achieved significant export sales, secured partnerships and signed international collaboration agreements. Opportunities in the United States and ASEAN were also supported by 90-day Landing Pad cybersecurity cohort programs in San Francisco and Singapore. For further information on Austrade's Landing Pads, see page 78.

In creative and immersive media, 10 Australian companies participated in an Austrade-led mission to the Seoul VR AR Expo in May 2019 with support from the Victorian, New South Wales and Queensland governments. Korea is

Case study: Digital locksmiths changing market perceptions globally

With its crowdsourced security testing platform, Bugcrowd has changed market perception of hackers from digital burglars to digital locksmiths. Now the global digital security company is making waves with some of the largest government and private institutions in the United States.

Bugcrowd is an unconventional tech services company. Its clients—including Atlassian, Facebook, Fitbit, Jet.com, Mastercard and Tesla Motors—are companies that want to test the security of their information technology systems. Bugcrowd is now the number one crowdsourced security platform, and as a result, it's on the radar of both Microsoft and the US Department of Defense.

Asked to 'hack the Pentagon' by the Department of Defense, the Australian company was tasked with boosting the Pentagon's security for sensitive internal assets. Bugcrowd was called on to source the best-vetted white-hat hackers to simulate real and insider threats to highlight the department's areas for improvement.

With that accolade to their name, the company secured a similar role with Microsoft in May 2019. By offering a reliable, safe and secure system to pay Microsoft's bug hunters—hunters hired by Microsoft to fight software bugs—Bugcrowd is helping Microsoft ensure its products are secure and its customers safe.

Austrade in San Francisco has been a consistent go-to for Bugcrowd during

its journey. Chairman, founder and chief technology officer Casey Ellis highlights that Austrade's support in maintaining a strong 'Australian-made' message helped from a marketing standpoint.

'In the global market, there is a fondness for Australians overseas, which is very helpful for us,' Casey said.

'As an expat operating internationally, the devil is in the detail. Austrade's ability to help entrepreneurs identify where there will be resistance, offer advice on how to approach challenges in advance, and gain access to experts that understand the problems being faced—they gave us confidence.'



Casey Ellis, Chairman, Founder and Chief Technology Officer of Bugcrowd (left) with the Hon Julie Bishop MP, the then Minister for Foreign Affairs, at Bugcrowd's headquarters in San Francisco in July 2018.

home to one of the most active, sophisticated and competitive virtual and augmented reality and gaming markets in the world. To date, Austrade meeting facilitations have resulted in three Australian companies signing deals with Korean virtual reality arcades.

Financial services and fintech remain significant areas of strength in Australia. Industry reports show there are more than 700 fintech startups in Australia, with seven of those being in the global top 100. Austrade, in collaboration with Global Victoria, provided a bespoke program for eight fintech companies to the Paris Fintech Forum and the UK–Australia Fintech Bridge reception in London, which was attended by over 200 people in February 2019. An Australian blockchain company entered into a partnership agreement with a leading French technology company as a result.

Austrade also partnered with the Australian Digital Commerce Association to take more than 70 Australian organisations on blockchain missions to Shanghai and Taipei (September 2018), Dubai (March–April 2019) and New York (May 2019). These tailored programs, complementing leading blockchain conferences, resulted in a collaborative partnership in the traceability of Australian beef in China, services exports for a legal firm, and two companies establishing a presence in Dubai.

Austrade also helped Australian tech companies achieve results through the Hong Kong Tech Bridge—organised in consultation with CK Hutchinson Holdings—and the ASEAN Tech Challenge, delivered in collaboration with AirAsia, Kickstart Ventures, and the NSW Government. Out of 40 applicants of the Hong Kong Tech Bridge, 10 Australian companies were selected to pitch to CK Hutchinson, with two proceeding to paid proof of concepts. The ASEAN Tech Challenge attracted three

participants into the Landing Pad program.

Austrade also actively positions Australia as an attractive test market for solutions for mature, well-regulated markets such as the United States, and an attractive research and development and investment destination. New tech investment into Australia facilitated by Austrade during 2018–19 covered artificial intelligence, fintech, software as a service, data storage and cybersecurity.

Tourism and regional investment

Growth prospects for the tourism industry are strong, with Tourism Research Australia forecasting Australia will receive 15 million international visitors annually by 2026–27. More international visitors, added to a growing domestic market, equates to more investment required in tourism infrastructure.

During 2018–19, Austrade assisted Australian businesses to export tourism products and services, and provided support to global investors to attract productive foreign direct investment (FDI) into the tourism infrastructure sector across Australia.

In partnership with Tourism Australia and all state and territory governments, Austrade progressed the five-year Regional Tourism Infrastructure Investment Attraction Strategy. The strategy was initiated in 2016 to attract productive FDI into tourism infrastructure, and focused on pilot regions across Australia as nominated by states and territories. Since then, Austrade and Tourism Australia have hosted annual investor familiarisation missions to pilot regions in Queensland, Victoria, Tasmania and South Australia. In May 2019, an investor familiarisation mission visited Canberra, with six international investors participating in briefings, meetings and site visits with government and

business stakeholders to assess local tourism infrastructure opportunities.

The Regional Tourism Infrastructure Investment Attraction Strategy also aims to identify and remove barriers to tourism investment through regulatory reform. In December 2018, Austrade released a Regulatory Reform Report Card, collating content provided by all states and territories on each jurisdiction's regulatory reform implementation and actions plans.

In October 2018, Austrade's senior investment specialist for tourism and regional investment delivered briefings on regional tourism investment opportunities to international investors in Singapore, Malaysia and Thailand, as well as at the Hotel Investment Conference Asia Pacific in Hong Kong.

Austrade also embraced a 'digital first' approach to raise awareness of regional tourism investment opportunities among global investors. Together with Tourism Australia, Austrade developed an online tourism investment portal—tourisminvestment.com.au—to provide investors with access to comprehensive industry data, metrics and resources to support the promotion, attraction and facilitation of international investment into tourism infrastructure. The online portal includes tourism infrastructure pipeline data, case studies and regional value propositions highlighting investment opportunities across regional Australia.

In addition to supporting tourism investment outcomes, Austrade also prioritised support for Australian businesses to access global markets and value chains in tourism. Australian expertise in developing tourism solutions has been established over many decades. Austrade's new tourism trade function aims to make Australia a leader in the region for the export of tourism-connected services and products. Efforts centred on building a client pipeline for businesses seeking to work with Austrade and capitalise on destination development opportunities, specifically in Japan and the ASEAN region.

The Japan and ASEAN markets have shown greatest trade and investment interest and consequently Austrade's primary attention. Key activities included supporting 20 delegates to showcase their capabilities and market solutions to international customers in Vietnam, Thailand and Japan, as well as attracting 14 tourism and travel tech startups to the ASEAN Tech Challenge in Sydney in December 2018.

Austrade's focus on regional Australia included collaboration with the Department of Infrastructure, Transport, Cities and Regional Development to strengthen the investment capability of Regional Development Australia committees across Australia. In 2018–19, Austrade participated in collaboration workshops with over 50 Regional Development Australia committee representatives to improve cooperation and alignment of regional tourism investment attraction activities, including investor familiarisation visits to regional locations.

Challenge: Driving investment and export activity in our regions

Regional Australia generates two-thirds of the nation's exports, and hosts some of the nation's most significant employers and major wealth-generating industries.

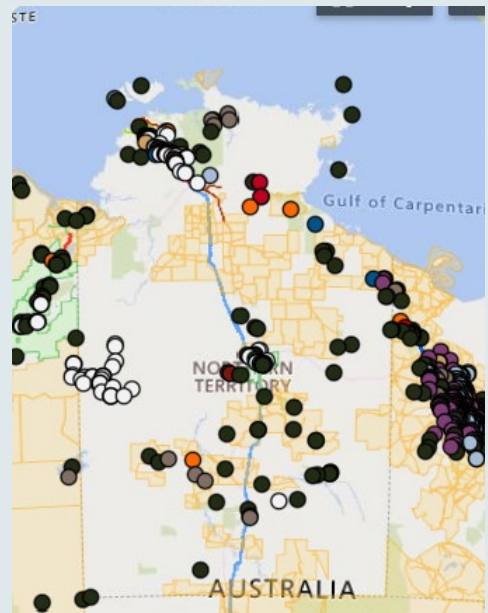
However, challenges remain for regional Australia to reach its full potential. Many international investors, visitors and students are unfamiliar with Australia's regional offerings and value proposition. During 2018–19, Austrade provided innovative mechanisms and delivered a number of strategic regional activities to raise the profile and understanding of the diverse opportunities in our regions.

One example of this was the continued rollout of the Investor Map during 2018–19. Delivered in collaboration with Data61 and Geoscience Australia, the online tool assists potential investors to quickly identify opportunities across the country and assess Australia as an investment destination. User-friendly search parameters (covering factors such as land use and tenure, infrastructure, climate, resource location and availability) allow investors to test the suitability of their projects and/or interests to particular locations, as well as understand the challenges and opportunities present in regional Australia.

Many of Austrade's sector teams have also showcased regional opportunities to potential investors during the year. Whether the activity concentrated on tourism infrastructure opportunities in iconic tourism

locations, the scale of critical minerals deposits in our states and territories, or agriculture and food projects in northern Australia, regional Australia was at the centre of these engagements. These activities were complemented by our TradeStart network, which offered export advice to growers, manufacturers and service providers.

Austrade remains committed to supporting regional industries and helping businesses access export opportunities and potential investment partners.



Austrade's Investor Map is an interactive online map that can be used as a high-level investigative tool for investment opportunities. Visit www.nationalmap.gov.au/investormap/.

Strengthening Australia's tourism industry

During 2018–19, Austrade continued its work to strengthen Australia's tourism industry by providing enhanced data collection and analysis, responding to emerging trends that impact the tourism sector's performance, and helping to ensure that regional Australia shares in the benefits of tourism growth.

Tourism Research Australia

Tourism Research Australia (TRA), a branch within Austrade, is Australia's leading provider of quality tourism intelligence across both international and domestic markets. TRA's work contributes to the economy of Australia by providing the tourism industry with information to strengthen marketing and business decisions. TRA's data underpins government tourism policy and helps improve the performance of the tourism industry for the benefit of the Australian community, creating prosperity and growth in regional and metropolitan Australia. TRA undertakes the International Visitor Survey and the National Visitor Survey.

Throughout 2018–19, TRA enhanced its tourism data offering through research of complementary data sources to help cultivate a holistic picture of tourism demand and supply. A more complete picture of the tourism market will promote understanding of what drives visitors to travel to regional areas, the future of tourism, and the impact of tourism disruptors on traditional business models.

International Visitor Survey

International visitation grew in the year ending June 2019, to 9.3 million visitors, up 3.0 per cent from the year ending June 2018.

Growth predominantly came from Asia, where a 3.7 per cent growth in visitors increased that region's market share. Visitors from Asia now account for over half of the international visitor market, up from 37 per cent a decade ago.

Our growing visitor market has led to further increases in international visitor spend. International travellers spent a record \$44.6 billion on their travel to Australia in the year ending June 2019, with average spend per trip increasing to \$5,183.

However, the rate of growth has slowed in the past year. This is consistent with global trends compiled by the World Tourism Organization. Australia, by contrast, maintained a higher rate of growth in visitor numbers in 2018 compared with other advanced economies.

National Visitor Survey

With a relatively weak Australian dollar, low inflation and more budget travel options, holidaying at home is becoming more attractive. In the year ending June 2019, domestic overnight visitation rose by 12 million overnight trips to 113.3 million. The increase in visitors led to a 15 per cent increase in expenditure, to \$77.5 billion. As a result, average spend reached new record levels of \$684 per trip.

Domestic daytrips have risen 13 per cent to 227.3 million trips being undertaken across the year ending June 2019, accounting for over \$24.3 billion in spend. This was partly due to strong growth in business trips, which grew 49 per cent across the year in visitation and 49 per cent in expenditure.

Domestic visitation remains a key driver of tourism growth within regional Australia. Fifty-eight per cent of all domestic trips were taken away from the capital regions. As a result, domestic visitation accounted for 92 per cent of

the total spend in the regional tourism market in the year ending June 2019.

The challenge remains sustaining domestic visitation for regional Australia. Over the year ending June 2019, visitation growth to the capital cities and Gold Coast outpaced that of regional destinations. Given the significance of tourism to regional communities, increased attraction and retention of domestic tourists continues to be a priority.

Tourism 2020 targets

During 2018–19, overnight tourism expenditure surpassed the Tourism 2020 strategy's lower-bound target of \$115 billion. With over a year left until the end of 2020, attention now shifts to lifting expenditure towards the upper-bound target of \$140 billion. Current Tourism Research Australia forecasting suggests overnight nominal expenditure will reach \$134 billion by 2020.

Tourism sector performance

Tourism remains one of Australia's super-growth sectors. With direct tourism GDP growing 7.3 per cent to \$57.3 billion, 2017–18 marked the sixth year out of seven that tourism's growth has outstripped that of the national economy.³⁷ This strong economic performance has also led to significant job growth. Tourism now directly employs nearly 650,000 workers, or 1 in 19 Australians, the highest share in more than 10 years.

But tourism is still facing challenges. These include addressing the sharing economy, encouraging tourists to visit regional areas, and ensuring the supply of accommodation, attractions and infrastructure is aligned with visitors' expectations.

Tourism Research Australia's *Technology Disruptors in Tourism* report, to be released in early 2019–20, highlights the impacts emerging technologies are having on traditional business models. Sharing economy players such as Uber, Uber Eats and Airbnb are already establishing themselves within the transport, food and beverage, and accommodation sectors. Emerging virtual reality and augmented reality are beginning to transform the tourist experience. Social media marketing has increased in prominence too, disrupting traditional marketing strategies to target younger generations of travellers.

Increasing the number of tourists who visit regional areas is essential in ensuring the economic benefits of tourism are felt widely across Australia. Regional communities are more reliant on tourism than the major cities, with tourism accounting for 4 per cent of their economic output and 8 per cent of their employment. However, only 15 cents of every international dollar is spent in regional Australia, with a disproportionate share going to a handful of regions close to major cities or the coast. Tourism Research Australia's *The Bush, Beach and Beyond* report, to be released in early 2019–20, identifies real and perceived barriers to visitor dispersal. It recommends:

- › an educative approach to describe the full range of offerings in a region
- › breaking down misconceptions around time and distance to demonstrate the accessibility of many regional areas
- › influencing decision-making through tailored itineraries
- › joint marketing campaigns involving neighbouring regions
- › using behavioural economics to simplify the decision-making process.

³⁷ Australian Bureau of Statistics, *Australian National Accounts: Tourism Satellite Account, 2017–18*, cat. no. 5249.0, 1 May 2019.

Australia's positive tourism environment has created a wealth of investment opportunities. However, our relatively small population limits domestic funding sources for investment in tourism infrastructure. Therefore, the aim for governments is to maintain a positive, open investment environment to continue to ensure tourism supply meets growing demand.

Domestic and international visitors continue to have shorter stays while travelling, resulting in less time spent exploring parts of Australia away from hotspots. Additionally, the rise in visitors from Asia continues to provide a challenge for regional tourism. Visitors from Asia now make up about half of all international arrivals to Australia, yet they are less likely to visit regional areas compared with traditional European and North American markets.

Approved Destination Status scheme

The Approved Destination Status (ADS) scheme is a bilateral arrangement between the Chinese Government and a destination country that establishes a quality framework for Chinese tourists to undertake group leisure travel to that country. The scheme is instrumental in building people-to-people ties between Australia and China and also facilitates the bilateral relationship that underpins free and independent travel.

The ADS scheme accounts for 21 per cent of visitor visas granted for China, with over 200,000 visas granted in 2018–19.

Nearly 100 inbound tour operators and over 2,400 tour guides are approved to participate in the ADS scheme. Inbound tour operators and tour guides must abide by the ADS Code of Business Standards and Ethics. The code sets out the minimum quality standards for providing tourism services to Chinese group tours.

EY is contracted by Austrade to monitor compliance with the ADS code by undertaking a number of checks, including field activities throughout Australia. EY identifies potential breaches of the ADS code by inbound tour operators and tour guides and provides this information to Austrade's ADS Unit for further action.

Austrade is continuously seeking to improve the quality of the tourism experience offered to Chinese travellers under the ADS scheme. An independent review of the scheme was conducted in 2018. Recommendations from the review are being considered, and any proposed changes would be subject to industry consultation. Under the objective of improving the ADS tourism experience, Austrade developed destination information for over 100 Australian tourist attractions in simplified and traditional Chinese and English. This information has been published on the Austrade website for tour guides to use to improve the tour experience through interesting, accurate and relevant anecdotes.

In May 2019, Austrade launched the official WeChat account for ADS tour guides. WeChat is the dominant Chinese social media platform. Official accounts can post 'mini-blog' posts and engage with followers directly over instant messages. Posts and messages on the Austrade ADS account are entirely in Chinese. The WeChat account is expected to allow fast response times to client enquiries and drive stronger engagement.

How we work with clients

Austrade works with clients by connecting them to services they value—when, where and how they need those services. When we talk about our clients, we refer to Australian companies looking to enter or expand in global markets, to foreign investors looking to grow their business in Australia or invest in greenfield opportunities, and, sometimes, to the foreign buyers of Australian goods and services. All have a role to play in Australia's economic prosperity and we provide a range of services and connections across this spectrum.

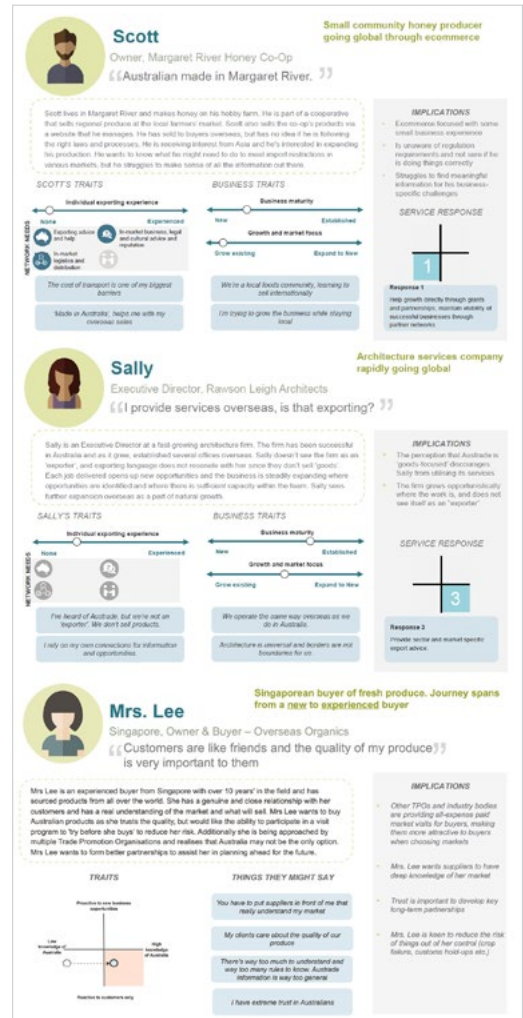
Austrade takes time to understand our clients' needs. We use our connections, information, advice and the badge of government to assist our clients. Our services simplify the process of doing international business by helping to reduce the associated time, cost and risk.

Austrade's organisational capability assessment in 2017–18 showed that the rate of change within Austrade's and our clients' operating environments is unprecedented, driven by digital transformation and significant geopolitical, economic and demographic shifts. Over the next five years, these shifts will create new challenges and opportunities for both Australian exporters and foreign investors. To remain relevant and continue to add value for current and future clients, it is essential that Austrade transforms its work practices to ensure a flexible and efficient operating model that is highly responsive to client needs.

Austrade has embarked on a transformation program to strengthen client service delivery. Our main objectives are to inspire and engage with more companies who want to do (or are doing) international business, and provide dedicated, longer-term support to businesses with the greatest potential to contribute to

Australia's economic prosperity. Austrade's Client Group is leading the client services redesign and has established multidisciplinary teams to develop a range of new services co-designed with our partners.

Figure 18: Client and investor personas



Placing clients at the centre

Austrade's organisational capability assessment in 2017–18 highlighted the importance of placing the client at the centre of what we do. A recommendation from the assessment was that Austrade broaden its reach and value-add by developing an enhanced suite of tailored and strategic services and a universal service offering.

In 2018–19, Austrade started a major program of client outreach to better understand the challenges faced by businesses that are internationalising, and what those businesses value. This has informed a rebuild of our services.

- › We are revolutionising service delivery to *reach* a greater number of clients. We will harness digital technologies so that businesses can access services when and where they need them. To enable us to deliver services at scale and cost-effectively, we may also deliver through partners and stakeholders using various models. As the first part of this work,

services for exporters were defined in the latter part of 2018–19, with four services prioritised for development to begin from July 2019. These services will include help to find the right market and opportunities, and what a business should do if it is considering exporting.

- › We will also place a greater focus on global businesses with high potential to make a major *impact* on Australia's economic prosperity. We are intensifying our support to help them achieve their goals, whether they want to start exporting, diversify exports to more markets, buy Australian goods and services, or invest in Australia. The first services, designed for exporters expanding to new markets, started trials in May 2019.

The client service redesign work will remain a high priority for Austrade in 2019–20 and is expected to continue into 2020–21.

Austrade launched beta versions, or trials, of new services in 2018–19. We used a human-centred design approach, involving clients heavily in the development of the new services. This approach influences the initial design of new services prior to market testing. A significant piece of work, completed in the second half of 2018, was a suite of 12 detailed client and investor personas (see Figure 18 on the previous page) and journey maps.

Austrade will continue to strengthen client service delivery, embrace digital first, and

operate with agility. Our trials of new services will continue in the second half of 2019, when we will make improvements based on client feedback before the formal launch of the new services in late 2019.

During this period of transition to Austrade's new client service model, Austrade will still ensure its clients are supported via the existing service model. Examples of these existing services are provided on the following pages.



Stephanie Julianne Service Manager, Client Group

Stephanie Julianne is playing a leading role in the redesign of Austrade's services. Over the past 12 months, as part of

the Client Group, she has overseen an extensive program of user research and the creation of Austrade's first client personas.

'It was fascinating to hear directly from clients about their experiences growing a global business,' Stephanie said. 'I heard very clearly the frustration businesses feel when government makes things complicated and it was great to hear when we helped to deliver valuable export opportunities.'

Most recently, Stephanie has been working with a multidisciplinary team to deliver a trial service

to help Australia's high-potential exporters. Feedback from clients and staff participating in the trial will help to improve the service before it is scaled up for broader rollout. Coming into the role, Stephanie had little exposure to the human-centred design and agile approaches being adopted at Austrade. She is now an enthusiastic advocate.

Stephanie has had a long career in trade and investment, working in many sectors and many organisations, including the Department of the Treasury, the University of Newcastle and the ACT Government. She led one of the first financial services trade missions to China in 2002 and one of the first foreign direct investment missions to India in 2004.

Advisory services

Austrade's Advisory Services team triages enquiries across all of Austrade's services and provides practical advice to help Australian companies assess their international readiness, and to guide them through their options as they pursue international markets for their products and services. In 2018–19, the team delivered export advice through 7,270 emails and 3,800 phone calls. This led to 203 new client contacts and 543 internal referrals for further assistance to Austrade's global network.

E-commerce

Austrade focused its e-commerce market development efforts on ASEAN during 2018–19,

based on interest from exporters and the high growth and rapid pace of change in the region. The e-commerce team in Australia supported Austrade's overseas network to research and build relationships with major online platforms.

Using the research conducted in the region, Austrade commenced development of an ASEAN e-commerce market analysis guide to help exporters compare and prioritise markets and develop their market entry strategies. The report will be launched in early 2019–20 and will provide information on major online sales platforms, regulatory matters, social media and online payment methods.

Continuing our work to educate Australian exporters about selling online overseas, Austrade

conducted eight workshops for 160 exporters through our TradeStart network and with other partners across Australia. The workshops had a strong focus on ASEAN markets, presenting expert speakers from Austrade and e-commerce ecosystems in overseas markets, such as online sales platforms and digital marketing experts, to share experiences, advice and lessons learned.

Landing Pads

In 2018–19, Austrade supported 111 companies through boot camps and 90-day programs through the five Landing Pads—Berlin, San Francisco, Shanghai, Singapore and Tel Aviv. In response to startup feedback, Austrade introduced sector-specific boot camps to provide a short-term market-testing immersion. Twelve boot camps have been delivered with partners across industries such as cybersecurity, agtech and advanced manufacturing. Three sector-specific cohorts have also been delivered in partnership with CSIRO, the Australian Defence Export Office and AustCyber.

In May 2019, Austrade surveyed our 240 alumni to better understand the Landing Pad program's impact on their businesses. Austrade found 92 per cent of respondents had achieved a commercial outcome in the previous 12 months that could be attributed to program participation; 58 per cent had entered into an international commercial agreement; 45 per cent had formed a new collaborative partnership; and 30 per cent had opened an office in a new market. Austrade's deep in-market networks are an essential element of the program, with 67 per cent of respondents noting Austrade's contribution to their international business activities was critical or significant.

TradeStart

Austrade's TradeStart network is delivered in partnership with state and local governments, business chambers and industry groups. The national team of 28 advisers supported businesses with practical advice about exporting and worked closely with Austrade overseas offices to assist exporters.

The TradeStart network provided practical export advice to over 1,300 exporters in 2018–19, and made the services of both Austrade and our partners available to businesses. The team had a continued focus on awareness raising and practical understanding of free trade agreements (FTAs). For each Austrade FTA event in Australia, the local TradeStart adviser showcases an exporting business and interviews a representative of the company on stage to help audience members understand more about using FTAs to grow their export business.

As contracts with TradeStart partners concluded on 30 June 2019, a tender process was conducted to select TradeStart partner organisations for the next four-year period. As a result of the tender process, partners were confirmed for 26 out of 31 available contracts, with some interim arrangements put in place while partners for the remaining contracts are finalised.

For the four-year period from 2019–20, Austrade will maintain its level of financial contribution to the TradeStart network. In addition, increased co-funding from partners is expected to see the number of adviser positions grow from 29 to 35 in 2019–20. For TradeStart locations and partners around Australia during 2018–19, see Appendix A on pages 188–9.



Ariane Towse Export Adviser, TradeStart

Ariane Towse is the TradeStart Export Adviser for the Adelaide Northern Metropolitan region for Austrade and the South Australian

Department for Trade, Tourism and Investment. Ariane is one of five export advisers in the South Australian TradeStart team.

Managing a portfolio of over 200 export-ready businesses, Ariane works closely with client companies in sectors as diverse as advanced manufacturing, horticulture, food and beverage, mining equipment, technology and services, and aged care. Typical cases see Ariane advising clients across a number of areas including new market entry, partner selection and international marketing strategy. For the companies in her

region, Ariane is also the first port of call and main conduit into Austrade's international offices and services.

'I'm passionate about international business and ensuring that South Australian companies are fully prepared and ready to achieve sustainable success in international markets,' Ariane said.

Ariane is a leader in using social media as a professional tool, and conducted training for her colleagues in the national TradeStart team. She is particularly active on LinkedIn, using the platform to communicate with clients, share and document relevant industry events, engage with stakeholders, and position herself as an influencer and expert in her region through photos and posts of the work she is undertaking.

Promoting Australia through online channels, media and marketing

Austrade promotes Australian capability to international customers, and the attractiveness of Australia as a destination for study, investment and tourism, through a number of online, media and marketing channels.

Austrade online

Austrade's two primary websites are austrade.gov.au and studyinaustralia.gov.au.

Austrade's corporate website austrade.gov.au delivers content and services relating to international trade to various audiences, including Australian companies that are either currently exporting or looking to export,

buyers of Australian products and services, and investors seeking inward investment opportunities in Australia.

A highlight of 2018 was the makeover of the corporate website. The new design is contemporary and spotlights Austrade's content offerings for our key audiences. The release of the redesigned website was an important first step in reimagining Austrade's online presence, which has continued to undergo various digital transformation projects.

In 2018–19, there were 2,735,364 visits to austrade.gov.au, resulting in 5,947,642 page views.

The Austrade corporate website services both an Australian audience and an international

Challenge: Helping Australian exporters find information for their specific needs

In 2018, Austrade conducted user research across Australia and overseas, meeting with a wide range of businesses to understand their trade and investment needs. One of the consistent ‘pain points’ to emerge from our research was information overload. Businesses feel like there’s too much information from too many sources. This can be overwhelming if you don’t know what you’re looking for.

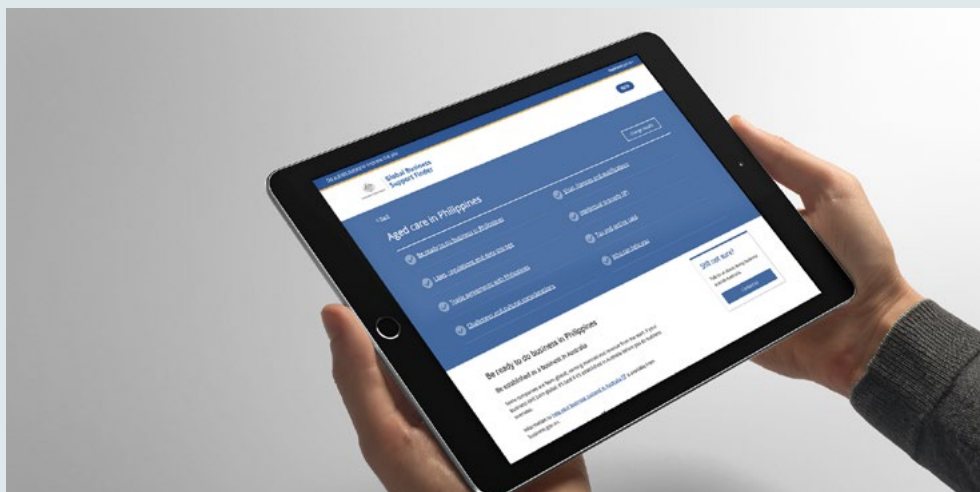
To start addressing this problem, we worked with users and partners, including Efic, the Export Council of Australia and the Australia–China Business Council, to create the online Global Business Support Finder (export-help.business.gov.au). This digital tool helps new or existing businesses find the right information to make an export decision, regardless of whether the information is from

Austrade or somewhere else.

For businesses that sell services or digital products, the Global Business Support Finder provides:

- › a quick and easy way to access information that will help them make export decisions
- › all the research and information that a client needs in one place—saving time and reducing information overload
- › tailored information unique to the business’s service or country—including legal restrictions and cultural considerations.

For Austrade staff, the tool provides a single source of all the basic information a client might need on how to export their services to selected markets.



audience. Sixty-eight per cent of users visiting the website were located in Australia and 32 per cent were located offshore.

The most visited content among our Australian audience was the 'Guide to Exporting' content, while the 'Guide to Investing' content was popular with our offshore audience.

User engagement with the corporate website is occurring across various devices. In 2018–19, 79 per cent of users engaged via desktop, 17 per cent via mobile, and 4 per cent via tablet.

The Study in Australia website, studyinaustralia.gov.au, is the Australian Government's official source of information for international students.

The website assists prospective and current international students along their entire learning journey by providing information about education capabilities and opportunities provided by the Australian international education network, helping students navigate processes, access services, and share experiences.

In 2018–19, there were 2,586,024 visits to studyinaustralia.gov.au, resulting in 5,287,244 page views. International site visitors constitute 75 per cent of total website visits.

A higher proportion of users engaged with the Study in Australia website using mobile devices, compared to engagement with Austrade's corporate website. In 2018–19, 53 per cent of Study in Australia website users engaged via desktop, 44 per cent via mobile, and 3 per cent via tablet.

In the coming six to 12 months, as Austrade's digital transformation matures, we will rethink our digital platforms and assess whether they are 'fit for purpose' through the lens of our users' information needs. Some of this review work has already commenced and will continue in 2019–20.

Media

Austrade's media team provides media content, advice and support to the agency's executives, to Austrade's Australian offices and international network, and to government ministers. The materials include speeches and in-depth articles exploring the case for trade and investment as building blocks for a more prosperous Australia.

Austrade fields hundreds of media enquiries each year, and works to promote stories of Australian export success across print, television, radio, online and social media channels.

In 2018–19, Austrade was featured in external media coverage more than 200,000 times, with a cumulative potential reach of 9.6 billion people.

Among the key priorities Austrade supported via external media engagement throughout 2018–19 were:

- the launch of a new initiative to reinvigorate Australia's nation brand
- Australia's participation in the first China International Import Expo
- the Free Trade Agreement seminar series to help businesses take advantage of preferential access in new overseas markets
- the 56th Australian Export Awards
- multiple Australian business delegations to various markets to promote Australian capacity in agtech, blockchain, critical minerals, cybersecurity and education.

In 2018–19, Austrade began using video releases to support major initiatives, and created video collateral for the Australian Export Awards, the Free Trade Agreement seminar series and the China International Import Expo.

Case study: Digital marketing on Weibo and WeChat

The use of digital technologies and online marketing strategies, including the provision of content, to deliver impactful client experiences is a key Austrade priority.

In 2018–19, Austrade supported businesses in China through the development of specific campaigns using the social media platforms WeChat and Weibo.

Our official WeChat subscriber account highlighted Australia's high-quality products and services across all major industries, as well as advances in innovation, scientific breakthroughs and entrepreneurship. The account posted 336 articles receiving a total readership of over 600,000.

Interactive campaigns using HTML5 format proved popular with our audiences. Our support to the introduction of direct flights from Shenzhen to Darwin, 'Northern Territory—10 Quirky Questions', which highlighted the Territory's Indigenous culture, unique tourism offerings and lifestyle, notched up over 40,000 users.

Additionally, Austrade's WeChat mini-program application was officially launched in Guangzhou by Dr Stephanie Fahey, Austrade CEO. The mini-program, a first by an Australian Government agency, provides

information on Australian industry capability to consumer and business audiences, as well as information on events and seminars running across China.

The application also profiles Australian firms with an interest in the market and facilitates qualified enquiries from potential Chinese buyers looking to source products and services from Australia.

Austrade's WeChat mini-program makes it easier for China's consumers to access credible information, and for businesses to seek opportunities to undertake commercial interactions and engage with Australian firms. Since its launch in November 2018, the mini-program has been downloaded by over 10,000 unique users.



QR code for Austrade's mini-program on WeChat.

Social media

Austrade increasingly uses social media to engage with international and domestic audiences and distribute information about Australian capabilities, strengthening the impact of traditional promotional activities like trade

missions and events. Social media is particularly useful during minister-led business missions to create a visual narrative and amplify key messages and market information, both in Australia and internationally.

In 2018–19, social media content was delivered

via 16 Twitter accounts, three LinkedIn company pages, five Facebook pages, three YouTube channels, two Weibo accounts and three WeChat accounts. Austrade also opened two Instagram accounts and a LINE account in 2018–19.

These Austrade-owned social media accounts garnered over 556,264 followers, up 2 per cent from the previous year. Collectively, the accounts generated 8,401 posts, amassing 50,089,228 impressions, 429,403 engagements and 54,820 link clicks.

In 2018–19, Austrade staff also used social media to engage with clients. On LinkedIn alone, staff are connected to over 350,000 users who work at over 90,000 organisations. On average, our staff LinkedIn profiles garner over 20,000 views per month.

Electronic direct mail

Austrade uses email marketing to reach a range of target audiences. Regular e-newsletters include:

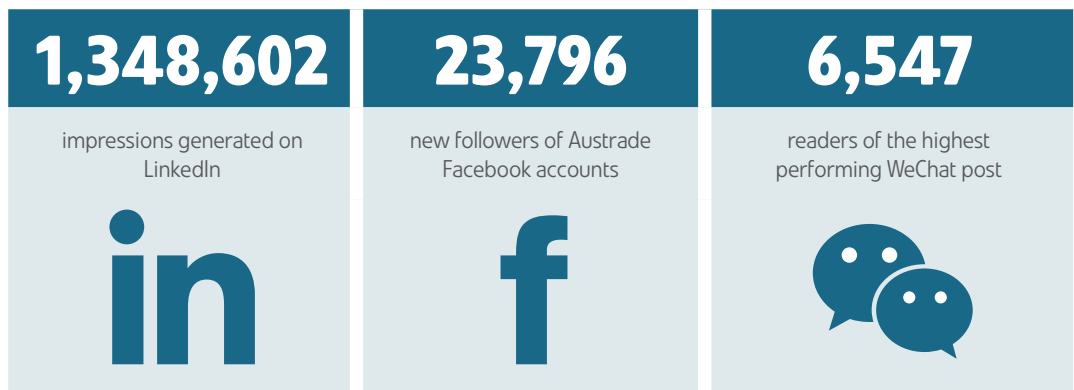
- › *Export Update*, which provides the latest in export news and events, success stories, plus information to help Australian exporters do business around the world

- › *Investment Update*, which contains global investment news and commentary, reports on the investment climate in Australia, and success stories from foreign investors
- › *Tourism Matters*, which provides the latest research and news that impacts Australia's tourism industry
- › a number of sectoral newsletters for international education, food and agribusiness, mining equipment, technology and services (METS), defence, advanced manufacturing and space.

Approximately 33,000 people are currently subscribed to these newsletters.

With a database of over 50,000 contacts, Austrade also invites particular groups of clients to relevant industry events, seminars, webinars and business missions. Approximately 500 such campaigns were sent to a total of over 800,000 recipients in 2018–19.

Continuous analysis of metrics such as open and click-through rates, plus A/B testing, enable us to modify the types of information we are providing, so we can improve the relevance and utility of the content for our clients.



Australia's nation brand

In November 2017, as an initiative of the 2017 Foreign Policy White Paper, the government announced a commitment to developing a stronger nation brand to better position Australia and enhance our global competitiveness. The new brand will reinforce Australia's reputation as a trusted exporter of premium-quality goods and services, an internationally competitive investment destination, a great place to visit, and a quality provider of education.

Austrade has been tasked with delivering this industry-led, government-enabled initiative, on behalf of the whole of government.

In June 2018, the Hon Steven Ciobo MP, the then Minister for Trade, Tourism and Investment, announced the formation of Australia's Nation Brand Advisory Council. Chaired by Mr Andrew Forrest AO, non-executive chairman of the Fortescue Metals Group, the council includes Australian business leaders from a cross-section of some of the country's most iconic businesses, technology firms and arts institutions. The role of the advisory council is to provide strategic



Members of Australia's Nation Brand Advisory Council. L-R (back): Glenn Cooper, Chairman, Coopers Brewery; Michael O'Keeffe, CEO, Aesop; Christine Holgate, CEO, Australia Post; Jayne Hrdlicka, CEO, a2 Milk Company; Wesley Enoch, Sydney Festival Artistic Director; Mike Cannon-Brookes, co-founder and co-CEO, Atlassian; Rod Jones, former Group CEO, Navitas. L-R (seated): Alan Joyce, CEO, Qantas; Dr Stephanie Fahey, CEO, Austrade; Bob East, Chairman, Tourism Australia.

advice and to encourage industry engagement and advocacy in relation to the development of Australia's nation brand. The council met four times during 2018–19.

Throughout June and July 2018, over 355 business and industry leaders from a range of industries, across all states and territories and online, participated in an industry engagement program led by Austrade. The program provided an opportunity for industry to provide insights and input into the development of Australia's nation brand.



Participants in an Austrade-led Nation Brand forum, Perth, July 2018.

In January 2019, following a competitive, multi-stage, global tender process, Clemenger BBDO was appointed to provide brand development and creative services for Australia's nation brand. As part of the tender process, creative concepts were qualitatively and quantitatively tested with over 8,700 people, both domestically and in seven international markets (China, India, Indonesia, Japan, South Korea, the United Kingdom and the United States).

The research produced valuable insights that have informed the creative development of Australia's nation brand:

- Mature markets, including Japan, South Korea, the United Kingdom and the United States, have strong preconceived ideas about Australia that can be hard to shift.

- › While colloquialism and informality are established characteristics of Australian people, in an international business context, creative concepts that are too casual can undermine seriousness and hierarchy.
- › Creative ideas need to communicate the long-term benefits of partnership and engagement.
- › The idea of a nation brand is highly appealing among Australian consumers and businesspeople.
- › Australians felt it was important Australia's nation brand clearly communicates the salient and unique business benefits of choosing Australia.

Further international and domestic research will be undertaken in July 2019, followed by an additional round of consultations with representatives from the federal and state and territory governments, key industry sectors and the broader community, including young Australians and Aboriginal and Torres Strait Islander people, in August 2019. The research and consultations will seek to test the efficacy of the brand strategy and proposed brand concepts ahead of a launch.

56th Australian Export Awards

The Australian Export Awards are the nation's longest running and most prestigious business awards program. The awards, in their 56th year in 2018, are a testament to the innovation and commercial acumen of Australian exporters. The 2018 awards, held in Canberra at the National Arboretum in November, were attended by 450 industry and government representatives.

Senator the Hon Simon Birmingham, Minister for Trade, Tourism and Investment, hosted the awards ceremony, where 88 finalists, drawn from 334 company applications, were recognised for their international business success. The national finalists progressed as winners from the

eight state and territory export award programs, having generated more than \$2 billion in export sales in 2017–18 and provided employment for more than 21,000 people.

For the first time, the Exporter of the Year was awarded to two companies. SEAPA, a South Australian company that uses high-tech moulded plastic baskets that help oyster farmers grow consistently well-cupped oysters, and Aspen Medical, which provides healthcare and consultancy services, were selected as joint winners from the 12 national category winners.

INPEX, Japan's largest oil and gas exploration and production company, was also recognised for its contribution to the Australian economy, receiving the Minister for Trade, Tourism and Investment's Investment Award. In addition, a new category of Emerging Exporter was included to highlight the importance of export excellence achieved by a business that has been exporting goods or services for three years or less.

In 2018, there was a 70 per cent growth in category applications, with 43 per cent of finalists new to the program, and 82 per cent of finalists saying they would apply for the awards again. Another first saw the topic #exportawards on Twitter trending in the top 10 in Australia on the night of the awards.

The 2018 awards saw Austrade's focus on gender diversity start to gain traction, with 15 finalists being women or jointly women-led, and one-quarter of category winners being women.

The program of events was also refreshed this year, with the introduction of the Festival of Ambitious Ideas based on the Ignite Talks format. Each speaker was allocated only five minutes to tell their story in relation to the theme 'Innovation begins with ...' Speakers included David Koch, co-host of the Channel 7 *Sunrise* program, speaking on how to pitch

The 56th Australian Export Awards winners

Australian Exporter of the Year Award joint winners

Aspen Medical (ACT)
SEAPA (SA)

Minister for Trade, Tourism and Investment's Investment Award INPEX (Japan)

Agribusiness Award SEAPA (SA)

Business Services Award Cover Genius (NSW)

Creative Industries Award Animal Logic (NSW)

Digital Technologies Award Echoview Software (TAS)

e-Commerce Award Sweat (SA)

Education and Training Award UOW Global Enterprises (NSW)

Emerging Exporter Award Dutjahn Sandalwood Oils (WA)

Environmental Solutions Award Geofabrics Australasia (VIC)

Health and Biotechnology Award Aspen Medical (ACT)

Manufacturing Award Flavourtech (NSW)

Minerals, Energy and Related Services Award Core Resources (QLD)

Regional Exporter Award Torbreck Vintners (SA)

Small Business Award photoSentinel (VIC)



Award winners on stage with Senator the Hon Simon Birmingham, Minister for Trade, Tourism and Investment (centre), at the 56th Australian Export Awards in Canberra, November 2018.



Senator the Hon Simon Birmingham, Minister for Trade, Tourism and Investment, speaks to the finalists of the 56th Australian Export Awards at an afternoon tea session with MPs at Parliament House in Canberra, November 2018.

internationally. Another new element to the program saw an 'Afternoon Tea with your MP', where Austrade facilitated meetings with members of parliament to advocate the importance of trade and investment in Australia.

The 56th Australian Export Awards program was co-presented by Austrade and the Australian Chamber of Commerce and Industry, with the valuable support of sponsors. We acknowledge the work of the following state and territory export award programs, which underpin these national awards:

- › ACT Chief Minister's Export Awards—delivered by the Canberra Business Chamber on behalf of the Australian Capital Territory Government
- › Premier's NSW Export Awards—delivered by the Export Council of Australia on behalf of the New South Wales Government
- › Chief Minister's Northern Territory Export and Industry Awards—delivered by the Chamber of Commerce Northern Territory on behalf of the Northern Territory Government
- › Premier of Queensland's Export Awards—delivered by the Export Council of Australia on behalf of Trade & Investment Queensland
- › Business SA Export Awards—delivered by Business SA
- › Tasmanian Export Awards—delivered by the Department of State Growth
- › Governor of Victoria Export Awards—delivered by Business Victoria
- › Western Australian Industry and Export Awards—delivered by the Export Council of Australia on behalf of the Western Australian Government.

Promotion of Australia's free trade agreements

Free trade agreements (FTAs) are international treaties between two or more countries that set trade and investment rules and eliminate or reduce cross-border barriers to trade and investment. FTAs improve Australia's competitive position and make investing in Australia more attractive. At 30 June 2019, Australia had 11 FTAs in place, with four further agreements signed but not yet in force.

Austrade helps businesses, particularly small and medium-sized enterprises (SMEs), understand the benefits of Australia's FTAs. Since 2015, Austrade has delivered a targeted FTA outreach program to SMEs seeking opportunities in overseas markets including Korea, Japan, China and, more recently, those markets that participate in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).³⁸ The program has adapted each year to meet the needs of Australian businesses, shifting from an initial focus on increasing awareness and advocacy in 2015, to strategic engagement with specific sectors and customised market entry strategies at the conclusion of 2018–19.

The FTA program also includes insights relating to the anticipated benefits for SMEs from the Indonesia–Australia Comprehensive Economic Partnership Agreement, Australia – Hong Kong Free Trade Agreement and Peru–Australia Free Trade Agreement, and we will continue to take a tailored approach as other FTAs are negotiated.

³⁸ As at 30 June 2019, the CPTPP had entered into force in Australia, Canada, Japan, Mexico, New Zealand, Singapore and Vietnam, with Brunei, Chile, Malaysia and Peru yet to complete their respective ratification processes.

Engagement with SMEs

Partners in the export value chain and Austrade's TradeStart network play an important role in growing business understanding of how to effectively use FTAs. Collaboration with these organisations and a whole-of-government approach remain central to Austrade's SME engagement objectives.

Austrade has a strategic business engagement approach to assist SMEs through delivery of a national FTA seminar series, active promotion of SME success and FTA outcomes, and a tailored SME market entry program.

Since March 2015, the Free Trade Agreements seminar series has reached over 5,500 businesses and other organisational attendees. In 2018–19, 1,517 participants attended 23 seminars held across Australia, including regional areas, which is a 101 per cent increase on attendees from the previous year. Presentations included new opportunities created by the entry into force of the CPTPP, and continued to highlight opportunities across the North Asia FTAs with China, Japan and Korea, as well as anticipated benefits from the newly signed agreements with Indonesia and Hong Kong.

FTA seminar participants are surveyed after each event to ensure the program remains relevant to business needs and expectations. Following on from positive feedback in previous years, the 2018–19 survey analysis again reflected confidence in the information and opportunities presented in the series, leading to increased understanding among seminar participants. A desire to learn more about the FTAs and understand how they benefit businesses underpins objectives for audiences attending the seminars.

FTA seminar survey analysis continues to drive improvements to the program, particularly in delivering practical whole-of-government information to participating SMEs. Analysis of seminar survey respondents showed that:

- 87 per cent would recommend the seminar to a colleague, translating to a net promoter score of +34
- 89 per cent agree their understanding of how to use and benefit from FTAs increased as a result of attending an FTA seminar
- 58 per cent were exporting, 35 per cent regularly and 23 per cent occasionally
- 25 per cent were exporting and using FTAs
- 72 per cent of those exporting were exporting to Asian markets, including China at 29 per cent.

Regional outreach is a key focus for the seminar series. In 2018–19, 18 seminars were delivered in regional locations across Australia, including Orange, Healesville, Burnie, Geraldton and Toowoomba. Targeted FTA e-commerce sessions were added to seminars held in both Townsville and Maroochydore, and similar sessions across a range of industry sectors will be held over the next 12 months.

Major seminars were also held in metropolitan locations, including Glenelg, Perth, Melbourne, North Brisbane and Sydney, where Senator the Hon Simon Birmingham, Minister for Trade, Tourism and Investment, hosted the 118th FTA seminar to an audience of 251 businesses and other organisational representatives. High attendance numbers at the Sydney seminar reflected the continuing interest among business in learning more about FTA benefits and opportunities.



L–R: Tim Harcourt, host of *The Airport Economist*; Senator the Hon Simon Birmingham, Minister for Trade, Tourism and Investment; Claudia Roughley, CEO, Underground Spirits; Phil Hodgson, Managing Director and CEO, Calix; and Paul Waddy, Head of Operations, Showpo, at the Free Trade Agreements seminar in Sydney, April 2019.

An active communications strategy has resulted in strong media interest, including radio interviews with keynote speakers, news articles and a high level of engagement from stakeholders across online and social media, such as Twitter and LinkedIn. Austrade uploaded case study videos (see below) to its website, austrade.gov.au, with fact sheets and guides offered through the Department of Foreign Affairs and Trade (DFAT) website at dfat.gov.au/trade/about-ftas. Key tariff information is accessible on DFAT's FTA Portal at ftaportal.dfat.gov.au.

Showcasing SME success

Small and medium-sized enterprises are at the centre of the FTA program, which endeavours to help these businesses understand the opportunities and challenges of business development and export success in overseas markets, as well as how to access FTA benefits.

In 2018–19, 25 SMEs shared their business insights directly with attendees at FTA seminars. Twelve SME heroes were profiled through videos and written case studies, which are available on the Austrade website and social media channels.

Austrade profiled SMEs across a range of industries—agriculture, aquaculture, food and beverage, viticulture, food technology, consumer, health and wellbeing, building and construction, advanced manufacturing (medtech and environmental technologies), and mining equipment, technology and services. Senior managers from these industries were generous in sharing their stories, including valuable insights, their challenges and how they accessed benefits from the FTAs.

Free trade agreement grant programs

The Free Trade Agreement Market Entry Grant program, administered by Austrade, forms the second phase of the government's FTA grant advocacy and outreach. The first phase, the Free Trade Agreement Training Provider Grant program, has now concluded.

The FTA Market Entry Grant program assists Australian member-based business organisations and education institutions to deliver market entry strategies aimed at helping Australian SMEs and stakeholders access FTA target markets with confidence. Eligible markets under the program include China, Japan, Korea, Malaysia, Vietnam, Singapore, Brunei, Canada, Mexico, Chile and Peru.

Across both outreach phases, 39 organisations had received grant funding totalling \$2.895 million as at 30 June 2019. The current FTA Market Entry Grant program provides for two grant rounds of \$750,000 over 2018–19 and 2019–20. In 2018–19, 13 grants were awarded to organisations across Australia, including for projects applying e-commerce and digital methods, and covering a wide range of industries such as sport innovation, composite technologies, agribusiness, horticulture, citrus, seafood, and food and beverages.

Information on grants awarded by Austrade under the FTA Market Entry Grant and other programs is available at austrade.gov.au/fta-me and grants.gov.au.

Facilitating business missions and events

Minister-led business missions continue to play an important role in promoting Australian export capabilities and investment opportunities. Austrade plays a central role in creating and coordinating Commonwealth and state and territory government participation in a series of business events that showcase Australia in key international markets.

The total number of minister-led business missions organised by Austrade since March 2014 had increased to 41 by 30 June 2019, up from 39 at the end of the previous year. The number of companies registered on Austrade's online minister-led business missions register increased to 1,014 in 2018–19, up from 875 in 2017–18.

As part of our commitment to continual improvement, we commissioned Kantar TNS to undertake follow-up surveys to the Australia Week in China 2016, Australia Business Week in India 2017 and Indonesia Australia Business Week 2017 client satisfaction surveys. The survey results showed that:

- missions provided an impetus for further engagement in market, with 69 per cent of delegates returning for multiple visits to the country after participating in an Australia Week
- 69 per cent of all respondents achieved some form of commercial outcome as a result of participation
- 38 per cent indicated that the greatest value of joining the mission was interaction with potential clients.

While these results confirm that these large-scale events are successful in promoting Australia's interests and delivering market insights to large numbers of delegates, the research also confirmed that the majority of delegates (76 per cent) also consider that smaller scale, sector-specific missions are effective in driving commercial outcomes as they allow for more tailored business matching opportunities.

During 2018–19, Austrade coordinated minister-led business missions to Japan and Indonesia, as well as the inaugural 'Festival of Australia', a two-week business promotion program that showcased Australian goods and services in 10 Chinese cities in May–June 2019 (see case study on page 44).

Japan

The Hon Steven Ciobo MP, the then Minister for Trade, Tourism and Investment, led a 13-member 'Future Cities, Future Leaders' Australian business delegation to Japan in early July 2018 on the back of the multilateral Regional Comprehensive Economic Partnership meeting and inaugural Japan–Australia Ministerial Economic Dialogue.

The 'Future Leaders, Future Cities' business mission program focused on linking emerging young leaders and opportunities associated with smart cities. In a reflection of Austrade's ongoing commitment to diversity, this was also Austrade's first minister-led business mission where over half the delegates were women.

As Australia's first official smart cities engagement with Japan, and first ever 'Young Leaders' mission, it aimed to promote Australia as a developer of the technologies shaping our future, and build links between the next generation of businesspeople who will deepen

our trade and investment relationship with Japan. Represented in the delegation was a cross-section of young and emerging Australian business leaders with expertise in future cities-related technologies, and future city planning and consulting. The three-day program included sector specialist panel discussions, site visits to Japan's leading exemplars of future cities technology, and networking opportunities with Japan's future technology leaders, including Fujitsu, Hitachi, NEC and SoftBank.

Indonesia

Austrade ensured Australian business was represented at key milestones in the progress of the Indonesia–Australia Comprehensive Economic Partnership Agreement (IA-CEPA).

During the first visit to Indonesia by the Hon Scott Morrison MP in his capacity as Prime Minister in September 2018, Austrade delivered the first official Indonesia–Australia Business Forum in Jakarta. Three hundred representatives of the Australian and Indonesian business communities participated in the forum, where Mr Morrison and Indonesian Vice President Jusuf Kalla affirmed their intention to finalise the IA-CEPA.

In March 2019, the official signing of IA-CEPA by Senator the Hon Simon Birmingham, Minister for Trade, Tourism and Investment, and his Indonesian counterpart, His Excellency Enggartiaso Lukita, provided opportunities for leading Australian businesses across the resources, digital technology, agriculture and health sectors to publicly announce new partnerships and investments with Indonesia, and to engage directly with

Indonesian ministers and business leaders as part of the minister-led delegation.

IA-CEPA was described by ministers of both countries as starting a new chapter in the Australia–Indonesia relationship, with the potential to strengthen and improve the competitiveness of both economies.

Project approvals under Section 23AF of the Income Tax Assessment Act

Supporting the work of the Australian Taxation Office, Austrade determines approved project status under section 23AF of the *Income Tax Assessment Act 1936*. This allows individuals who worked overseas on an approved project, for a continuous period of at least 91 days, to be exempt from Australian income tax.

While Austrade approves project applications, the granting of the exemption rests with the Australian Taxation Office.

This exemption typically applies to projects in countries where individuals do not pay income tax, or where income tax is not levied on foreign workers because the project is funded by an international development agency (such as the World Bank). It can enhance the competitiveness of international tender bids by Australian organisations, as well as strengthen Australian companies' capabilities, broaden employees' skills, and raise the international profile of Australian industry.

In 2018–19, Austrade granted 20 new approvals in response to 55 applications from 22 applicants (21 applications were under assessment as at 30 June 2019). This compares to 37 approvals, 57 applications and 18 applicants in 2017–18.

Proposed projects were located in the following regions:

- › Middle East—30 (55 per cent)
- › Indo-Pacific—17 (31 per cent)
- › Central Asia—4 (7 per cent)
- › Africa—3 (5 per cent)
- › Americas—1 (2 per cent).

In 2018–19, nine proposed projects (16 per cent) were commercially funded, while the remaining 46 (84 per cent) were funded by international development agencies.

Delivery of valued services

Each year, Austrade undertakes a comprehensive Service Improvement Study to evaluate service delivery and identify areas to improve. The study is conducted independently and results are delivered quarterly. A brief follow-up survey is also conducted to measure the ongoing benefit of Austrade services, including commercial outcomes achieved 12 months after an interaction with Austrade.

Figure 19 shows clients' ratings of Austrade's services over the past five years.

In 2018–19, Austrade's Service Improvement Study found that 91 per cent of its clients were satisfied with their recent dealings with Austrade, up from 89 per cent in 2017–18. Austrade's rating on the TRI*M Index, which measures customer satisfaction, is 89, up from 88 in 2017–18. These results show that our clients continue to show a high level of satisfaction with the services they receive from Austrade.

The survey also collected detailed feedback on Austrade's performance, including the following results:

- › 78 per cent of clients confirmed commercial outcomes were achieved within 12 months of working with Austrade.

- › 73 per cent of clients rated the contribution that Austrade made to their international business activities over the past 12 months as either positive, significant or critical.
- › 92 per cent of clients said engaging the services of Austrade was a very big advantage, a big advantage, or of some advantage for their businesses.
- › 79 per cent of clients achieved an international business milestone with the assistance of Austrade.
- › 78 per cent of clients who were charged for Austrade services thought the services represented value for money.

In addition to formal surveys, Austrade closely monitors compliments and complaints received from clients and other stakeholders. In 2018–19, Austrade received 13 formal complaints about its services (compared to nine in 2017–18 and 17 in 2016–17). The majority of these complaints were about Austrade's services and policies, particularly eligibility for Austrade services. Austrade values and embraces client feedback as it is an opportunity for us to evaluate, monitor and improve our services. As well as our service offering, feedback is increasingly used to improve our training, development, communication, digital and technology offerings.

A comprehensive induction program aimed at new client-facing Austrade staff was rolled out in 2018–19 to maintain quality and consistency in client servicing. Experts from across Austrade shared their expertise, with the program focused on key services as well as systems, policies and frameworks that support Austrade. Evaluation of the program showed participants were highly satisfied with the program as it expanded capability and assisted them to grow their networks and confidently undertake their work. The program provided insights into training

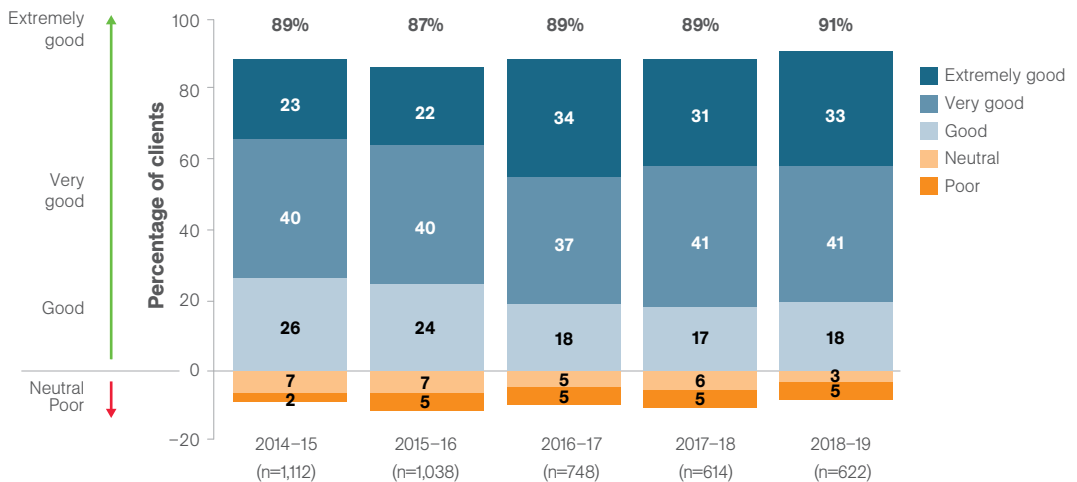
delivery and focus in Austrade that will be used to inform future capability decisions.

In 2018–19, previous training and guidance around Austrade’s eligibility processes was reinforced with the implementation of an automated, electronic alert system that sends a reminder to staff who initiate work with an organisation without the appropriate eligibility

checks in place. This improvement to Austrade’s risk management has seen compliance with this key process increase from 56 per cent (prior to the alert system’s introduction) to 98 per cent.

Austrade’s Service Charter can be found on austrade.gov.au and also at Appendix B.

Figure 19: Client ratings of Austrade’s services, 2014–15 to 2018–19



Notes

Due to rounding, the sum of ‘good’ to ‘extremely good’ may not equal the percentage at the top of the columns. Also due to rounding, totals may not add up to 100 per cent.

In last year’s annual report, the percentage of clients rating Austrade’s services as ‘good’ in 2014–15 was erroneously presented as 36 per cent.

Export Market Development Grants scheme

The Export Market Development Grants (EMDG) scheme is a financial assistance program for Australian small to medium-sized businesses. It provides an incentive for current and aspiring export-ready businesses to increase their international marketing and promotion expenditure to achieve more sustainable international sales. The EMDG scheme supports eligible applicants across most business models and industries.

EMDG scheme performance

The number of EMDG applications received in 2018–19 increased by 7 per cent, with 4,019 grant applicants compared to 3,771 applicants in 2017–18. Of this number, 1,499 were first-time applicants, which represents an increase of 5 per cent on the previous year. Seventy-two per cent of these first-time applicants were from the services sector.

Table 1 shows a total of 3,928 grants, worth \$131.4 million, were paid to EMDG recipients in 2018–19, an increase of 6 per cent in the number of grant recipients compared to 2017–18 (following an annual increase of 17 per cent in the preceding year). There has been no material change in the total value of grant payments since 2015–16.

A total of 86 grants (75 from the previous 2017–18 grant year and 11 from prior years), worth \$3.7 million, were made under the special ‘approved body’ category to non-profit, export-focused industry bodies that, while not exporting themselves, undertake export promotion on behalf of their industry or membership. This category includes industry associations and regional tourism bodies, and also firms cooperating in joint venture–style marketing arrangements.

The EMDG scheme reimburses international promotional expenditure. Under the scheme, a ‘grant year’ is the financial year in which a grant applicant’s export promotion expenditure actually occurred. Applicants seek reimbursement from 1 July the following year. Almost all grants are paid to eligible applicants in the year after the grant year. However, in any financial year, there will be some grant payments that relate to earlier grant years. To allow a comparison between the number of recipients and applicants relating to the same grant year, Table 2 provides a profile of grants that were paid in 2018–19 to the 2017–18 grant year applicants only. A comparison to previous years is also provided.

Table 1: Payments to EMDG recipients, 2014–15 to 2018–19

	2014–15	2015–16	2016–17	2017–18	2018–19	Variance 2017–18 to 2018–19 (%)
Total grant recipients	3,137	3,059	3,166	3,706	3,928 ^(a)	+6.0
Value of grants (\$ million)	140.8	131.4	131.4	131.6	131.4 ^(b)	–0.1

(a) Includes 3,741 recipients for the 2017–18 grant year and 187 recipients carried over from previous grant years.

(b) Includes the value of grants for the 2017–18 grant year of \$123.5 million plus the value of 187 grants from previous years and supplementary payments to grant recipients from previous years. A total of \$131.4 million was paid from the 2018–19 budget.

The average grant paid in 2018–19 to 2017–18 grant year recipients was \$33,022 (down 3 per cent) and the median grant was \$31,871 (also down 3 per cent). The scheme continued to provide strong support to regional and rural Australia, with 688 grants (up 18 per cent) paid

in the 2017–18 grant year to businesses in those areas. While the EMDG scheme supports a range of business types, companies are the dominant category. In the 2017–18 grant year, 90.5 per cent of EMDG recipients were in that category (Table 3).

Table 2: Profile of EMDG applicants and recipients, by grant year, 2013–14 to 2017–18

	2013–14 grant year	2014–15 grant year	2015–16 grant year	2016–17 grant year	2017–18 grant year	Variance 2016–17 to 2017–18 (%)
Total grant applicants	3,195	3,321	3,539	3,771	4,019	7
Assessed eligible grant demand (\$ million)	143.6	142.2	143.1	160.7	175.1	9
First-time grant applicants	971	1,192	1,260	1,433	1,499	5
Total grant recipients	2,943	2,969	2,999	3,383	3,741	11
First-time grant recipients	793	912	891	1,119	1,276	14
Value of grants (\$ million)	130.3	126.5	122.7	115.3	123.5	7
Average grant (\$)	44,270	42,607	40,921	34,086	33,022	–3
Median grant (\$)	33,499	32,560	32,202	32,804	31,871	–3
Recipients from rural and regional areas ^(a)	441	515	485	582	688	18
Value of exports generated by grant recipients (\$ billion)	3.9	3.6	3.8	3.8	3.7	–3
Employees of recipients	62,931	59,790	57,183	66,498	69,208	4

(a) The classification system used in classifying grant recipients as 'rural and regional' changed in the 2014–15 grant year to include any areas outside capital cities (whereas previously, large cities outside the capital cities were not classified as 'rural and regional').

Table 3: EMDG recipients by business type, 2017–18 grant year

Business type	Number of recipients	Percentage	Total grants paid (\$m)
Company incorporated in Australia	3,385	90.5	114.3
Individual	147	3.9	2.8
Partnership existing under Australian law	91	2.4	2.1
Approved body	75	2.0	3.2
Cooperative/association	22	0.6	0.5
Body corporate for public purpose	19	0.5	0.5
Approved joint venture	2	0.1	0.02
Total	3,741	100.0	123.5

Small exporters continue to be the largest category of EMDG recipients, with 77 per cent of 2017–18 grant year recipients reporting an annual income of \$5 million or less (Figure 20), 78 per cent reporting fewer than 20 employees (Figure 21), and 79 per cent reporting export earnings of \$1 million or less (Figure 22). A breakdown of EMDG recipients by state and territory is shown in Figure 23 and Table 4.

Figure 20: EMDG recipients by annual income, 2017–18 grant year

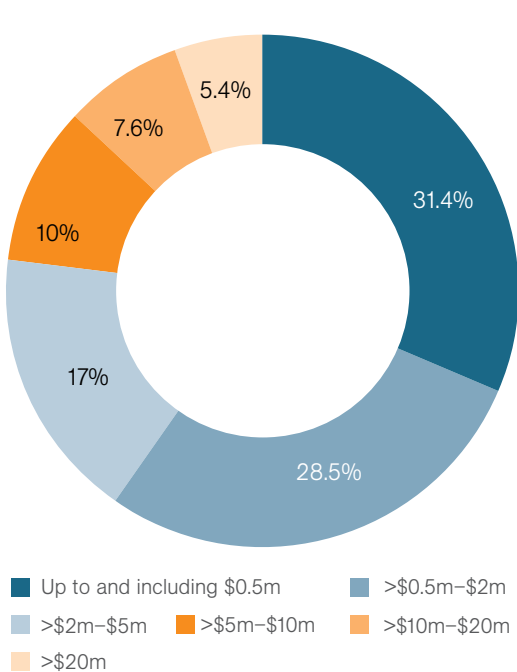
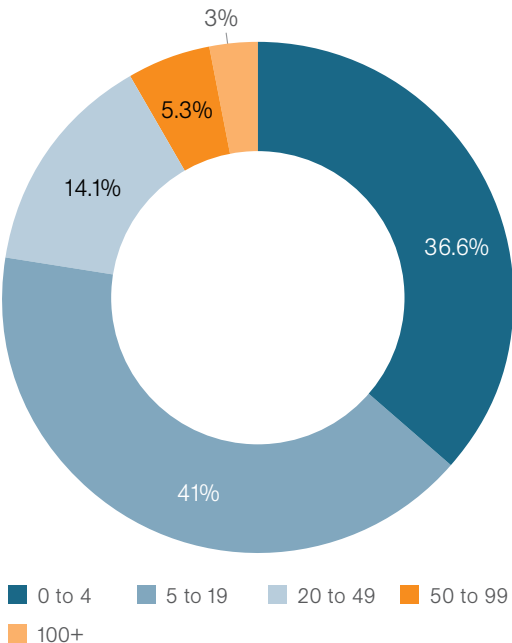


Figure 21: EMDG recipients by number of employees, 2017–18 grant year



Note: Percentages do not sum to 100 per cent due to rounding.

Figure 22: EMDG recipients by annual export earnings, 2017–18 grant year

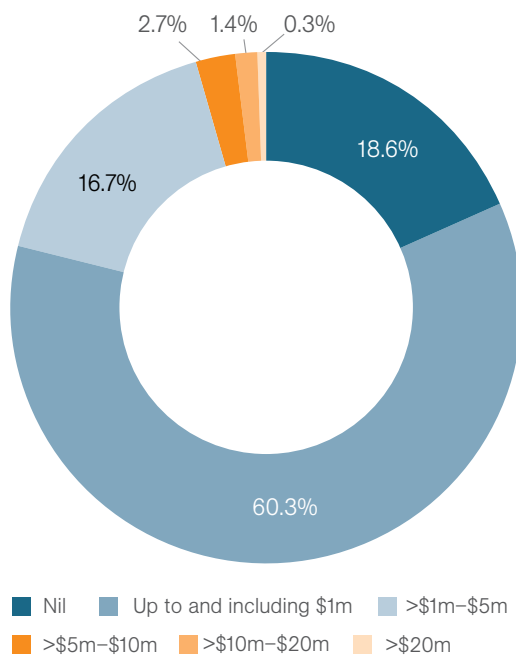


Figure 23: EMDG recipients by state and territory, 2017–18 grant year

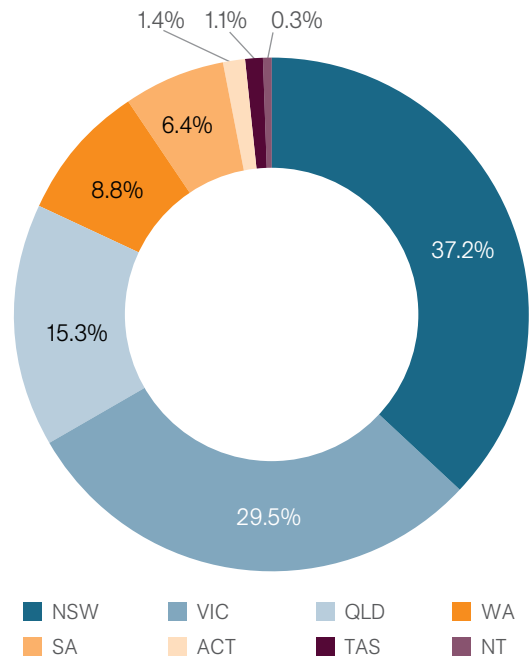


Table 4: EMDG recipients by state and territory, 2016–17 and 2017–18 grant years

State/territory	2016–17 grant year		2017–18 grant year	
	Recipients	Payments (\$m)	Recipients	Payments (\$m)
NSW	1,238	44.5	1,391	48.1
VIC	1,037	34.8	1,102	36.6
QLD	483	16.6	572	18.5
WA	319	10.3	330	10.5
SA	202	6.3	239	6.8
ACT	48	1.5	53	1.6
TAS	42	0.9	42	1.1
NT	14	0.5	12	0.3
National	3,383	115.3	3,741	123.5

By broad industry classification, the majority of EMDG recipients (68 per cent) in the 2017–18 grant year were in service industries, with a further 28 per cent in manufacturing and 4 per cent in the primary sector (Figure 24). ICT services, tourism, professional, scientific and technical services, and education and training dominated among services recipients.

The principal market targeted by EMDG recipients in the 2017–18 grant year continued to be the United States, with 57.8 per cent of all recipients paid grants for promotion activities that included the United States, followed by the United Kingdom, China, Singapore, Germany and Canada (Figure 25).

Figure 24: EMDG recipients by industry, 2017–18 grant year

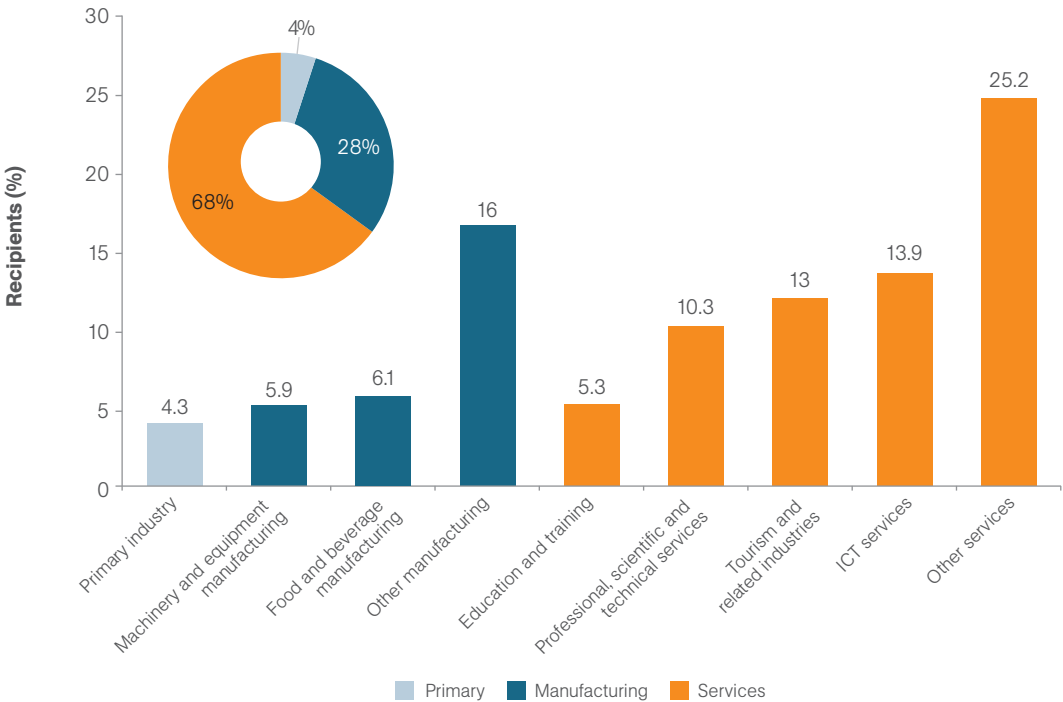
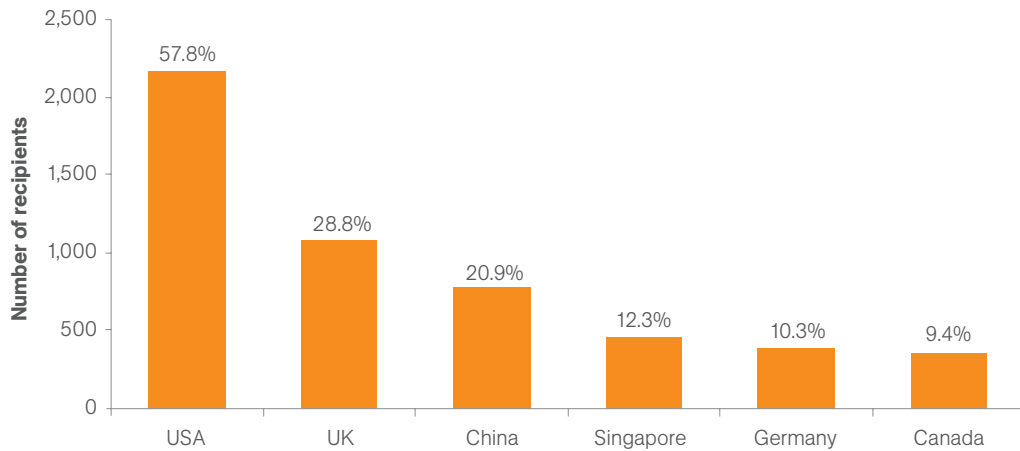


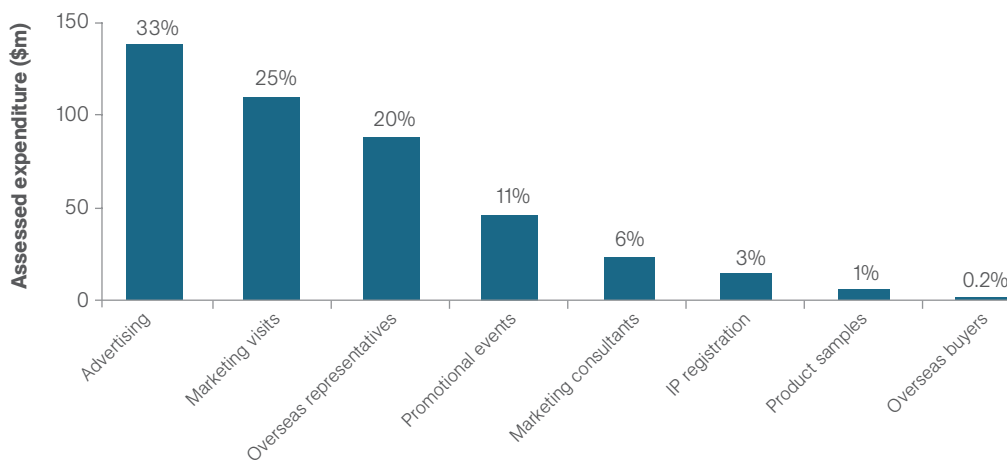
Figure 25: Top six markets targeted by EMDG recipients, 2017–18 grant year



Note: Recipients may promote to more than one market.

The advertising expenditure category was the largest expenditure category as a proportion of total assessed expenditure in the 2017–18 grant year, followed by marketing visits and overseas representation costs (Figure 26).

Figure 26: EMDG recipients by expenditure category, 2017–18 grant year



Note: Percentages do not sum to 100 per cent due to rounding

Case study: Austrade grants power \$29 million in fast-charger exports

Founded in Brisbane in 2001, Tritium is helping the auto industry shift gear into a truly electric future. Today, its DC fast-charger technology has been adopted in 29 countries, and the company has already captured approximately 15 per cent of the global market for 50 kW fast chargers for motor vehicles.

Back in 2013, Tritium launched Veefil-RT, the world's smallest and most advanced DC fast-charger for electric vehicles. By drastically reducing the time it takes to re-charge vehicles, Veefil-RT had the potential to transform the electric vehicle industry. But to assess its commercial viability, Tritium needed to take Veefil-RT on a global test-drive.

At every turn in its auto quest, Austrade has provided valuable assistance. For example, grants under the Export Market Development Grants (EMDG) scheme have enabled Tritium to reclaim some of the costs of exploring overseas markets. This has enabled a small company—with a limited marketing budget—to recoup the considerable expense of demonstrating new technology in Asia, Europe and North America.

Since 2014–15, Tritium has secured five separate grants to help fund its global charge. In 2017–18, these included expeditions to Germany, Italy, Norway and the United States.

This global strategy has paid rapid dividends. In 2014–15, the company generated just \$500,000 in export sales. In 2017–18, however, Tritium exports approached \$30 million. With its main manufacturing plant in Brisbane, Tritium now has 40 employees

and exports are doubling each year.

Since 2017, Austrade has also provided one-on-one support and in-market expertise. For example, in October 2018, Austrade's New Delhi office worked directly with Tritium directors to figure out how to collaborate with prospective partners in India's fast-evolving automotive sector. This resulted in Tritium entering the Indian market for the first time with an international agreement.

According to Tritium co-founder and chief product officer, Paul Sernia, the grants under the EMDG scheme have helped reduce risk as the business expanded into new countries. In addition, he commends the direct assistance provided by Austrade overseas.

'The grants have enabled us to broaden our international profile,' he said. 'Austrade's overseas officers have given us country-specific advice and introduced us to prospective partners. We look forward to continuing to work with Austrade in this exciting and emerging sector.'



An IONITY customer in Germany uses Tritium's Veefil-RT fast-charging technology.

EMDG scheme funding

The EMDG scheme's appropriation for 2018–19 was \$137.9 million. For the 2017–18 grant year, 2,189 businesses (63 per cent of all recipients) received their full grant entitlements up to the initial payment ceiling of \$40,000, and 1,552 businesses received more than the initial payment ceiling, of which their second-tranche payment above that ceiling was paid at 24.59 cents in the dollar. Eligible demand for grants was higher than available funds, resulting in the need to apply this payout factor to second-tranche payments for grants above the initial payment ceiling.

Total cash funding used by the scheme in 2018–19 was \$137.9 million, with \$6.5 million, or 4.7 per cent of the appropriation, spent on administration.

In April 2019, the Federal Government announced an increase in funding for the scheme. Funding for EMDG has increased by \$60 million over three years from 2019–20. The funding boost is designed to help Australian companies gain more exposure in international markets, allowing them to develop brand recognition and form relationships with potential customers.

Quality Incentive Program

The Export Market Development Grants (Extended Lodgement and Consultant Quality Incentive) Determination 2012 provides the framework for a voluntary system intended to improve the quality of applications prepared by EMDG consultants. EMDG consultants who apply for the program, and who have lodged at least five applications during the preceding lodgement period, with a total grant adjustment

rate of no more than 5 per cent, are invited to participate and are granted an additional three months to lodge applications for grants under this determination.

At 30 June 2019, there were 58 consultants approved to participate in the program. During 2018–19, 22 eligible EMDG consultants were approved as participants in the Quality Incentive Program and were listed on the Austrade website, and 21 were removed for failing to meet the requirements of the program.

Communication and promotional activity

During 2018–19, EMDG communication activities focused on advising EMDG clients, including grant applicants, consultants and industry bodies, of the requirements of the *Export Market Development Grants Act 1997* (EMDG Act), associated guidelines, the application process, and the option of using consultants with access to extended lodgement timeframes.

Austrade informed EMDG clients about new developments through the website, newsletters and other bulk mail communications, and conducted workshops and webinars to improve applicants' understanding of the scheme.

Administrative performance, risk and fraud control

Austrade processed 3,944 (98.1 per cent) of 2017–18 grant year applications within the 2018–19 financial year. In the face of increasing applications, Austrade maintained its strong focus on risk management and fraud control, which included the following measures:

- ▶ All applications were subject to appropriate levels of assessment scrutiny, on a risk-managed basis.

- Claimed grant amounts processed in 2018–19 were adjusted down by a total of \$22 million (10.6 per cent) as a result of Austrade's assessment activities during the year.
- No person was convicted of fraud against the EMDG scheme during the year. At 30 June 2019, no persons were before the court for alleged fraud, and two cases were with the Commonwealth Director of Public Prosecutions for consideration as to whether to commence court proceedings.

During 2018–19, 83 requests for an internal Austrade review of the initial grant assessment were received, down from 84 in the previous year. The appeal rate was 2 per cent of applications processed.

Details of appeals made by EMDG applicants to the Administrative Appeals Tribunal are shown in Table 5.

No applicants were denied a grant in 2018–19 under the 'not fit and proper' provisions in section 87AA of the EMDG Act, and eight cases were completed with no 'not fit and proper' findings. No appeals against a 'not fit and proper' determination were lodged.

No EMDG consultants were found to be ineligible to lodge EMDG applications on behalf of their clients under the 'not fit and proper' provisions for EMDG consultants in section 79A of the EMDG Act.

Table 5: Appeals to the Administrative Appeals Tribunal under the EMDG Act in 2018–19

Appeals under the EMDG Act in 2018–19	Number
Number of appeals in progress at 1 July 2018	11
Number of appeals received from 1 July 2018 to 30 June 2019	4
Total	15
Appeals withdrawn, finalised or settled prior to hearing	2
Decisions handed down by the Administrative Appeals Tribunal	3
Total	5
Number of appeals in progress at 30 June 2019	10

Working with partners

In 2018–19, Austrade strengthened its relationship with government and commercial partners to deliver greater value for our clients under a 'partnering for success' agenda, as outlined in the Austrade Strategy 2018–2022. During the year, we developed the strategy, along with a framework and principles, to guide Austrade's focus on strategic partnerships to expand our client service offerings, providing Australian business with valued services and commercial networks.

At an agency level, Austrade worked with partners such as the Department of Industry, Innovation and Science, the Commonwealth Scientific and Industrial Research Organisation (CSIRO), Export Finance Australia (formerly trading as Efic), and state and territory governments to provide enhanced trade and investment services and support the government's trade and investment agenda.

During 2018–19, Austrade and Export Finance Australia co-designed a partnership framework to align efforts to provide a more cohesive export service and finance solutions for eligible Australian businesses. Our activities were driven by the need for clients to understand and be able to access Australian Government support and financing so they can achieve their export goals. We are building the capabilities across our agencies to recognise clients who can benefit from each agency's commercially focused services and to provide seamless, targeted support to Australian business. This includes an increased emphasis on cross-referrals of clients and joined-up promotional activities.

Collaboration is also supported by the co-location of Export Finance Australia staff in Austrade's offices in Brisbane, Melbourne, Adelaide and Perth.

Working across government on trade, tourism, investment and international education

Austrade drives a 'team Australia' approach with state and territory governments to amplify Australia's strong trade, tourism, investment and international education prospects in a competitive global marketplace. Austrade uses platforms such as the joint Australian and state and territory government Trade and Investment Ministers Meeting and Tourism Ministers Meeting, and supporting officials-level forums, including providing secretariat support to ensure effective functioning of these meetings.

The Trade and Investment Ministers Meeting took place twice in 2018–19, building shared awareness of trade and investment trends and facilitating collaboration on policy, services and promotional activities. This forum was supported by eight meetings of Australian and state and territory government officials, including the Senior Officials Trade and Investment Group, the National Investment Advisory Board, and the National Trade Working Group. These meetings were an opportunity to discuss global trade and investment outlooks, trade negotiations, enhanced collaboration in overseas markets, and joint major events and promotional activities. They also provided an opportunity to progress policy initiatives to support growth sectors such as critical minerals, and to address issues such as non-tariff trade barriers, visas, and impediments to investment. For more information on policy initiatives, refer to page 108.

The Tourism Ministers Meeting and accompanying Australian Standing Committee on Tourism both met twice in 2018–19. Topics discussed at the meetings included implementation of the Tourism 2020 strategy, development of the next strategy, and tourism data needs. For more information on tourism policy initiatives, refer to page 109.

Austrade also hosted a quarterly International Education Marketing Forum with state and territory international education professionals to discuss opportunities for joint marketing and promotion. For more information on international education, refer to page 62.

Service level agreements for co-located agencies overseas

Austrade administered a number of service level agreements with attached Australian Government agencies for the delivery of administrative support in Austrade-managed consulates-general in overseas locations. These included agreements with the:

- › Department of Foreign Affairs and Trade—Houston
- › Department of Home Affairs—Auckland and Dubai
- › Department of Agriculture—Dubai
- › Australian Federal Police—Dubai.

Austrade also administers an overseas co-location program with states and territories whereby staff are engaged on behalf of state or territory governments. This co-location program provides an opportunity to broaden state and territory and Commonwealth collaboration and cooperation on trade and investment promotion. The overarching principle is to deliver a united 'team Australia' approach to activities in market. Arrangements are formalised through service level agreements that outline the oversight, administrative frameworks and costs for each arrangement.

In 2018–19, agreements were in place for the:

- › New South Wales Department of Industry in Jakarta, Kuala Lumpur, London, Seoul, Singapore and Tokyo

- › South Australian Department for Trade, Tourism and Investment in Bangkok, Tokyo, Hong Kong, Jakarta, Kuala Lumpur, Mumbai, Shanghai and Singapore
- › Tasmanian Department of State Growth in Shanghai
- › Northern Territory Department of Trade, Business and Innovation in Jakarta and Singapore
- › Australian Capital Territory Chief Minister, Treasury and Economic Development Directorate in Singapore.

Developing northern Australia

Austrade continues to support the implementation of the 2015 White Paper on Developing Northern Australia through advancing trade, investment and tourism opportunities. In 2018–19, Austrade continued to work with potential investors, including those who attended the Northern Australia Investment Forum in 2015 and 2017. Investors have shown an emerging interest in the development of irrigated cropping, horticulture and forestry to complement pastoral operations in the Northern Territory. Austrade is helping investors navigate complex investment pathways, providing them with the ongoing support they need to make investment decisions.

During 2018–19, Austrade continued to work with CSIRO's Data61 to refine datasets and enhance functionality of the online interactive Investor Map. The interactive map forms part of the online Investors' Guide to Land Tenure in Northern Australia, which helps investors understand various aspects of investing in northern Australia, such as land tenure, native title and engaging with traditional owners.

Case study: Cross-government collaboration provides benefits for Australian mining equipment, technology and services businesses

Australia is a world leader in underground mining, and has a strong record in automating mining services, building safety cultures, and developing technology to address construction in areas where there is water scarcity. This presents a significant opportunity for Australian mining services companies looking to market their experience and expertise internationally. The key is getting the right connections to do business.

Peruvian mining company Marcobre set up the Mina Justa project to mine and process copper concentrates and copper cathode in Peru's Ica province. Ausenco, an Australia-based engineering, procurement, construction management and operations company, was set to play a key role in the mine's construction. Because of this, the project was potentially eligible to receive a loan from Export Finance Australia to support the project's delivery.

Through our existing close relationship, Export Finance Australia referred Marcobre to Austrade in 2018. Austrade facilitated introductions to Marcobre for a number of small and medium-sized Australian businesses in the mining equipment, technology and services sector.

There was a requirement for Marcobre to contract Australian suppliers, in order to secure the involvement of Export Finance Australia in the project. To help meet this requirement, Austrade's Lima post worked with Marcobre to understand the project's needs. Austrade then used its knowledge of suitable Australian companies to generate a list of potential suppliers for review by Marcobre.

Gabriel Ayllón García, Marcobre's chief finance officer, said Austrade was invaluable in helping Marcobre to invite and secure the services of seven Australian businesses with the expertise the company needed.

'It was a very transparent process,' said Mr Ayllón García. 'We selected the companies because they were more competitive, not simply because we needed to comply with the loan conditions.'

The potential for international companies to attract financing through Export Finance Australia can help those companies look more favourably on engaging Australian businesses as part of their supply chains. At the same time, proactive cross-government collaboration between Austrade and Export Finance Australia can enable and enhance export outcomes for Australian companies.

Australian Tropical Medicine Commercialisation grants program

As a part of the White Paper on Developing Northern Australia, Austrade, in partnership

with AusIndustry, is administering the government's \$7.17 million Australian Tropical Medicine Commercialisation grants program to attract matched foreign direct investment contributions. This program is helping Australian

businesses and researchers within the field of tropical medicine develop pathways to commercialise their research in partnership with international organisations.

Nine investors from the global health sector provided over \$9.6 million to match government funding, building partnerships with Australian research institutes to commercialise approaches in curing tropical diseases. Twelve projects covering tuberculosis, malaria, schistosomiasis, rheumatic fever, leishmaniasis, scabies, rotavirus and dengue fever have been successfully administered with varying results, but all offering potential for further foreign direct investment in the future. In 2018–19, \$2 million in funding was made available for projects to be completed.

The program closed on 30 June 2019, having built connections between Australian research institutes and the global health sector, including international pharmaceutical companies and philanthropic organisations. It demonstrated the strength of Australia's global health research and development to the global pharmaceutical value chain. The program will be evaluated over the next 12 months, with a further evaluation planned in two years.

Support for Indigenous businesses

Austrade is implementing an Indigenous International Business Strategy to assist more Indigenous businesses to succeed internationally. In 2018–19, Austrade:

- identified Indigenous businesses with international potential
- worked with partners to increase awareness of, and access to, export support services and assistance among Indigenous businesses

- helped connect services across government, and between government and the private sector, to provide seamless assistance to Indigenous businesses.

Key to delivering the strategy has been the development of strong connections with Commonwealth, state and territory government agencies. Austrade has also built networks with foreign governments, and Australian and overseas private sector organisations, accelerators and universities. As well, Austrade is working closely with Supply Nation, Australia's Indigenous supplier diversity organisation, combining the key capabilities of both organisations to focus on advancing international outcomes for Indigenous businesses, and leveraging Supply Nation's knowledge and existing networks.

In 2018–19, Austrade worked to improve data collection and reporting efforts on Indigenous businesses, and developed a baseline against which to evaluate future performance. Additionally, in accordance with Indigenous inclusion principles, Indigenous businesses applying for assistance under the Export Market Development Grants scheme will be able to identify as such.

In the January 2019 edition of *Business Envoy*, Austrade collaborated with the Department of Foreign Affairs and Trade to raise the profile of successful Indigenous businesses and entrepreneurs in a global context.

For information on Austrade's reconciliation activities, see pages 133 and 135.

Case study: Australian research institute leads the way in tropical medicine commercialisation

In 2015, after three decades of research, the Institute for Glycomics at Griffith University developed a preclinical vaccine technology candidate against Group A streptococcus (GAS). This common bacterial infection can lead to serious complications, such as rheumatic fever and kidney disease, killing up to 650,000 people a year.

With the help of a grant under the Australian Tropical Medicine Commercialisation (ATMC) grants program, the institute has been able to turn the vaccine technology into a manufactured vaccine ready for clinical trial. The ATMC program is an Australian Government initiative to help Australian research institutes develop and commercialise new tropical therapeutics, vaccines and diagnostics.

Dr Chris Davis, the institute's general manager, said the journey to developing and manufacturing the GAS vaccine was not easy.

'In Australia, access to venture capital for early-stage technologies is limited,' said Dr Davis. 'Australia has some brilliant scientists who are leading the world in the discovery of early-stage biomedical technologies, but limited capital can lead to these discoveries never being translated to the clinic and ultimately to a product.'

'That's why programs like the ATMC are really beneficial to the advancement—within Australia—of medical breakthroughs like ours. It means we can not only fund the

development of our technology through to a clinical trial, but also bring some value to our institution through a more attractive technology offering to industry.'

The institute's principal research leader and co-inventor of the vaccine technology, Professor Michael Good AO, noted the importance of the ATMC grant in the development of the technology.

'It helped fill the gap between federal and state government funding, allowing us to manufacture the vaccine,' said Professor Good. 'With a manufactured vaccine candidate in hand, our pitch to biotechnology and pharmaceutical companies for investment and technology co-development was a lot easier.'

On the back of the ATMC grant, the Institute for Glycomics has secured further funding to conduct a Phase 1 clinical trial with its clinical partners.



Professor Michael Good AO, Principal Group Leader at the Institute for Glycomics, and co-inventor of the Group A streptococcus vaccine.

Policy advocacy and influencing

The commercial insights we gain from our international network and our work with exporters and investors, combined with our knowledge of government policy agendas and decision-making processes, mean Austrade makes a unique contribution to policy processes and economic policy debates. Our ability to use those insights and knowledge to influence policy outcomes and advocate for Austrade's clients, our minister, and for Australia's exporter and investment communities more generally, is a core element of our value proposition.

Expanding our policy influence is a key component of Austrade's strategic priorities for 2018–2022. Our new Policy Influence Strategy outlines how we can make the most impact with policy work. Our vision is that—as the 'go to' agency for commercial, firm-level insights, advice and thought leadership—Austrade is active and influential in economic policy debates

and decisions that impact exporters, investors and Australia's economic prosperity.

Balancing national security and economic prosperity

Austrade champions the role trade and investment play in building a strong Australian economy. However, shifts in the international order are challenging our open economic settings. At times, achieving Australia's economic priorities can entail national security risks that we need to manage. Austrade's deep commercial expertise and extensive international networks have contributed to whole-of-government consideration of national security and economic prosperity goals.

Tackling non-tariff barriers

Non-tariff barriers (NTBs) are an increasing concern for Australian businesses looking to expand exports and compete internationally.

Case study: Working with industry and government to support services exporters

Businesses in the services sector can face unique exporting challenges, with complex and sometimes opaque barriers across government. Austrade is committed to working closely with services exporters and government agencies to identify and pursue action on issues that affect the international competitiveness of Australia's services sector.

Following a roundtable with industry leaders, hosted by Senator the Hon Simon Birmingham, Minister for Trade, Tourism and Investment in November

2018, Austrade and the Department of Foreign Affairs and Trade worked with financial services, professional services, and information and communications technology and e-commerce exporters to develop practical recommendations to address barriers to services exports and increase competitiveness. Austrade and its partners in government and industry will take forward actions to support services firms to internationalise and simplify domestic regulation.

At the enterprise level, Austrade is contributing to a whole-of-government strategy to address NTBs, which is led by the Department of Foreign Affairs and Trade. This includes partnering with the Department of Industry, Innovation and Science, and the Department of Agriculture to launch the Australian Government's action plan for addressing NTBs, and an online gateway for reporting NTBs, in December 2018.

Austrade plays a key role in supporting Australian businesses, including small and medium-sized enterprises, to identify and navigate NTBs affecting their business, providing practical information and advice on certification, regulations, customs, packaging, labelling, testing, and registration requirements in international markets. Overseas, Austrade works with other Australian Government agencies to help raise cases with foreign governments where particular NTBs act as barriers to trade for Australian businesses.

Tourism

Austrade has responsibility for tourism policy in the Australian Government and for driving implementation of Tourism 2020, the long-term tourism strategy. Through the Tourism 2020 Implementation Plan (2015–2020), Austrade progressed a number of reform areas during 2018–19, overseen by tourism ministers through the Tourism Ministers Meeting, and senior officials through the Australian Standing Committee on Tourism, for which Austrade provides the secretariat.

The Tourism Ministers Meeting convened twice in 2018–19. Outcomes included contributing to the continued rollout of multiple-entry visitor visas and online visa lodgement; working with the Department of Infrastructure, Transport, Cities and Regional Development on the

successful negotiation of updated air services arrangements; and encouraging ongoing collaboration between industry and government to address labour and skills issues. Austrade continued to encourage and monitor progress against the Tourism 2020 Implementation Plan, and report to the Tourism Ministers Meeting. The plan includes cross-portfolio collaboration, visa arrangements, aviation capacity, labour and skills, and investment.

For the year ending June 2019, overnight tourism expenditure reached \$122.1 billion, up 11 per cent on the previous year and surpassing the \$115 billion lower-bound threshold of the Tourism 2020 growth targets.

Austrade also continued work on developing the next tourism strategy beyond 2020, including secretariat support to the industry-led Beyond Tourism 2020 Steering Committee, which reported to government in December 2018. In early 2019, Austrade conducted public consultation on the committee's report, receiving feedback and ideas for the future of Australia's tourism industry. Austrade received a total of 64 submissions from tourism operators, peak bodies, local and state governments, and regional tourism organisations. In addition, 250 people tuned in to a webinar as part of the consultation process, and an industry workshop was held in Launceston, Tasmania, to coincide with a major tourism event there. Austrade will continue to work with the states and territories and industry stakeholders to develop the new strategy to enable a smooth transition from the end of the current strategy.

Increasing tourism access

Austrade continued to play an active role in enhancing aviation access to key tourism, trade and international education markets

during 2018–19. Austrade participated in the International Civil Aviation Organization Air Services Negotiation Event (ICAN) in December 2018, where the Australian delegation met representatives from a number of markets. Successful negotiations were held with Guyana, Rwanda, Sri Lanka, Oman, Jordan and Bahrain. These new arrangements will help progress toward the Tourism 2020 upper-bound target of \$140 billion in overnight visitor expenditure by 2020, as well as facilitate trade and international education.

Austrade supported Senator the Hon Simon Birmingham, Minister for Trade, Tourism and Investment, and the Hon Michael McCormack MP, Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development, in co-chairing a Tourism Access Working Group meeting in December 2018. The working group is an avenue for senior tourism and aviation industry representatives to raise important issues affecting the industry, such as air services arrangements, visa reform, passenger facilitation and airport security.

International education

International education remains one of Australia's largest exports, contributing \$35.2 billion to the Australian economy in 2018. In line with growing export value, Australia hosted a record 693,750 international students in 2018, following strong growth in the preceding five years. While growth in enrolments has continued in the first half of 2019, commencements (new student enrolments) is moderating with pathway courses (English language, schools and foundation studies) showing stagnant growth or declines in the year to June 2019. This is expected to flow through to higher education and vocational education and training enrolments in 2019–20.

With a growing international student population concentrated in Australia's major capitals and our top three international student markets making up half of all international enrolments in Australia, Austrade's priorities in 2018–19 supported the Council for International Education in its work to encourage regional dispersal and sector diversification (see 'International education' on pages 62–3).

Austrade also supported the council's marketing collaboration and China working groups, and is leading the outcomes of both groups to align Australia's marketing activities and education brand internationally. Austrade also supported the council's India reference group to progress the education recommendations in the Australian Government's India Economic Strategy.

Visas

Austrade strives to ensure Australia's visa settings remain internationally competitive and contribute to national prosperity, while meeting the Government's broader objective of improving the integrity and performance of the visa and migration program.

Austrade promotes tourism to Australia by advocating enhanced visitor visa offerings, including longer visas, multiple-entry visas and streamlined online processing. Austrade successfully advocated enhancements to the Working Holiday Maker visa program, which generates tourism income and provides a flexible source of labour for tourism-related industries, particularly in regional areas that face skills shortages. In June 2018, Austrade commissioned research that will help guide the future direction of the Working Holiday Maker visa program. In the education sector, information collected from the Austrade network

Case study: Nippon Steel Corporation becomes accredited sponsor for Temporary Skill Shortage visas

Nippon Steel Corporation (NSC) has long been an important partner for Australia, purchasing in excess of \$10 billion in resources per year and investing over \$2 billion in coal and two iron ore ventures.

Although NSC investment generates employment for more than 700 people, predominantly Australians, like many Japanese companies, it has a small office of mostly expatriate Japanese staff. Accordingly, it did not initially qualify as an accredited

sponsor for the Temporary Skill Shortage visa.

Following a Japanese investment seminar initiated by Austrade in September 2018, NSC was offered accredited sponsor status in recognition of its major investment. As a result, Temporary Skill Shortage visa applications nominated by NSC now receive priority processing, which has improved business continuity for its operations in Australia.

ensures Australia's student visas remain internationally competitive in world markets.

Austrade advocates a skilled migration program that responds to business needs. In September 2018, Austrade and the Department of Home Affairs hosted an information seminar on the Temporary Skill Shortage visa for Japanese foreign investment companies following concerns visa processing issues were impacting their Australian operations. In response to those concerns, in March 2019, the Government introduced a new 'major investment in Australia' accredited sponsor category for the Temporary Skill Shortage visa. This accommodates investment companies that contribute significantly to the economy, including through indirect employment of Australians.

Austrade also advises the Government on the investment requirements for the Significant Investor Visa (SIV) and Premium Investor Visa (PIV) programs, which offer a pathway to

permanent residence followed by citizenship. In 2018–19, 191 primary visas were granted under the SIV program, resulting in \$955 million in complying investments, including \$96 million committed to venture capital and \$287 million invested in emerging Australian companies.

Contributing to the trade modernisation agenda

Austrade actively supports the government's trade modernisation agenda, drawing on the insights of our clients and representing their requirements for digitised border processes that are simpler and lower-cost, and maintain Australia's competitiveness with the leading trading hubs in the region. In addition to working with the lead agencies in government, Austrade is engaged with private-sector forums seeking to develop innovative solutions to improve border efficiency, including the Global Access Partners taskforce.

Promoting Australia's critical minerals capability

Austrade, with the Department of Industry, Innovation and Science, led the development of a whole-of-government national strategy for Australia's critical minerals sector. Critical minerals are essential to the economic and strategic interests of many advanced and emerging countries, but are vulnerable to market distortions and supply disruption. These minerals are key inputs in a wide range of high-tech sectors, including renewable energy, aerospace, defence technologies, automotive (particularly electric vehicles) and telecommunications. Austrade collaborates across government to strengthen Australia's investment settings and reduce barriers to investment. Austrade's commercial work to facilitate foreign investment and offtake opportunities in critical minerals is helping to develop the critical minerals industry in Australia.

Strengthening business ties with the Pacific

Austrade is stepping up its business engagement with the Pacific, consistent with the Australian Government's resolve to engage with Pacific Island countries with greater intensity and ambition, deliver more integrated and innovative policy and make further, substantial long-term investments in the region's development. Australian Government programs—including the Australian Infrastructure Financing Facility for the Pacific and the trilateral partnership between Australia, Japan and the United States for infrastructure investment in the Indo-Pacific—present opportunities to strengthen business ties with the Pacific.

In May 2019, Austrade partnered with the Department of Foreign Affairs and Trade and the US Commercial Service to host a seminar

on opportunities in the South Pacific in Fiji. The event helped position Australian and US companies as quality partners for infrastructure projects in Pacific Island countries. Austrade will continue to provide opportunities for two-way business engagement with the Pacific, with planning for future events and activities underway.

Opening the Australian Trade and Defence Office in West Jerusalem

Following an announcement by Australia's Prime Minister, the Hon Scott Morrison MP, in December 2018, Austrade opened the Australian Trade and Defence Office in West Jerusalem in March 2019. The office helps build Australia's trade, investment, innovation, and defence industry partnerships, including technology and research and development collaborations. The office complements and extends Austrade's work in Tel Aviv to promote Australia's commercial links with Israel.

Israel hosts a fast-growing and vibrant technology sector that offers investment and research collaboration opportunities for Australian businesses and institutions to engage with Israel's technology sectors, including in life sciences, biotech, agriculture technology, artificial intelligence, and cybersecurity.

Economic and commercial diplomacy in action

The Australian Government has reinvigorated its economic and commercial diplomacy agenda, with Austrade and the Department of Foreign Affairs and Trade (DFAT) working together to deliver outcomes for businesses.

Economic and commercial diplomacy has long been a core part of Austrade's business. Austrade brings the voice of business to the

policy table to support Australian Government imperatives. The reinvigorated agenda aims to mobilise government resources at all levels across Australia and overseas to build stronger partnerships with business and achieve shared goals.

Austrade and DFAT draw on each other's expertise, share information and coordinate, particularly on non-tariff trade barriers, market access issues, and business support and facilitation. Onshore and offshore offices take opportunities to synchronise calls and outreach to business, where policy and commercial issues are interwoven, while ensuring a clear understanding of who has the lead and avoiding multiple or overlapping contacts.

For example, in 2018–19, Austrade and DFAT worked with CSIRO and the Australian Space Agency to encourage investment into Australia and ensure that Australian businesses gain

access to global supply chains. Austrade and DFAT also worked together to promote research and development collaboration around our engagement with Frances' Naval Group to build submarines in Adelaide.

Parliamentary inquiries and briefings

During the year, Austrade appeared before, or provided submissions to, the following parliamentary committee inquiries:

- › Joint Standing Committee on Foreign Affairs, Defence and Trade inquiry into access to free trade agreements by small and medium-sized enterprises—Austrade provided written input to the committee throughout 2018–19.
- › Joint Standing Committee on Trade and Investment Growth inquiry into Austrade's role in attracting investment in Australia—Austrade provided a submission and appeared before the committee in November 2018.



Krishan Singh Manager, Ministerial and Parliamentary

Krishan Singh manages Austrade's Ministerial and Parliamentary team, providing a central point of liaison for engagement with our portfolio

ministers' offices. The team coordinates ministerial briefs, submissions and correspondence within Austrade, as well as responses to a broad range of ministerial requests and Austrade input to parliamentary processes. The team also manages Austrade's appearances at Senate Estimates hearings, including preparation of briefings for senior Austrade staff, and coordination of responses to questions from committee members.

In late 2015, Krishan led the implementation and rollout of the Parliamentary Document Management System (PDMS) in Austrade. PDMS provides easy access to all documents in one system and enables better information sharing, better tracking of documents and improved reporting and accountability.

Krishan has worked in the Australian Public Service for over 35 years and has been with Austrade since 2014. Prior to joining Austrade, Krishan worked as a divisional business manager in the Department of Resources, Energy and Tourism, and before that, in the Department of Industry.

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

Program 2.1: Consular and passport services

This section includes supplementary narrative discussion, case studies and trend data that demonstrate Austrade’s performance against our purpose, as set out in our 2018–19 corporate plan. It complements the summary of results against Austrade’s performance criteria included in the annual performance statements (pages 33–4), and also demonstrates Austrade’s performance against Outcome 2, Program 2.1, as set out in Austrade’s Portfolio Budget Statements 2018–19. For more information on the relationship between Austrade’s portfolio budget statements, corporate plan and annual performance statements, please refer to Figure 6 on page 18.

Achievements in 2018–19

98.7% of the 16,599 passport applications received at Austrade consular offices during 2018–19 were scanned within 24 hours.



Austrade processed its passport applications with an error rate of 1.7 per cent across all its posts, within the Australian Passport Office’s key performance indicator of 3 per cent.

739 Australians in difficulty overseas were helped by Austrade. This included assistance to people in prison, to those needing medical help, and to bereaved families.

Consular and passport services

Austrade-managed consulates

Through its network of consulates, Austrade provides support to Australians travelling, working and living overseas, delivering prompt, effective and courteous consular assistance and passport services. At 30 June 2019, Austrade operated consulates on behalf of the Australian Government in 14 overseas locations where the Department of Foreign Affairs and Trade does not have a presence (see Table 6).

Table 6: Austrade-managed consulates, at 30 June 2019

Austrade-managed consulates	
Auckland	Prague ^(a)
Dubai	San Francisco
Frankfurt	Sao Paulo
Fukuoka	Sapporo
Houston	Toronto
Milan	Vancouver ^(a)
Osaka	Vladivostok ^(a)

(a) Consulates managed by an Austrade honorary consul.

Austrade consulates provide a range of services to Australians overseas, including assistance with welfare issues; missing persons; whereabouts enquiries; arrest and detention matters; deaths and medical emergencies; support for victims of serious crime; notarial services; processing new passport applications, including renewals; replacing lost or stolen

passports; issuing emergency passports and provisional travel documents; and detecting attempted document and identity fraud.

In 2018–19, Austrade provided high-quality and responsive consular support to 739 Australians in difficulty overseas. This included assistance to 56 people imprisoned overseas, 94 people requiring medical assistance or hospitalisation, and support to the families of 118 people who died overseas.

The number of passport applications received in 2018–19 increased by 6.6 per cent to 16,599, up from the 15,576 received in 2017–18, with 98.7 per cent of applications scanned within the required 24 hours. Austrade processed its passport applications with an average error rate of 1.7 per cent across all its posts, well within the Australian Passport Office's key performance indicator of 3 per cent.

Austrade provided responsive passport services to Australians with urgent travel needs, issuing 1,134 emergency or provisional travel documents overseas in 2018–19.

The number of notarial acts performed in 2018–19 decreased by 6.4 per cent to 6,565, down from the 7,017 notarial acts performed in 2017–18.

Table 7 provides a summary of consular and passport services provided by Austrade consulates from 2014–15 to 2018–19.

Table 7: Consular and passport services provided by Austrade, 2014–15 to 2018–19

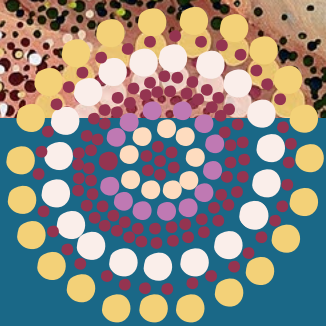
	2014–15	2015–16	2016–17	2017–18	2018–19
No. of Australians who received consular support	891	829	822	821	739
No. of notarial acts	12,558	12,861	7,996	7,017	6,565
No. of passport applications received	13,486	14,726	16,568	15,576	16,599

2019 federal election

Austrade worked closely with the Australian Electoral Commission to deliver in-person voting services for the 2019 federal election across seven of its overseas locations. A total of 5,076 votes were cast by eligible Australians at Austrade's voting centres in the two weeks prior to election day.



Austrade staff at the Australian Consulate in Vancouver get votes ready for dispatch back to Australia in the federal election in May 2019. Pictured: Carole Kelly (seated, left); June Adamson (seated, right); Philip Leal (standing, left); and Kevin Lamb (standing, right).



PART 3

Management and accountability

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Management and accountability

Corporate governance

Austrade's corporate governance framework provides a sound basis for decision-making. It supports the achievement of Austrade's purposes and objectives while meeting legislative, policy and accountability requirements. The framework provides a mature system for managing risk and human and financial resources through planning and assurance processes.

Accountable authority

Dr Stephanie Fahey, as Chief Executive Officer, was the accountable authority for the whole reporting period.

Governance committees

Austrade's governance committee structure includes the Executive Committee and four supporting governance committees that provide advice and assurance. The governance committee structure at 30 June 2019 is shown in Figure 27. A brief overview of each committee is provided in Table 8.

Austrade's Executive Committee

The CEO chairs the Executive Committee, which includes the CEO's three direct reports (two deputy CEOs and the Chief Client Officer), the Chief Operating Officer and six general managers (including two general managers located overseas whose committee positions rotate on a 12-month basis).

Austrade's Executive Committee advises the CEO and oversees strategic priorities, corporate management, operational plans and service delivery. It met 30 times in 2018–19.

The biographies of the Executive Committee's 11 members at 30 June 2019 are provided below.

Other committee members during 2018–19, and their roles at the time, were:

- › Daniel Boyer, General Manager, Government and Partnerships
- › Nick Nichles, Chief Operating Officer
- › Graham Putt, Acting General Manager, Trade and Investment
- › Nicola Watkinson, General Manager, Americas, and Senior Trade and Investment Commissioner, New York
- › Margaret Bowen, Acting General Manager, Government and Partnerships.

Figure 27: Austrade's governance committee structure, at 30 June 2019

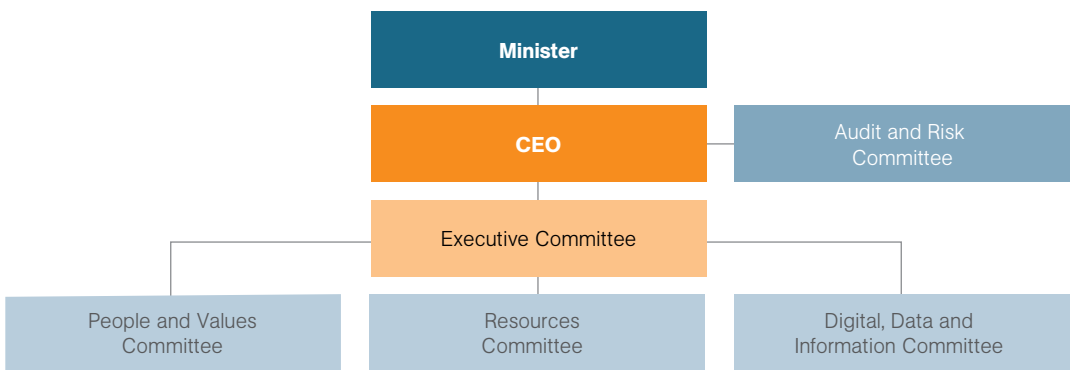


Table 8: Austrade governance committees, at 30 June 2019

Governance committee	Role and activities
Executive Committee	Provides a forum for strategic discussion and advice to the CEO on areas of organisational strategy, corporate governance, agency risks, policy, and management and accountability, including financial management. The committee was chaired by the CEO and met 30 times in 2018–19. Details of the executive members of the committee are provided on pages 120–3.
Audit and Risk Committee	Provides independent advice to the CEO on the appropriateness ^(a) of Austrade's financial reporting, performance reporting, system of risk oversight and management, system of internal control, and other functions relevant to the committee's operation. The committee was chaired by independent member, David Lawler, who retired from the committee in August 2018. In September 2018, Jennifer Clark, also an independent member, was appointed chair and Carol Lilley was appointed as the additional independent member. The management member on the committee was Deputy CEO David Hazlehurst until August 2018, and Deputy CEO Tim Beresford since September 2018. The committee met five times in 2018–19.
Resources Committee	Oversees, monitors and advises on whole-of-agency strategic resourcing (including human resources, assets, and capital and recurrent funding) and related strategies for meeting Austrade's business goals. The committee was chaired by Deputy CEO David Hazlehurst and met 11 times in 2018–19.
Digital, Data and Information Committee	Provides governance and strategic oversight for digital, data and information initiatives. The committee was chaired by Deputy CEO David Hazlehurst and met eight times in 2018–19.
People and Values Committee	Provides oversight of Austrade's values and guidance on the development and implementation of strategies to enhance people and organisational effectiveness. The committee was chaired by Deputy CEO David Hazlehurst until September 2018, and Deputy CEO Tim Beresford since October 2018. The committee met eight times in 2018–19.

(a) For the purposes of the *Public Governance, Performance and Accountability Act 2013* and the *Public Governance, Performance and Accountability Rule 2014*, and consistent with the rules of statutory interpretation, 'appropriateness' has its ordinary meaning of 'suitable or fitting for a particular purpose'.

Dr Stephanie Fahey—Chief Executive Officer

Responsible for the management of Austrade, reporting directly to the Minister for Trade, Tourism and Investment.

Dr Stephanie Fahey has been Austrade's CEO since early 2017. Before joining Austrade, she was Lead Partner for Education at professional services firm EY, and prior to that, Deputy Vice-Chancellor (Global Engagement) at Monash University in Melbourne. Stephanie has also served as the Director of the Research Institute for Asia and the Pacific at the University of Sydney, which conducted research on business and the economies of Asia.

Stephanie has a PhD from the Australian National University, where she focused on the socio-economic development of Papua New Guinea. After her doctoral studies, she pursued a teaching and research career, looking at growth in the Asia-Pacific region, particularly in Vietnam.

David Hazlehurst—Deputy CEO, Business, Partnerships and Support

Responsible for strategy and business transformation, partnerships, digital and IT, and corporate and ministerial services.

David Hazlehurst joined Austrade in January 2018. During 27 years in the Australian Public Service, David has held senior appointments in the Digital Transformation Office, the Department of the Prime Minister and Cabinet, the Department of Industry, Innovation and Science, and the Treasury, and in the Education, and Family and Community Services, portfolios.

David holds bachelor degrees in Economics and Law (honours), and a Master of Public Policy from the Australian National University. He is a member of the Council of the Institute of Public Administration (ACT Division).

Tim Beresford—Deputy CEO, Global Markets and Sector Engagement

Responsible for the promotion of trade and investment, and the operations of Austrade's trade and investment network.

Tim Beresford was previously Chief Operating Officer and Deputy Vice-Chancellor at Macquarie University, with responsibility and oversight of operations and international student recruitment and engagement. Before that, he was Austrade's Executive Director, Tourism, Investment, Education and Programs.

Prior to joining Austrade, Tim was First Assistant Secretary of the Social Policy Division at the Department of the Prime Minister and Cabinet. He worked at Westpac in senior line management and strategy roles, and also in the professional services sector across Europe, Asia and Australia.

Tim holds a bachelor degree in Law and Economics (honours) from the University of Sydney and a Master of Philosophy (International Relations) from Cambridge University. He is a fellow of the Australian Institute of Company Directors.

Kelly Ralston—Chief Client Officer

Responsible for driving innovation and excellence in Austrade's client interactions, for client experience insights and capability, and for brand strategy, marketing and communications.

Kelly Ralston has held a number of senior corporate, strategy and business leadership roles across Austrade since 2001. She most recently led the international marketing and promotion of Australia's education and training sectors.

From 2011 to 2015, Kelly served as Senior Trade Commissioner at the Australian Embassy in Washington, DC, and the Australian Consulate-



Austrade's Executive Committee. Seated (L–R): David Hazlehurst, Deputy CEO, Business, Partnerships and Support; Dr Stephanie Fahey, Chief Executive Officer; Tim Beresford, Deputy CEO, Global Markets and Sector Engagement. Standing (L–R): Sally-Ann Watts, General Manager, ASEAN and Pacific, and Senior Trade and Investment Commissioner, Jakarta; Rob Donnelly, Chief Operating Officer; Jay Meek, General Manager, Strategy and Business Transformation Office; Kelly Ralston, Chief Client Officer; Brett Cooper, General Manager, North East Asia, and Senior Trade and Investment Commissioner, Tokyo; Jenny West, General Manager, Trade and Investment; Sally Deane, General Manager, Government and Partnerships (acting). Not pictured: Nick Woodruff, Chief Information Officer, and Acting General Manager, Digital, Information and Technology Services.

General in Houston, Texas. Prior to joining Austrade, she worked in a range of other roles within the Australian Government.

Kelly holds a Bachelor of Arts and Bachelor of Laws from the University of Tasmania.

Rob Donnelly—Chief Operating Officer

Responsible for finance, human resources, legal, property and security, governance, and IT operations.

Rob Donnelly brings a depth of knowledge to Austrade's business operations. He previously served as the Executive Member of the Foreign Investment Review Board. Prior to this role, Rob worked in a range of senior financial and policy roles, both in the ACT Government and the Australian Public Service. He served as Treasury's Chief Financial Officer from 2008 to 2012, and led teams working on income tax and superannuation policy. He also served as Chief Financial Officer to the ACT Department of

Education and Training from 2003 to 2008.

Rob holds degrees in Economics and Commerce from the Australian National University and is a fellow of CPA Australia.

Jenny West—General Manager, Trade and Investment

Responsible for Austrade's onshore trade and investment group comprising eight industry teams, a state operations unit, and a cohort of regional export advisers dispersed across the country.

Jenny West joined Austrade in January 2019. Most recently she was the NSW–ACT State Director for Telstra Country Wide, responsible for the network's retail outlets, and customer, stakeholder and community engagement and relations across the region.

Prior to joining Telstra, Jenny held senior management roles in banking, service delivery, sales and marketing, and consumer products.

She has garnered extensive international business experience from tenures in the United Kingdom, India and ASEAN countries.

Jenny holds a Master of Business Administration from the University of Technology, Sydney, and is a graduate of the Australian Institute of Company Directors.

Brett Cooper—General Manager, North East Asia, and Senior Trade and Investment Commissioner, Tokyo

Responsible for a network of six offices across North East Asia.

Brett Cooper joined Austrade in 2011 and was appointed as Senior Trade Commissioner, Seoul, from 2012 to 2016. He took up his current role in Tokyo in August 2016.

Prior to joining Austrade, Brett worked as a senior adviser at the Department of the Prime Minister and Cabinet in Canberra, where he was responsible for policy development and preparing advice to the Prime Minister across a range of international issues. Brett also has extensive previous experience working in Japan, the United States and Australia as a management consultant, and has worked for the Department of Foreign Affairs and Trade in Canberra, and on diplomatic posting to the Netherlands.

Brett was a recipient of the Korean Government scholarship program (1997–2000) and graduated from Seoul National University law faculty with a Master of International Law.

He is also a recipient of the Japanese Government scholarship program (1992–1997), completing his Bachelor of Law at Kobe University in Japan.

Sally Deane—Acting General Manager, Government and Partnerships

Responsible for coordinating Austrade's input to policy discussions, providing direction and support to Austrade's strategic partnerships across government, industry and corporate partners, and coordinating Austrade's engagement on international trade, economic and foreign policy issues.

Sally Deane has held a number of corporate roles, including in human resources, government relations, corporate policy, ministerial and parliamentary services, and international liaison.

In her role as the head of Austrade's International Branch, Sally was responsible for leading the development of Austrade's extensive business missions program, which included the delivery of seven major Australia Week missions to China, India, Indonesia and the United States. Prior to her current role, Sally held the role of Chief Human Resources Officer.

Sally holds degrees in Economics and Science (Psychology) from the Australian National University.

Nick Woodruff—Chief Information Officer, and Acting General Manager, Digital, Information and Technology Services

Responsible for leading the development and execution of Austrade's digital strategy and plan.

Nick Woodruff has three decades of strategic and delivery experience in government and commerce, and has executed major transformation initiatives.

Nick has established and expanded local and regional operations for global services and software companies. Before joining Austrade, he held strategic roles in government, including Chief IT Strategist for the Department

of Health and Ageing, deputy program manager for the Department of Immigration's transformative Systems for People, and inaugural program manager for the Department of Foreign Affairs and Trade's international communications network.

Nick holds tertiary qualifications in information technology.

Jay Meek—General Manager, Strategy and Business Transformation Office

Responsible for leading the Strategy and Business Transformation Office, including the development of Austrade's strategy, guiding the transformation journey, and overseeing research and analysis.

Jay Meek joined Austrade in February 2018. Before joining Austrade, he was the Deputy Secretary of Trade Victoria, where he was responsible for supporting businesses to seize trade opportunities. Jay has also served in a number of senior economic development roles for the Victorian Government, as well as in management positions in Australian companies.

Jay holds a Bachelor of Agriculture from the University of Adelaide.

Sally-Ann Watts—General Manager, ASEAN and Pacific, and Senior Trade and Investment Commissioner, Jakarta

Responsible for Austrade's network of offices across ASEAN (Indonesia, Singapore, Malaysia, Brunei, Myanmar, Thailand, Vietnam and the Philippines) and the Pacific (New Zealand, Papua New Guinea and Fiji).

Sally-Ann Watts joined Austrade in 1998 following a career in the private sector, including eight years with KPMG Consulting.

Sally-Ann has been posted to senior roles in

Tokyo, Toronto, Los Angeles and Melbourne, and is currently stationed in Jakarta.

She has completed a Bachelor of Arts (Asian Studies), a Graduate Diploma of International Law, and a Master of Business Administration. She speaks Japanese and Indonesian.

Risk management

In compliance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and associated Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), as well as the Commonwealth Risk Management Policy, the CEO has established an internal risk management policy and an Audit and Risk Committee. The committee's role is to provide independent advice to the CEO on the appropriateness³⁹ of Austrade's financial reporting, performance reporting, system of risk oversight and management, system of internal control, and other functions relevant to the committee's operation. The CEO has also established a risk appetite statement to guide staff when making risk management decisions.

Austrade managers develop mitigation strategies and actions for identified agency risks, and changes to these risk profiles are reported to the Audit and Risk Committee and the Executive Committee on a quarterly basis (or as needed), along with any emerging risks. This assists in providing assurance to the CEO that agency risks are being managed appropriately and are closely monitored. Operational risks are identified in business plans, and mitigation strategies are documented. These risks are monitored by senior managers and discussed with the Audit and Risk Committee periodically.

³⁹ For the purposes of the PGPA Act and PGPA Rule, and consistent with the rules of statutory interpretation, 'appropriateness' has its ordinary meaning of 'suitable or fitting for a particular purpose'.

Throughout 2018–19, Austrade continued to manage its exposure to risk and mitigate adverse consequences through the implementation of risk management principles and practices, as outlined in the Chief Executive's Instruction on risk management, and in Austrade's risk management policy and procedure, risk appetite statement and corporate governance framework.

Austrade's 2018–19 agency risk management plan was prepared in accordance with the Commonwealth Risk Management Policy. The plan identifies risks with the potential to affect Austrade's ability to achieve the objectives and priorities set out in its corporate plan.

Internal controls

The Audit and Risk Committee and Austrade's internal audit service provider have both noted the mature nature of the agency's internal control framework. The main features include:

- › policies and procedures, including Chief Executive Instructions, that support compliance with legislative and administrative requirements
- › a positive compliance and management environment supported by an effective schedule of delegations
- › an effective internal audit function that includes both performance and compliance audits
- › an effective risk management framework, including fraud controls, risk management plans, security and business continuity management, and disaster recovery plans
- › compliance with the Australian Public Service Values and Code of Conduct and the PGPA Act

- › monitoring controls through effective planning at the corporate, operational and business unit levels, and ongoing budget management
- › accountability mechanisms, including reports, reviews and individual performance management arrangements.

Each year, staff are required to complete mandatory Austrade corporate policy refresher modules to remain informed and aware of current corporate policies, procedures and agency risk appetite and tolerance levels.

Internal audit

Austrade's internal audit function is undertaken independently from the business areas that are subject to the audits, and seeks to improve Austrade's operations. It is a major component of Austrade's governance framework and helps Austrade to achieve its objectives by bringing a systematic, disciplined approach to risk management, improvement of controls, and the effectiveness of governance processes.

The activities of Austrade's internal auditor are risk-based and detailed in an annual audit plan endorsed by the Audit and Risk Committee and approved by the CEO. All significant Austrade activities are considered to be within the ambit of internal audit. The internal audit plan seeks to coordinate internal audit activity with other assurance activities and mechanisms, including external audits.

During the year, a range of compliance and performance audits were undertaken by Austrade's internal audit service provider, PwC. The internal auditor did not identify any serious control breakdowns.

Fraud control

Austrade maintains fraud prevention, detection, investigation and reporting procedures aligned with its obligations under section 10 of the PGPA Rule. Austrade takes a 'zero tolerance' approach to detected fraud and managing fraud risks. This is consistent with the organisational risk tolerance guidance in Austrade's corporate governance framework.

Austrade's Fraud Control Plan 2019–2021 was endorsed by the agency's Audit and Risk Committee in June 2019. The plan outlines how potential fraud against or within Austrade is to be minimised, rapidly detected, effectively investigated and appropriately managed, and how any resulting losses are to be mitigated or recovery proceedings instituted.

In April 2019, Austrade conducted a fraud risk assessment in the form of a survey of key risk owners across the agency. The survey results showed that fraud risk owners at Austrade are generally well informed on managing and controlling fraud risks. Once ongoing structural changes at Austrade are complete, Austrade will conduct another fraud risk assessment to ensure that the CEO and executive have clarity on the fraud risks, any changes to those identified risks, mitigation treatments and residual risks.

Anti-bribery activities

Austrade advises staff and clients on strategies to deal with the risk of foreign bribery in many markets. Since 2012, Austrade has delivered a targeted outreach program to Australian businesses, domestically and offshore, and to state governments in their offshore operations, articulating the risks of bribery when conducting trade in high-risk, low-governance jurisdictions. The program is delivered in-country through Austrade's network of overseas offices in

conjunction with a variety of Austrade-hosted events, and in collaboration with local Australian chambers of commerce and partner agencies.

In 2018, Austrade reviewed all staff training and updated its anti-bribery outreach program to provide clear, practical, accessible materials to business via the Austrade website. The law is evolving and business will soon be required to ensure no bribe is offered in any part of its supply chain by any of its associates to avoid prosecution for 'failure to prevent' foreign bribery. Austrade is necessarily involved in supporting Australian business to comply by providing practical, contemporary materials and training for its commercial clients and allies in jurisdictions where corruption is common.

Austrade will continue to play a central role in the Australian Government's obligation to raise awareness of the evolving risks of foreign bribery with Australian businesses working overseas.

Corporate and operational planning

Austrade's planning and performance management practices align its activities and resources to achieve the priorities set by the Australian Government. Planning is conducted within Austrade's strategic operating environment, and seeks to ensure that the agency provides maximum value to the government, and to Australian businesses and institutions, while also ensuring the highest ethical standards. Figure 28 outlines Austrade's key planning and reporting documents for 2018–19.

Figure 28: Austrade's key planning and reporting documents for 2018–19

			
<p>Corporate Plan 2018–19: explains the key strategies Austrade will pursue over the coming four years in order to achieve the outcomes and priorities set by the Government.</p>	<p>Portfolio Budget Statements 2018–19: provide information on the proposed resources allocated to Austrade in the reporting year to achieve the outcomes and priorities set by the Government.</p>	<p>Corporate Performance Framework: links the key performance indicators in Austrade's corporate plan with more detailed internal reporting measures.</p>	<p>Annual Report 2018–19: provides information about Austrade's performance in relation to its purpose and outcomes as part of Austrade's accountability to the Minister and the Parliament of Australia.</p>

Corporate plan

Under the *Australian Trade and Investment Commission Act 1985* and the *Public Governance, Performance and Accountability Act 2013*, Austrade's CEO is required to present a corporate plan each year to the Minister for Trade, Tourism and Investment.

The corporate plan sets out Austrade's strategies for achieving its purposes over the next four years and explains how it will measure those achievements. It is Austrade's primary planning document and builds on the outcomes set by the government and published in the annual portfolio budget statements. For further information on how the corporate plan relates to the portfolio budget statements, see Figure 6 on page 18.

Market and business unit plans

Detailed plans to support Austrade's key functional responsibilities for its major internal markets, and for its trade and investment

business areas, are prepared annually. These plans are also a major source of information for the development of the agency's risk management plan.

Corporate performance framework

To monitor overall organisational performance, Austrade's performance reporting framework links the performance criteria and forecasts in Austrade's corporate plan with more detailed internal reporting measures. This framework ensures Austrade's activities are aligned to achieve defined operational objectives, while incorporating measures to monitor stakeholder satisfaction, internal governance, and resources and capability.

Staff performance agreements

Staff performance agreements are prepared on an annual basis, covering the period from 1 July to 30 June. The agreements are consistent with the business plan and, where applicable, the



Rachel Howard Adviser, Strategy Office

Rachel Howard is a senior adviser in the Strategy Office at Austrade and works with Austrade's global teams on planning,

performance measurement and strategic initiatives.

Rachel led the development of Austrade's Corporate Performance Framework, which sets out the agreed performance measures for the agency. She also led a major project to visualise Austrade's performance measures in dashboards for managers and the executive to use to monitor performance across the agency. The project

used human-centred design principles to ensure the final product met staff needs.

Rachel has held several positions across Austrade since joining four years ago, including in the former Investment Division as a research analyst and project officer, and a secondment to the Agribusiness and Food Investment Team. Rachel was also previously an intern in Austrade's Paris office.

Prior to joining Austrade, Rachel worked at Policy Cures Research, a not-for-profit think tank that provides research, decision-making tools and strategic analysis on global health issues to governments and philanthropic groups.

regional plan of the unit in which the individual staff member works, as well as with Austrade's corporate performance management framework.

Employee communications

Austrade's governance arrangements are designed to ensure effective decision-making and communication of corporate governance and organisational priorities.

During 2018–19, staff received corporate messaging on human resources and operational, project and program updates, in addition to details on the progression of Austrade's transformation process.

The methods used to communicate corporate information to staff included:

- › CEO and corporate messages delivered via the intranet, email and video
- › tailored messages from executive group members, general managers and line managers
- › a regular electronic newsletter, *Global News Digest*
- › presentations to Austrade's global network through the Stay in Touch program
- › a single location for collaboration and information-sharing on Austrade's intranet
- › dedicated space on the intranet for communications about Austrade's transformation plan, including the status of each of the various plan initiatives.

Legislative framework and external scrutiny

This section outlines the legislative framework and external scrutiny mechanisms under which Austrade operates.

Austrade operates under the following legislation:

- › *Australian Trade and Investment Commission Act 1985*—defines the functions, duties and powers of the CEO and the commission
- › *Export Market Development Grants Act 1997*—provides for the Export Market Development Grants scheme, the government's principal export market assistance program, which is administered by Austrade
- › *Public Governance, Performance and Accountability Act 2013*—provides the framework for the proper management of public money and property
- › *Public Service Act 1999*—governs the establishment and operation of, and employment in, the Australian Public Service.

Independent audits

Austrade was not subject to Australian National Audit Office (ANAO) audits during 2018–19.

ANAO better practice guidelines encourage agencies to consider relevant ANAO reports on other agencies to improve public administration across Australian Government agencies. During 2018–19, Austrade reviewed 66 ANAO reports (15 from 2017–18 and 51 from 2018–19) tabled in parliament by the Auditor-General and assessed the following 18 reports as relevant to Austrade's operations:

- › Corporate Planning in the Australian Public Sector 2017–18 (Auditor-General Report No. 36 of 2017–18)

- › Senate Order for Departmental and Entity Contracts (Financial Year 2016–17 Compliance) (Auditor-General Report No. 49 of 2017–18)
- › Primary Healthcare Grants under the Indigenous Australians' Health Program (Auditor-General Report No. 50 of 2017–18)
- › The Design, Implementation and Monitoring of Health's Savings Measures (Auditor-General Report No. 51 of 2017–18)
- › Statistical Business Transformation Program—Managing Risk (Auditor-General Report No. 5 of 2018–19)
- › Management of Commonwealth Leased Office Property (Auditor-General Report No. 8 of 2018–19)
- › Human Services' Compliance Strategies (Auditor-General Report No. 15 of 2018–19)
- › Implementation of the Australian Government's Workplace Bargaining Framework (Auditor-General Report No. 16 of 2018–19)
- › Implementation of the Annual Performance Statements Requirements 2017–18 (Auditor-General Report No. 17 of 2018–19)
- › Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2018 (Auditor-General Report No. 19 of 2018–19)
- › The Australian Criminal Intelligence Commission's Administration of the Biometric Identification Services Project (Auditor-General Report No. 24 of 2018–19)
- › Effectiveness of Board Governance at Old Parliament House (Auditor-General Report No. 34 of 2018–19)
- › Governance of the Special Broadcasting Service Corporation (Auditor-General Report No. 35 of 2018–19)

- › Effectiveness of Board Governance at the Australian Institute of Marine Science (Auditor-General Report No. 36 of 2018–19)
- › Effectiveness of Board Governance at the Sydney Harbour Federation Trust (Auditor-General Report No. 37 of 2018–19)
- › Application of Cost Recovery Principles (Auditor-General Report No. 38 of 2018–19)
- › Interim Report of Key Financial Controls of Major Entities (Auditor-General Report No. 46 of 2018–19)
- › National Disability Insurance Scheme Fraud Control Program (Auditor-General Report No. 50 of 2018–19)

Judicial decisions, and decisions of administrative tribunals and the Australian Information Commissioner

During the reporting period, there were no judicial decisions or reviews by outside bodies that had a significant impact on the operations of Austrade.

Details of appeals to the Administrative Appeals Tribunal under the *Export Market Development Grants Act 1997* are shown on page 102.

Austrade is currently subject to review of one freedom of information decision by the Australian Information Commissioner under the *Freedom of Information Act 1982*. This review is ongoing and not yet finalised.

Privacy

Austrade did not receive any complaints under the *Privacy Act 1988* during 2018–19.

Austrade has implemented the requirements of the Australian Government Agencies Privacy Code, which commenced on 1 July 2018. This included the appointment of a privacy officer and a privacy champion, as well as the introduction of privacy impact assessments and a public

register of those assessments. A privacy impact assessment systematically identifies the impact a project might have on the privacy of individuals, and sets out recommendations for managing, minimising or eliminating that impact. Austrade completed four privacy impact assessments during 2018–19, as well as three threshold assessments that determined it was not necessary to undertake the remaining steps in a privacy impact assessment.

Austrade also considered the requirements under the European Union's General Data Protection Regulation (GDPR), which commenced on 25 May 2018 and has extraterritorial effect. As part of Austrade's responsibilities in raising privacy awareness, information was provided to all staff in relation to the GDPR, as well as guidance to staff in responding to queries from Austrade clients about the GDPR.

Freedom of information

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information as part of the Information Publication Scheme. This requirement is in Part II of the FOI Act, which has replaced the formal requirement to publish a section 8 statement in an annual report. Austrade meets its obligations under the FOI Act by displaying on its website, austrade.gov.au, a plan showing what information is published in accordance with the requirements of the Information Publication Scheme. Austrade also participates in the Information Publication Scheme agency survey administered by the Office of the Australian Information Commissioner.

In addition, Austrade publishes a freedom of information disclosure log on its website, listing information that has been released in response to a freedom of information access request.

Management of human resources

Austrade's organisation-wide capability assessment in 2017–18 identified the need to develop a comprehensive suite of workforce management and capability development strategies. The three priority areas, incorporated into the agency's corporate plan, are workforce and resourcing, workplace and environment, and capability and performance.

Following the organisational capability assessment, Austrade conducted a review of its international network. The review focused on the agency's footprint, resource distribution and operating practices, and the recommendations from the review have implications for the agency's staff and structures. The organisational capability assessment and the international network review informed the priorities for the management of human resources and continue to direct the modernisation of our human resource practices.

Work in these areas is underpinned by a robust governance framework that ensures compliance with relevant workplace and employment legislative, regulatory and public sector governance requirements.

Austrade's human resources highlights for 2018–19 included:

- › launching of a new diversity and inclusion strategy
- › the negotiation and implementation of Austrade's new enterprise agreement
- › a review of the operating model to ensure we deliver consistent human resource services across the globe
- › a review of the employee salary advancement framework for employees who are engaged overseas
- › developing a set of values that guide employees' conduct and behaviour
- › consolidating the work of the People and Values Committee, which is dedicated to improving and building people-related strategies.

Austrade has developed a business partner model to improve how the human resources team works with business areas to ensure structure and workforce composition align with strategic directions. The human resources team will support business areas to make better resource deployment decisions and improve talent identification.

Workforce and resourcing

Austrade's workforce comprises Australia-based staff and overseas staff employed under local employment law. At 30 June 2019, we employed 1,073 staff across 10 Australian offices and seven overseas regions (Table 9). The majority of our staff are in client-focused operations in Australia and overseas, and we compete at a global level for skills and experience. Our workforce demographics vary across market and business groups and our employees have a mix of public and private sector experience. See also Appendix E for further information on Austrade's workforce.

In 2018–19, we negotiated and implemented the Austrade Enterprise Agreement 2019–2022. The agreement covers all non–Senior Executive Service employees engaged under the *Public Service Act 1999*. The ballot on the new agreement saw a participation rate of 82 per cent, with a 59 per cent 'yes' vote. The agreement transitioned staff from the Austrade performance level structure to a Australian Public Service broadband classification structure. The agreement provides employees access to half-pay annual leave, as well as

Table 9: Location of employees, by gender, at 30 June 2019

Location	Male	Female	Total
Australia	215	312	527
NSW	76	108	184
QLD	16	20	36
SA	3	8	11
TAS	1	–	1
VIC	25	26	51
WA	2	6	8
ACT	91	144	235
NT	1	–	1
Overseas	237	309	546
Americas	40	51	91
ASEAN and Pacific	35	77	112
Europe	33	32	65
Greater China	38	75	113
Middle East and Africa	28	25	53
North East Asia	21	37	58
South Asia	42	12	54
Total (Australia and overseas)	452	621	1,073

increased purchased leave, up from two weeks to four weeks per year.

Workplace and environment

In 2017–18, Austrade established the People and Values Committee to prioritise and guide the development and implementation of strategies. The committee reports to the Executive Committee and is briefed by the new Austrade People Forum. The forum consists of 15 members and any non–Senior Executive Service employee can nominate to become a member. Nominations are reviewed by the People and Values Committee as part of its process for selecting forum members.

Austrade's employees play an integral role in

maintaining Austrade's reputation and serving Australia's interests. Our agency has developed a set of values that guide employees' conduct and behaviour. Austrade employees focus on working innovatively and collaboratively, with a generosity of spirit and in a transparent manner. These values underpin how we work and improve our effectiveness as an organisation.

Employment framework

Austrade's terms and conditions of employment for non–Senior Executive Service (SES) Australian Public Service (APS) employees are set out in the Austrade Enterprise Agreement 2019–2022. In specific circumstances, terms and conditions are supplemented under an individual flexibility arrangement. At 30 June 2019,

17 employees had an individual flexibility arrangement in place. Employees covered by the enterprise agreement received a 2 per cent salary increase effective 22 January 2019.

Austrade provides its employees with a range of non-monetary benefits, including salary packaging, study assistance, healthy living reimbursements, purchased leave and short-term development assignments. Employees who are on overseas postings receive a range of allowances and benefits. Information about the conditions of employment for employees undertaking long-term overseas postings is contained in a range of policies and procedures.

We provide flexible working arrangements, including access to digital tools and technology to support this. Austrade does not have provisions for performance pay in place for any of our employees.

Remuneration for the SES is reviewed annually at the discretion of the CEO. Further information on executive remuneration is provided in Appendix E.

Austrade's overseas-engaged employees are engaged under section 74 of the *Public Service Act 1999*. Their terms and conditions are determined under individual employment contracts that comply with local statutory requirements.

In 2018–19, we reviewed the overseas-engaged employment framework to ensure that it is contemporary and fit for purpose, and supports Austrade's revised strategic priorities. The review looked at how we attract and retain employees using compensation packages that emphasise benefits, workplace flexibility, opportunities and salary. Following the review, overseas-engaged employees are transitioning to a new classification structure in 2019–20. The revised

employment framework seeks to improve equity across the network by assessing the work value of jobs and standardising job descriptions. Employee salaries are set based on the industry average for the local country. Comparative ratios were calculated for each employee and this ratio, combined with performance ratings, will determine future salary increases.

Employee engagement

Austrade participates in the annual APS-wide Employee Census, using it as the principal method for seeking feedback from Australia-based and overseas-engaged employees on important issues including health and wellbeing, attendance, performance management, leadership, and general impressions of the APS. In 2019, Austrade achieved a response rate of 78 per cent, which indicates a high level of engagement. The census results present a rich opportunity to engage with our workforce to understand what we are doing well, and what we can improve.

Data from the 2019 census indicated Austrade employees are highly engaged across three main areas: employee engagement, innovation and wellbeing. The comparison data highlights that Austrade employees are more engaged across all three areas than the overall APS average.

In addition to the census, Austrade also undertakes a biannual Pulse Survey. The survey is designed to provide a quick agency health and wellbeing check. The Pulse Survey undertaken in February 2019 received a response rate of 83 per cent. As a result of the survey, Austrade committed to improving communication, putting values into practice, providing access to career and development opportunities, and improving technology.

Case study: Austrade unveils commissioned artwork for National Reconciliation Week

The theme for National Reconciliation Week 2019 was 'Grounded in Truth: Walk Together with Courage'. Austrade marked the week with the CEO, Dr Stephanie Fahey, unveiling an artwork commissioned from Noongar artist, Bradley Kickett.

Bradley, who was born in Northam and grew up in Perth, is an abstract artist. His typical painting style is to depict country from an aerial view and illustrated in a fluid style using a special paint technique he has developed.

The artwork, entitled *Trade Grounds*, is a celebration of the rich culture of trade in Australia that stretches back thousands of years prior to European settlement. *Trade Grounds* also illustrates the scale and diversity of country—starting near the

coastal areas with the hills vegetation and rivers, then continuing to the inner desert areas. The circles represent the different tribes and language groups with paths connecting them.

Reflecting on National Reconciliation Week's theme at the unveiling of *Trade Grounds*, Dr Fahey spoke about what truths were important to Austrade. She also used the occasion to call on the agency to contribute to the wellbeing and quality of life of Aboriginal and Torres Strait Islander Australians. Austrade can do this most effectively, she added, by generating opportunities in its core business of international trade, education, investment and tourism.



L-R: Artist Bradley Kickett, Austrade Indigenous Champion Chris Rees, and Makara Smith and Meagan Kopatz from Austrade's Diversity and Inclusion Team, celebrate National Reconciliation Week with the artist's *Trade Grounds* at Austrade in Canberra on 29 May 2019.

Diversity and inclusion

During 2018–19, Austrade continued to build its commitment to diversity and inclusion through a number of initiatives and developments. Most significantly, in March 2019, Dr Stephanie Fahey, CEO, launched Austrade's Diversity and Inclusion Strategy 2019–2021. The strategy sets out how Austrade will continue to build a space where everyone can bring their perspectives, creativity and skills to the work of the agency. It is the roadmap for how Austrade will strengthen its position as an employer of choice.

Other major developments in diversity and inclusion at Austrade during the year included:

- › the nomination of five diversity champions from the Senior Executive Service—these champions advocate and take the lead on agency-wide discussion on the group they represent
- › the establishment of two staff networks—the Austrade Gender Equality Network and Pride@Austrade—these networks meet regularly to raise awareness and inform the work of their relevant diversity champion
- › the establishment of a self-governing advisory body, the Austrade People Forum, which consists of self-nominated non-SES staff. The body informs the work of the executive-level People and Values Committee, which provides governance oversight of strategies to enhance staff and organisational effectiveness.

In 2018–19, Austrade also continued to actively participate in a number of employment access programs. This included the graduation of Makara Smith from the Indigenous Australian Government Development Program (IAGDP) and the intake of Maggie Douglas as the new IAGDP employee. Both Makara and Maggie continue to work in Austrade's Canberra office and the selection process is underway for next year's participant.

In addition, Austrade continues to be involved in the Jawun APS Secondment Program, a non-profit program where Australian Public Service staff are seconded to a range of Aboriginal and Torres Strait Islander partner organisations in urban, regional and remote communities across Australia. Austrade staff have successively participated in the Jawun program for a number of years, with the latest staff member selected for a secondment in the second half of 2019.

Austrade also continues to engage with the Stepping Into program—a work placement program organised by the Australian Network on Disability to help people with disability get into the workforce. In 2019, Austrade engaged an intern through this program to work in our Canberra office. The placement was such a success that the intern continued in a contract position for an additional two months.

During the year, Austrade supported a number of agency-wide events and initiatives:

- › For NAIDOC Week in July 2018, Austrade held events in offices across Australia, including joint events with local Indigenous communities and an art workshop in Canberra with Wiradjuri Echoes. Austrade also partnered with the Department of Communications and the Arts, attending their NAIDOC Week smoking ceremony in Canberra.
- › Austrade hosted a lively question-and-answer session in December 2018 with disability advocate and TEDx speaker Wayne Herbert to mark the International Day of People with Disability. The format was in the style of ABC TV's *You Can't Ask That* program, where staff were asked to anonymously submit questions that were then answered by Wayne Herbert in front of a live audience.
- › To celebrate Harmony Day in March 2019, Taste of Harmony events were held by staff

across the Austrade network.

- › To mark International Women's Day 2019, a panel of Austrade staff spoke frankly about their experiences in balancing work and life commitments, both onshore and at post.
- › A pilot morning tea was held for staff on extended leave, particularly those on parental leave, as an opportunity to reconnect with their direct managers and hear an update on Austrade happenings from two senior executives. The pilot was a success and a morning tea will now be held quarterly.
- › The Panel Pledge on gender equity was launched in May 2019 by the gender champion, Daniel Boyer, and staff—particularly at the more senior levels—have been encouraged to take the pledge.
- › To mark International Day Against Homophobia, Transphobia and Biphobia 2019, Austrade staff held afternoon teas and a discussion chaired by the lesbian, gay, bisexual, transgender, intersex, and other identities (LGBTI+) diversity champion via videoconference to the network.
- › Four pilot training programs on LGBTI+ inclusive leadership were facilitated for staff by Pride in Diversity, of which Austrade is a member as of 2019.
- › During National Reconciliation Week in May 2019, Dr Stephanie Fahey, CEO, unveiled a commissioned artwork by Noongar artist Bradley Kickett (see page 133). The artwork, *Trade Grounds*, will be used in Austrade branding and publications.
- › Austrade's Reconciliation Action Plan 2019–2021 is nearing completion following staff consultation. We anticipate that the new plan will be launched in July 2019, with action items to be implemented soon after.

Information on disability reporting is provided on page 213 in Appendix E.

Work health and safety

Austrade is committed to the work health, safety and wellbeing of its employees and others visiting Austrade locations and events. Austrade is continuously improving its work health and safety management system through digitisation and streamlining of its processes.

Austrade hosted several morning teas in various offices to show its support for R U OK? Day. Austrade was fortunate to have David Westgate from the Black Dog Institute as a guest speaker to talk about his personal journey.

Confidential counselling services continue to be provided to all Austrade employees through the Employee Assistance Program.

Details of Austrade's work health and safety activities and statistics are outlined in Appendix C.

Performance management

Performance management is integral to delivering on our strategic priorities and strengthening organisational and individual capability.

Our performance agreements are developed on an annual basis, with a mid-cycle review occurring in January or February and the end-of-cycle review in July. Managers and staff are strongly encouraged to engage in regular, ongoing conversations to discuss all aspects of performance and development, and update any changes in their agreement.

At Austrade, we are focused on working innovatively and collaboratively, with a generosity of spirit and in a transparent manner. Improvements to Austrade's performance management system were implemented for the 2018–19 cycle to support this focus. At the end of the performance cycle, all Australia-based employees will receive two ratings—one for their achievement of key activities and one for

their demonstration of Austrade values. The ratings have now been simplified to 'meeting expectations', 'not meeting expectations' and 'exceeding expectations'.

Our overseas-engaged employees will align with this framework in the 2019–20 performance management cycle.

Developing our workforce and people

Austrade is committed to developing the skills employees need to undertake their current roles and to build capability in the skills that will be required in the future.

Austrade's approach to capability development is based on the 70:20:10 framework, which holds that 70 per cent of learning occurs on the job, 20 per cent occurs through peer-to-peer learning, and 10 per cent through formal learning. Managers and employees have joint accountability for capability and career development, and have access to core skills and development initiatives delivered through a blend of learning options. Technical and core capabilities have been identified in Austrade's capability framework, which is used to identify an individual's development needs.

Austrade employees are encouraged to learn, develop and share their knowledge. The Austrade Institute, underpinned by a sophisticated talent management system, is available to all employees globally and provides a comprehensive catalogue of online courses and resources.

Formal learning

Throughout the year, Austrade employees participated in a range of formal learning and development programs that were delivered in a blended approach (e-learning, face to face, and on the job). In 2018–19:

- › 89 new staff attended Austrade's global induction workshop, Austrade Today
- › 226 staff participated in Introduction to New Ways of Working workshops (agile concepts and tools)
- › 55 staff participated in Management in Action workshops
- › 15 staff participated in the Winning Investment for Australia course
- › 81 staff participated in the RAIN Consultative Skills training
- › 73 staff participated in Improving the Client Experience training
- › 1,111 staff completed the General Security Awareness—2018 Update online course
- › 251 staff completed the Security Travel Risk Awareness online course
- › 1,082 staff completed the Corporate Policy Refresher 2019 online course
- › 939 staff completed the Fraud Awareness—2018 Update online course
- › 929 staff completed the Social Media Module 1: Social and You online course
- › 926 staff completed the Delegations Training online course
- › 461 staff accessed Austrade's Lynda.com e-learning modules, covering professional development and technical capabilities
- › 469 staff accessed the GoodPractice online professional development resources
- › 88 staff used the Rosetta Stone online language learning platform.

Winning Investment for Australia course

The Winning Investment for Australia course is designed to build the knowledge, skills and capability of staff from Commonwealth, state and territory agencies with responsibility for investment promotion, attraction and facilitation. Developed and delivered jointly by Austrade and an external investment expert, the course also helps participants develop the professional networks necessary to attract foreign direct investment to Australia under the Commonwealth, state and territory partnership model.

The Winning Investment for Australia course was held in May 2019 in Darwin and included 20 employees from Commonwealth, state and territory agencies.

Language capability development

Austrade's language policy encourages and supports staff in the development and maintenance of languages important to Austrade's business requirements. Support includes providing language testing, language tutoring, and self-paced learning using an online program, Rosetta Stone.

Austrade's seven priority languages are Arabic, Cantonese, Hindi, Indonesian, Japanese, Mandarin and Spanish. Capabilities in these priority languages are shown in Table 10.

Short-term overseas assignments

Short-term overseas assignments in Austrade's Australian and overseas offices meet operational requirements, while providing onshore and offshore staff with significant development opportunities. In 2018–19, 15 staff participated in short-term overseas assignments: 13 Australia-based staff and two overseas-engaged employees who came to Australia.

Table 10: Foreign language capabilities at Austrade, priority languages, at 30 June 2019

Language	Total number of speakers
Arabic	18
Cantonese	19
Hindi	32
Indonesian	19
Japanese	58
Mandarin	79
Spanish	72
Total	297

Note: Tested and self-declared speakers.

Study assistance

The Austrade Study Assistance Scheme provides assistance to employees studying for formal qualifications in relevant areas through recognised education institutions in Australia and overseas. The assistance may include partial reimbursement of fees and associated costs, and study leave to attend courses and exams. In 2018–19, 28 employees were recipients of study assistance for studies in fields including international business, business administration, accounting and finance, languages, management and law.

Austrade scholarship program

Austrade's scholarship program provides access to education, training and development opportunities. It consists of two internal scholarships for Austrade employees, as well as an external scholarship for university students, which includes the option of an Austrade internship.

The following scholarships were awarded to Austrade employees during 2018–19:

- Overseas-engaged employee scholarships—introduced in 2013, these scholarships provide opportunities for staff to undertake development programs at recognised education institutions to enhance their skills and capabilities in international trade, leadership and strategy. Five overseas-engaged employees were selected for the scholarships in 2019.
- Asialink Leaders Program scholarships—this program builds knowledge of contemporary Asian societies and business culture intelligence skills to help participants more effectively manage the complexity of Australian-Asian relations. Two Australia-based employees were selected to participate in the 2019 program.

Financial management and business assurance

Austrade manages its assets and financial resources to support its operations by maintaining:

- an effective system of management and internal controls
- accounting, treasury and taxation services
- procurement systems and processes that achieve value for money
- business systems and processes that provide financial performance information to enhance decision-making and the efficient, effective, economical and ethical use of resources
- information technology that is stable and secure and increases connectivity for staff, clients and key stakeholders
- systems to monitor, safeguard and enhance property and other assets.

Significant issues relating to noncompliance with the finance law

Annual reports must include a statement of any significant issues—reported to the responsible minister under paragraph 19(1)(e) of the *Public Governance, Performance and Accountability Act 2013*—that relate to noncompliance with the finance law in relation to the entity.

Austrade had no significant issues to report to its minister in relation to noncompliance with the finance law during 2018–19.

Security

In 2018–19, Austrade continued its program of work to mitigate security risks, prioritising the identification of innovative and flexible security solutions to support an increasingly mobile workforce.

The security risks to Austrade operations as a whole were reviewed in the Austrade Security Risk Assessment 2018–20, with cyber and information security confirmed as key areas of attention, notwithstanding the ever-present terrorism threat in some of the markets and regions that Austrade operates in.

In December 2018, Austrade released an updated General Security Awareness program, with a renewed focus on information security. The uptake of this program was excellent, with a 100 per cent completion rate for all active employees. Austrade also released a Security Travel Risk Awareness online course, which provided staff with practical security considerations for travel, ensuring our staff continue to be adequately prepared to work in a constantly evolving security environment.

Throughout the year, the security team completed pre-employment screening of 369 employees and contractors, and supported 118 staff through security clearance processes.

The Protective Security Policy Framework reform project remains ongoing. Austrade is using the project as an opportunity to further adapt the existing security management framework, positioning the agency to respond to changing work practices in a safe and secure manner. This suite of changes is scheduled to be delivered in 2019–20.

Property management

Austrade's global property portfolio comprises 164 properties (10 onshore and 154 offshore).

On 1 July 2018, in accordance with the Property Services Coordinated Procurement arrangements, Austrade commenced working with its property service provider, who was engaged to deliver onshore leasing and facilities management services for an initial term to 30 June 2021.

Austrade's offshore property management functions, including residential and office accommodation, transitioned to centralised management within the Department of Foreign Affairs and Trade (DFAT) Overseas Property Office on 1 July 2018. Austrade's offshore property footprint includes 62 DFAT-leased properties, 33 DFAT-owned properties and 59 Austrade-leased properties.

Business continuity

During 2018–19, Austrade maintained the business resilience levels of its domestic and international offices and the agency's incident response mechanisms. Key activities included a refresh of the business continuity management framework, ongoing review of business continuity plans and processes, as well as scenario-based exercises and discussions on arrangements pertinent to each location.

Austrade continued to work closely with the Department of Foreign Affairs and Trade to ensure

a consistent approach to crisis management, planning and testing. Austrade undertook practical contingency planning throughout the year and, through training and development, further strengthened its crisis response capabilities in overseas locations where it has consular management responsibilities.

During 2018–19, Austrade's business continuity and crisis management response framework proved effective in mitigating risks attributed to major incidents that required activation.

Legal services

Austrade's internal legal team provides legal services to Austrade's business units, with support from external law firms where needed. This model allows Austrade to maintain a small team of in-house lawyers, led by the Chief Legal Counsel, to cover most commercial transactions and provide advice to assist the program administration work of Austrade's business units. External legal resources are contracted on agreed terms and at competitive rates as the need arises.

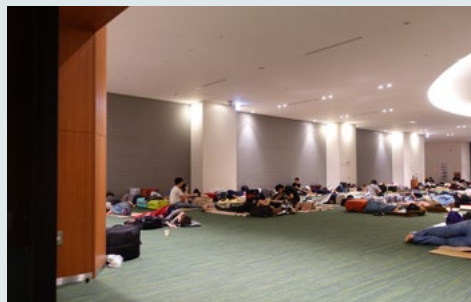
Under arrangements administered by the Attorney-General's Department, through the Office of Legal Services Coordination (OLSC), Austrade previously had access to a legal services multi-use list of prequalified law firms. Since the expiration of this arrangement on 1 July 2018, Austrade has been extending existing arrangements with a view to transitioning to the new OLSC panel arrangements by 31 December 2019.

The same standards that apply to Austrade's domestic legal service providers under the OLSC multi-use list arrangements are applied by Austrade when engaging overseas legal services to provide specialist local advice in labour claims, property negotiations and commercial disputes that arise at Austrade posts.

Case study: Responding to the 2018 Hokkaido earthquake

An earthquake with a magnitude 6.7 struck southern Hokkaido, Japan, on 6 September 2018 at 3:08 a.m. This earthquake occurred about 80 kilometres from the Austrade-managed Australian Consulate in Sapporo, killing 42 people, damaging nearly 2,000 homes, and stranding thousands of tourists until the airport and train system reopened 48 hours later.

Widespread power and water outages lasting over 48 hours forced many into evacuation centres, testing the preparedness of the authorities and the staff at the Australian Consulate. After confirming the safety and welfare of all staff, the office—with the support and guidance of Austrade and Department of Foreign Affairs and Trade colleagues in Japan and Australia—managed both the business continuity aspects of the event, and assistance to Australians, including by directing them to local shelters—all while aftershocks continued.



People take shelter in evacuation centres in Hokkaido, Japan, in the wake of the September 2018 earthquake.

Highlights of Austrade's demand for legal services in 2018–19 included:

- advice on service proposals, property leases and unique provider agreements, such as those required for the ongoing Landing Pad initiatives, significant procurements and intellectual property ownership
- sensitive personnel issues arising from labour claims, determination of entitlements and advice on separations
- appeals under the *Administrative Appeals Tribunal Act 1975*, mainly involving appeals against determinations made under the Export Market Development Grants scheme
- privacy advice and training—significant changes to privacy law in Australia included introduction of mandatory breach reporting and the Australian Government Agencies Privacy Code, and international changes included the European Union's General Data Protection Regulation
- advice on insurance, legislation and Austrade partner arrangements
- assistance to continue streamlining Austrade's procurement process.

Purchasing

Austrade's approach to procuring goods and services, including consultancies, is consistent with the *Public Governance, Performance and Accountability Act 2013* and the Commonwealth Procurement Rules. These rules are applied to activities through the Chief Executive Instructions, supporting operational guidelines and Austrade's procurement framework. In October 2018, Austrade introduced a 'procure to pay' system, which connects the full procurement process from planning and approval to goods/services receipt and payment. The system provides a robust platform for electronic-based approvals and a central point for all contract documentation to ensure consistency and compliance.

No contracts of \$100,000 or more were let during 2018–19 that did not provide for the Auditor-General to have access to the contractor's premises.

No contracts in excess of \$10,000 (inclusive of GST) or standing offers were exempted by the CEO from being published on AusTender on the basis that they would disclose exempt matters under the *Freedom of Information Act 1982*.

Information on publicly available business opportunities with an estimated value of \$80,000 or more, and that were expected to be undertaken in 2018–19, were published in Austrade's annual procurement plan, and are available from the AusTender website at tenders.gov.au.

Consultants

Austrade engages consultants when specialist expertise or independent research, review, advice or assessment is required. Decisions to engage consultants during 2018–19 were made in accordance with the *Public Governance, Performance and Accountability Act 2013* and related rules, including the Commonwealth Procurement Rules. Furthermore, internal policies require Senior Executive Service-level endorsement for all proposed consultancies to ensure consistency and accountability.

During 2018–19, 30 new consultancy contracts were entered into involving total actual expenditure of \$2,348,938. In addition, nine ongoing consultancy contracts were active during 2018–19, involving total actual expenditure of \$2,159,337. Table 11 provides trend information on Austrade's consultancy contracts over the past three years.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website at tenders.gov.au.

Procurement initiatives to support small businesses

Austrade supports small business participation in the Commonwealth Government procurement market. Statistics on the participation in procurement contracts of small to medium-sized

Table 11: Trends in consultancies, 2016–17 to 2018–19

Consultancies	2016–17	2017–18	2018–19
Number of existing consultancies	19	8	9
Number of new consultancies	37	23	30
Total consultancies	56	31	39
Total expenditure (\$)	5,303,376	4,969,781	4,508,275

enterprises (fewer than 200 employees) and small enterprises (fewer than 20 employees) are available on the Department of Finance's website at finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts.

Austrade recognises the importance of ensuring that small businesses are paid on time, with 92.2 per cent of invoices received by Austrade during 2018–19 paid on time. The results of the survey of Australian Government payments to small business are available on the Treasury's website, treasury.gov.au.

Austrade's support for small business includes using the Commonwealth Contracting Suite for onshore procurements under \$200,000. Austrade also supports the goals of the Indigenous Procurement Policy. The performance of the Foreign Affairs and Trade portfolio in achieving its 2018–19 target can be viewed on the Department of the Prime Minister and Cabinet website, pmc.gov.au.

Managing knowledge and information

Austrade relies on knowledge and information systems to advance Australia's trade, investment, international education, and tourism interests. As a global organisation, it is critical that all information assets are available and accessible any time, from any location and through a channel of choice, for both clients and Austrade operations.

In 2018–19, Austrade created its first digital and IT strategy, setting out the vision for a trade and investment organisation that makes effective use of online technology and work practices to meet the needs of our clients and staff.

The digital and IT strategy has three priorities:

- › better services for clients—offering digital services that are quick and easy to use and available in the places where businesses already go
- › better tools for staff—equipping Austrade's global network of staff with tools that save time and make it easier to work with others and partners
- › increased capability—building our agency-wide digital and data skills so we can deliver services that meet user needs in an agile way.

The strategy also sets out four enabling areas of work:

- › strong data and information systems
- › simpler and faster service delivery
- › modern, cloud-based platforms
- › secure and reliable systems.

In 2018–19, we completed a review of Austrade's digital readiness, and consolidated our digital and information technology capabilities into the Digital, Information and Technology Services Division. We established new multidisciplinary teams to support more effective delivery of digital products and services, and enable us to continually improve the products and services we offer. Austrade's strategy will continue to adapt to an evolving digital landscape.

In 2018–19, Austrade delivered the Global Business Support Finder at export-help.business.gov.au, its first digital service through another agency's website. This capability helps businesses who sell services to find information to grow overseas. This initiative was an exemplar for Austrade, demonstrating how digital services could be delivered in the future through other parties. It also helped to highlight potential opportunities and challenges (see also 'Challenge' on page 80).

A key component of supporting Austrade's highly mobile workforce is ensuring seamless access to line-of-business applications and productivity tools. Austrade has rolled out new technologies to support efficient, collaborative and transparent work styles as part of a broader strategy to digitise the workplace and move supporting applications to the cloud. This important step opens up significant potential for us to interact in innovative ways with clients, other governments and stakeholders.

Austrade takes advantage of cloud hosting arrangements where applicable, and its data centres are run in government-approved, co-located facilities. The environment is fully virtual, providing maximum flexibility to migrate appropriate workloads to the cloud in line with the Australian Government's Secure Cloud Strategy.

We are developing a data strategy to mature our enterprise-wide data capability and strengthen operational, client and investor service delivery through evidence-based research. This strategy will provide the framework for a structured approach to data intelligence and will better position Austrade to target business and relationships, identify market opportunities, and drive strategic priorities.

Austrade has taken further steps to develop a digital workplace, including investments in automation and digital workflows, cloud and mobility, cybersecurity and enhanced collaboration tools to support modern ways of working. We will continue to develop, scale and strengthen our capabilities to support our strategic goals.

Outlook for 2019–20

In 2019–20, we will continue to deliver on our digital and IT strategy.

For clients, we will build on the Global Business Support Finder (see page 80) as part of our initiative to reach a greater number of clients. This will see further functionality delivered in the service, in addition to new digital products for exporters. To strengthen our initiative to maximise the impact of our services, we will deliver new tools and platforms. For further information on these initiatives, see page 76.

For staff, we will provision appropriate technology so our teams can work more easily, wherever they are. We will refresh our internal news and video capabilities, define and implement a new strategy for collaboration and information sharing, and commence work to transition from our legacy customer relationship management platform.

We will continue to improve our data intelligence capability to maximise Austrade's information assets and strengthen our competitive edge to deliver better value for our staff, clients and investors.

To support a more flexible and mobile workforce, Austrade will continue to increase its use of cloud services. We will migrate major business systems online and continue to transform Austrade's IT infrastructure. Hybrid cloud data centres, cloud-centric high-performance networking, and flexible post configurations will be a focus.



Thana Sivaruban ICT Specialist—Communications, Canberra

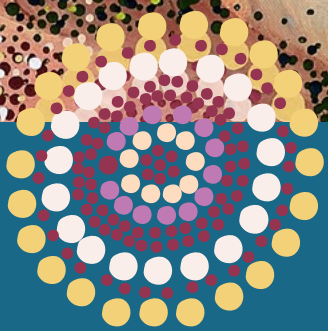
Thana Sivaruban works in the Network Communications team in the Digital, Information and Technology Services

Division in Austrade's Canberra office. Thana designs and implements unified communication tools, while maintaining and supporting existing collaboration and network systems.

Thana has been an IT network engineer for 17 years and has worked at Austrade for the last

12 years. He was attracted to Austrade due to its reputation for using cutting-edge technology, its meaningful priorities and its friendly work environment. He enjoys delivering quality work with a high degree of ownership and working with dedicated and committed colleagues in Australia and across the globe.

'My work is fascinating, highly rewarding and never boring,' Thana said. 'I enjoy working on a variety of operations and project activities and am passionate about making the IT experience better for staff.'



PART 4

Financial statements

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INDEPENDENT AUDITOR'S REPORT

To the Minister for Trade, Tourism and Investment

Opinion

In my opinion, the financial statements of the Australian Trade and Investment Commission ('the Entity') for the year ended 30 June 2019:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2019 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

- Statement by the Chief Executive and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Rahul Tejani
Audit Principal
Delegate of the Auditor-General

Canberra
29 August 2019

Australian Trade and Investment Commission
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2019 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Trade and Investment Commission will be able to pay its debts as and when they fall due.



Signed.....

Dr Stephanie Fahey

Chief Executive Officer

29 August 2019



Signed.....

Michael Koh

Acting Chief Financial Officer

29 August 2019

**Australian Trade and Investment Commission
Financial statements
for the period ended 30 June 2019**

Australian Trade and Investment Commission
Statement of Comprehensive Income
for the period ended 30 June 2019

			Original Budget 2019 \$'000
	Notes	2019 \$'000	2018 \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	1.1A	150,074	142,783
Suppliers	1.1B	82,203	76,533
Depreciation and amortisation	3.2A	12,704	17,254
Impairment loss allowance on financial instruments		3	4
Losses from asset sales		47	264
Foreign exchange losses		677	481
Total expenses		245,708	237,319
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services		24,436	26,105
Rental income		569	382
Other revenue	1.2A	2,002	2,202
Total own-source revenue		27,007	28,689
Gains			
Other gains		168	-
Total gains		168	-
Total own-source income		27,175	27,400
Net cost of services		218,533	208,630
Revenue from Government		204,774	189,712
(Deficit)		(13,759)	(18,918)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Change in asset revaluation surplus		3,829	1,307
Total other comprehensive income (loss)		3,829	1,307
(Total comprehensive loss)		(9,930)	(16,628)

The above statement should be read in conjunction with the accompanying notes.

Australian Trade and Investment Commission
Statement of Comprehensive Income
for the period ended 30 June 2019

Budget Variances Commentary

The financial statements provide a comparison of the original budget as presented in the 2018-19 Portfolio Budget Statements (PBS) to the 2018-19 final outcome as presented in accordance with Australian Accounting Standards for the Australian Trade and Investment Commission (Austrade). The Budget is not audited.

Variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than 10%; and
- the variance between budget and actual is greater than 2% of total expenses; or
- the variance between budget and actual is below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of Austrade.

In some instances, a budget has not been provided for in the PBS, for example non-cash items such as asset revaluations, foreign exchange and sale of asset adjustments. Unless the variance is considered 'major' no explanation has been provided.

Statement of Comprehensive Income

There are no major variances between budget and actual.

Australian Trade and Investment Commission
Statement of Financial Position
as at 30 June 2019

		2019	2018	Original Budget 2019
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash and cash equivalents		3,505	4,870	5,500
Trade and other receivables	3.1A	65,322	55,092	53,642
Total financial assets		68,827	59,962	59,142
Non-financial assets				
Buildings	3.2A	15,878	16,311	13,250
Plant and equipment	3.2A	8,991	9,299	6,968
Computer software	3.2A	8,077	6,799	6,170
Other intangibles	3.2A	21,667	19,280	22,378
Other non-financial assets	3.2B	9,747	5,551	8,496
Total non-financial assets		64,360	57,240	57,262
Total assets		133,187	117,202	116,404
LIABILITIES				
Payables				
Suppliers	3.3A	16,720	13,513	12,843
Other payables	3.3B	7,378	5,207	4,999
Total payables		24,098	18,720	17,842
Provisions				
Employee provisions	6.1A	40,878	36,157	34,682
Other provisions	3.4A	-	50	65
Total provisions		40,878	36,207	34,747
Total liabilities		64,976	54,927	52,589
Net assets		68,211	62,275	63,815
EQUITY				
Contributed equity		131,562	115,696	133,533
Reserves		37,546	33,717	32,410
Accumulated deficit		(100,897)	(87,138)	(102,128)
Total equity		68,211	62,275	63,815

The above statement should be read in conjunction with the accompanying notes.

Australian Trade and Investment Commission
Statement of Financial Position
as at 30 June 2019

Budget Variances Commentary

Statement of Financial Position

Trade and other receivables

Total trade and other receivables were higher than budget for the appropriation receivable, mainly due to lower cash payments, in particular lower cash used for the purchase of Property, Plant and Equipment, and higher non-cash expenses (refer to Employee provisions variance explanation below).

Employee provisions

Employee provisions were higher than budget, mainly due to provisions for redundancies arising from the implementation of Austrade's review of its international network. There was also a significant increase in the provision for long service leave due to a low bond (discount) rate at the end of the reporting period relative to long-term salary growth assumptions which were not expected when the budget was estimated.

Equity

Refer to Statement of Changes in Equity for budget variance explanations.

Australian Trade and Investment Commission
Statement of Changes in Equity
for the period ended 30 June 2019

	2019 \$'000	2018 \$'000	Original Budget 2019 \$'000
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	115,696	102,821	117,997
Adjustments	-	(3)	-
Adjusted opening balance	115,696	102,818	117,997
Transactions with owners			
Distributions to owners			
Returns of capital	-	(2,298)	-
Contributions by owners			
Equity injection	1,731	-	1,401
Departmental capital budget	14,135	15,176	14,135
Total transactions with owners	15,866	12,878	15,536
Closing balance as at 30 June	131,562	115,696	133,533
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	(87,138)	(68,220)	(85,500)
Adjusted opening balance	(87,138)	(68,220)	(85,500)
Comprehensive income			
(Deficit) for the period	(13,759)	(18,918)	(16,628)
Other comprehensive income	-	-	-
Total comprehensive income	(13,759)	(18,918)	(16,628)
Closing balance as at 30 June	(100,897)	(87,138)	(102,128)
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	33,717	32,410	32,410
Adjusted opening balance	33,717	32,410	32,410
Comprehensive income			
Other comprehensive income	3,829	1,307	-
Total comprehensive income	3,829	1,307	-
Closing balance as at 30 June	37,546	33,717	32,410

Australian Trade and Investment Commission
Statement of Changes in Equity
for the period ended 30 June 2019

	2019	2018	Original Budget 2019
	\$'000	\$'000	\$'000
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	62,275	67,008	64,907
Adjusted opening balance	62,275	67,008	64,907
Comprehensive income			
(Deficit) for the period	(13,759)	(18,918)	(16,628)
Other comprehensive income	3,829	1,307	-
Total comprehensive income	(9,930)	(17,611)	(16,628)
Transactions with owners			
Distributions to owners			
Returns of capital	-	(2,298)	-
Contributions by owners			
Equity injection	1,731	-	1,401
Departmental capital budget	14,135	15,176	14,135
Total transactions with owners	15,866	12,878	15,536
Closing balance as at 30 June	68,211	62,275	63,815

Accounting Policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Budget Variances Commentary

Statement of Changes in Equity

Asset Revaluation Reserve

No budget was provided for in the PBS for asset revaluations due to the uncertainty in measurement and its non-cash nature.

Australian Trade and Investment Commission
Cash Flow Statement
for the period ended 30 June 2019

			Original Budget 2019 \$'000
	Notes	2019 \$'000	2018 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		198,919	187,342
Sale of goods and rendering of services		24,504	25,793
GST received		3,741	3,870
Other		2,579	2,368
Total cash received		229,743	219,373
Cash used			
Employees		144,747	140,831
Suppliers		86,789	76,135
Total cash used		231,536	216,966
Net cash from/(used by) operating activities		(1,793)	-
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		167	106
Total cash received		167	-
Cash used			
Purchase of property, plant and equipment		12,193	18,827
Total cash used		12,193	18,827
Net cash (used by) investing activities		(12,026)	(15,536)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		12,454	15,273
Total cash received		12,454	15,536
Net cash from financing activities		12,454	15,536
Net increase/(decrease) in cash held		(1,365)	-
Cash and cash equivalents at the beginning of the reporting period		4,870	5,911
Cash and cash equivalents at the end of the reporting period		3,505	5,500

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Cash Flow Statement

GST received and Suppliers cash used

No budget for GST receivable is shown as it was offset with Suppliers cash used.

Australian Trade and Investment Commission
Administered Schedule of Comprehensive Income
for the period ended 30 June 2019

		2019	2018	Original Budget 2019
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	2.1A	4,789	5,063	5,253
Suppliers	2.1B	1,504	1,333	1,642
Grants	2.1C	128,979	124,758	133,976
Total expenses		135,272	131,154	140,871
Income				
Revenue				
Non-taxation revenue				
Other revenue		118	121	-
Total non-taxation revenue		118	121	-
Total revenue		118	121	-
Total income		118	121	-
(Net cost of services)		(135,154)	(131,033)	(140,871)
(Deficit)		(135,154)	(131,033)	(140,871)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Other comprehensive income		-	-	-
Total other comprehensive income		-	-	-
(Total comprehensive loss)		(135,154)	(131,033)	(140,871)

The above schedule should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Administered Schedule of Comprehensive Income

Grants

The Export Market Development Grants (EMDG) Act effectively 'caps' the cash payments for each financial year under the scheme, and payments relating to prior grant years have reduced the cash available for EMDG grants expense in 2019. Refer to Grants provisions variance explanation.

Australian Trade and Investment Commission
Administered Schedule of Assets and Liabilities
as at 30 June 2019

		2019	2018	Original Budget 2019
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash and cash equivalents		-	75	-
Trade and other receivables	4.1A	97	92	127
Total financial assets		97	167	127
Total assets administered on behalf of Government		97	167	127
LIABILITIES				
Payables				
Suppliers	4.2A	194	91	120
Grants	4.2B	1,464	1,732	1,368
Other payables	4.2C	34	35	38
Total payables		1,692	1,858	1,526
Provisions				
Employee provisions	6.1B	2,032	2,178	2,256
Grants provisions	4.3A	4,064	7,937	16,327
Total provisions		6,096	10,115	18,583
Total liabilities administered on behalf of Government		7,788	11,973	20,109
Net liabilities		(7,691)	(11,806)	(19,982)

The above schedule should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Administered Schedule of Assets and Liabilities

Grants provisions

Grants provisions were lower than budget due to a lower number of unassessed EMDG applications at the end of the reporting period than expected when the budget was estimated.

Australian Trade and Investment Commission
Administered Reconciliation Schedule
for the period ended 30 June 2019

	2019 \$'000	2018 \$'000
Opening assets less liabilities as at 1 July	(11,806)	(19,982)
Net (cost of)/contribution by services		
Income	118	121
Expenses		
Payments to entities other than corporate Commonwealth entities	(135,272)	(131,154)
Transfers (to)/from the Australian Government		
Appropriation transfers from Official Public Account		
Annual appropriations		
Payments to entities other than corporate Commonwealth entities	139,599	139,237
Appropriation transfers to OPA		
Transfers to OPA	(330)	(28)
Closing assets less liabilities as at 30 June	(7,691)	(11,806)

The above schedule should be read in conjunction with the accompanying notes.

Accounting Policy

Administered Cash Transfers to and from the Official Public Account

Revenue collected by Austrade for use by the Government rather than Austrade is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by Austrade on behalf of the Government and reported as such in the Administered Cash Flow Statement and in the Administered Reconciliation Schedule.

Australian Trade and Investment Commission
Administered Cash Flow Statement
for the period ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
OPERATING ACTIVITIES			
Cash received			
GST received		197	211
Other		125	117
Total cash received		<u>322</u>	<u>328</u>
Cash used			
Employees		4,936	5,144
Suppliers		1,413	1,527
Grants		133,317	132,995
Total cash used		<u>139,666</u>	<u>139,666</u>
Net cash (used by) operating activities		<u>(139,344)</u>	<u>(139,338)</u>
Cash and cash equivalents at the beginning of the reporting period		75	204
Cash from Official Public Account			
Appropriations		139,599	139,237
Total cash from official public account		<u>139,599</u>	<u>139,237</u>
Cash to Official Public Account			
Other		(330)	(28)
Total cash to official public account		<u>(330)</u>	<u>(28)</u>
Cash and cash equivalents at the end of the reporting period		<u>-</u>	<u>75</u>

The above statement should be read in conjunction with the accompanying notes.

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Australian Trade and Investment Commission

Notes to and forming part of the financial statements

Overview

Objectives of the Australian Trade and Investment Commission

The Australian Trade and Investment Commission (Austrade) is an Australian Government controlled entity. It is a not-for-profit entity.

Austrade is the Australian Government's international trade, education and investment promotion agency. It also has responsibility for tourism policy and research where the Government's focus is on international tourism. The objective of Austrade is to contribute to Australia's economic prosperity by helping Australian businesses, education institutions, associations, and governments as they develop international markets, win productive foreign investment, promote international education, and strengthen the Australian tourism industry.

Austrade is structured to meet the following outcomes:

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

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

The continued existence of Austrade in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for Austrade's administration and programs.

Austrade's activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by Austrade in its own right. Administered activities involve the management or oversight by Austrade, on behalf of the Government, of items controlled or incurred by the Government.

Austrade conducts the following administered activities on behalf of the Government:

- Export Market Development Grants Scheme (EMDG);
- Australian Tropical Medicine Commercialisation Grants (ATMC); and
- Free Trade Agreement Training Provider Grants (FTA-TP).

The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

- the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of Austrade's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about estimates and assumptions that have the most significant impacts on the amounts recorded in the financial statements is included in the following notes:

- Note 4.3: Administered – Other Provisions
- Note 6.1 Employee Provisions
- Note 7.2: Fair Value Measurement

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

All new, revised, or amending Standards or Interpretations that were issued by the Australian Accounting Standards Board prior to the signing of the statement by the Chief Executive Officer and Chief Financial Officer and are applicable to the current reporting period did not have a material effect, and are not expected to have a future material effect, on Austrade's financial statements.

Future Australian Accounting Standard Requirements

The following new, revised or amending Standards or Interpretations were issued by the Australian Accounting Standards Board prior to the signing of the statement by the Chief Executive Officer and Chief Financial Officer, which are expected to have a material impact on Austrade's financial statements for future reporting periods:

Standard/ Interpretation	Application date for Austrade	Nature of impending change/s in accounting policy and likely impact on initial application
AASB 16 <i>Leases</i>	1 July 2019	AASB 16 incorporates: - changes to the way lessees recognise leases, with leases to be recognised as assets on the balance sheet along with the corresponding liability for lease payments. Likely impact: Austrade has undertaken an initial assessment of the impact of AASB 16. Based on Austrade's initial assessment it is expected to have a significant impact on the recognition and measurement of Austrade's leases.
AASB 15 <i>Revenue from Contracts with Customers</i>	1 July 2019	AASB 15: - establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers, with revenue recognised as 'performance obligations' are satisfied; and - will apply to contracts of not-for-profit entities that are exchange transactions. AASB 1004 Contributions will continue to apply to non-exchange transactions. Likely impact: Austrade has undertaken an assessment of the impact of AASB 15. Based on Austrade's assessment it is not expected to have a significant impact on the timing of the recognition of revenue.

All other new, revised or amending Standards or Interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on Austrade's financial statements.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

Taxation

Austrade is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Austrade also pays various in-country taxes applicable to its overseas operations.

Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Foreign Currency

Transactions denominated in a foreign currency are translated to Australian currency using the exchange rate at the date of the transaction. At reporting date, foreign currency receivables and payables or assets and liabilities are translated at the exchange rates current as at that date. All exchange gains and losses are recognised as revenues or expenses, as appropriate.

Austrade's operating budget funding for overseas activities is adjusted for any differences in realised foreign exchange transactions during the year against rates set at Budget by the Department of Finance. Adjustments are generally made to the Appropriation Bills in the current or following year.

Sales of Goods and Rendering of Services

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer; and
- b) Austrade retains no managerial involvement or effective control over the goods.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the total estimated costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when Austrade gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Events After the Reporting Period

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of Austrade.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

1. Departmental Financial Performance

This section analyses the financial performance of Austrade for the year ended 30 June 2019.

1.1. Expenses

	2019	2018
	\$'000	\$'000
Note 1.1A: Employee Benefits		
Wages and salaries	105,697	102,967
Superannuation		
Defined contribution plans	4,772	4,963
Defined benefit plans	5,584	5,202
Leave and other entitlements	23,333	20,886
Separation and redundancies	4,176	2,293
Fringe benefits tax	6,512	6,472
Total employee benefits	150,074	142,783

Accounting Policy

Accounting policies for employee related expenses are contained in the People and Relationships section.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

	2019 \$'000	2018 \$'000
Note 1.1B: Suppliers		
Goods and services supplied or rendered		
Contractors, consultants and service providers	17,468	13,637
Non-lease property related costs	6,115	5,569
Publicity and promotions	9,110	7,753
Communications and information technology	6,086	5,949
Travel and related expenses	8,210	7,211
Tradestart payments	2,826	2,641
Office costs	4,358	4,530
Other operating costs	2,450	2,320
Total goods and services supplied or rendered	56,623	49,610
Services rendered	56,623	49,610
Total goods and services supplied or rendered	56,623	49,610
Other suppliers		
Operating lease rentals	25,261	26,615
Workers compensation expenses	319	308
Total other suppliers	25,580	26,923
Total suppliers	82,203	76,533

Leasing commitments

Austrade in its capacity as lessee is exposed to contingent rent payable, including escalation based on indexation rates and market rent reviews. The contingent rent component is not significant.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	15,204	18,095
Between 1 to 5 years	34,131	34,032
More than 5 years	10,677	13,288
Total operating lease commitments	60,012	65,415

Commitments for sublease rental income receivables are as follows:

Within 1 year	186	961
Between 1 to 5 years	62	494
More than 5 years	-	-
Total sublease rental income commitments	248	1,455

Accounting Policy

Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

A total of 87 operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Security deposits in relation to overseas property leases are payable to Austrade on the termination of individual leases. These deposits are classified as current or non-current receivables as appropriate.

Lease incentives taking the form of payments from landlords, subsidised fitout, or rental holidays, are recognised as liabilities. These liabilities are reduced by allocating future lease payments between rental expense and reduction of the liability.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

1.2. Own-Source Revenue and Gains

	2019	2018
	\$'000	\$'000
Note 1.2A: Other Revenue		
Resources received free of charge - audit fees	160	216
Other ¹	1,842	1,986
Total other revenue	2,002	2,202

1. Other revenue includes staff contributions for rental, refunds from prior years and other minor sources of revenue.

Accounting Policy

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another non-corporate or corporate Commonwealth entity as a consequence of a restructuring of administrative arrangements.

Australian Trade and Investment Commission
Notes to and forming part of the financial statements

2. Income and Expenses Administered on Behalf of Government

This section analyses the activities that Austrade does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

2.1. Administered – Expenses

	2019	2018
	\$'000	\$'000
Note 2.1A: Employee Benefits		
Wages and salaries	4,102	4,284
Superannuation		
Defined contribution plans	233	230
Defined benefit plans	419	514
Fringe benefits tax	10	9
Other employee expenses	25	26
Total employee benefits	4,789	5,063
Note 2.1B: Suppliers		
Goods and services supplied or rendered		
Operating expenses	1,231	892
Total goods and services supplied or rendered	1,231	892
Services rendered	1,231	892
Total services rendered	1,231	892
Total goods and services supplied or rendered	1,231	892
Other suppliers		
Operating lease rentals	273	441
Total other suppliers	273	441
Total suppliers	1,504	1,333
Leasing commitments		
Austrade in its capacity as lessee is exposed to contingent rent payable, including escalation based on indexation rates and market rent reviews. The contingent rent component is not significant.		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	234	486
Between 1 to 5 years	430	917
More than 5 years	29	202
Total operating lease commitments	693	1,605

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

	2019	2018
	\$'000	\$'000
Note 2.1C: Grants		
Private sector		
Export Market Development Grants	127,514	123,201
Australian Tropical Medicine Commercialisation Grants	809	1,557
Free Trade Agreement Training Provider Grants	656	-
Total grants	128,979	124,758

Accounting Policy

Administered Expenses

Austrade as per Division 9 paragraph 105 of the *Export Market Development Grant Act 1997* can use “in any financial year, no more than 5% of the money appropriated (the appropriated amount) by the Parliament for the purposes of making payments under this Act to be applied in payment of the costs of the administration of this Act”.

Grants

Austrade, on behalf of the Government, administers grants relating to the Export Market Development Grants Scheme (EMDG), Free Trade Agreement Training Provider Grants (FTA-TP) and Australian Tropical Medicine Commercialisation (ATMC).

EMDG are brought to account when deemed payable in accordance with the provisions of the *Export Market Development Grants Act 1997*. However, a provision is also recognised at the end of the financial year for the likely payments arising from grants claims and appeals lodged but not yet finalised based on prior years' payment history.

ATMC and FTA-TP grant expenses and liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. When the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied, this is considered a commitment.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

3. Financial Position

This section analyses Austrade's assets used to conduct its operations and the operating liabilities incurred as a result.

Employee related information is disclosed in the People and Relationships section.

3.1. Financial Assets

	2019 \$'000	2018 \$'000
Note 3.1A: Trade and Other Receivables		
Good and services receivables		
Goods and services	5,079	4,001
Total goods and services receivables	5,079	4,001
Appropriation receivable		
Appropriation receivable	59,694	50,427
Total appropriations receivable	59,694	50,427
Other receivables		
GST receivable from the Australian Taxation Office	612	691
Total other receivables	612	691
Total trade and other receivables (gross)	65,385	55,119
Less impairment loss allowance	63	27
Total trade and other receivables (net)	65,322	55,092

Credit terms for goods and services were within 30 days (2018: 30 days).

Accounting Policy

Financial assets and liabilities are measured at fair value. In practice this means that receivables are measured at their nominal amounts, less any allowance for impairment losses. Provisions are made when collection of the debt is judged to be less rather than more likely.

Financial Assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Financial Liabilities

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Accounting Judgements and Estimates

The provision for impairment of departmental financial assets has been determined by reference to collection histories in previous years and the current debt profile.

Australian Trade and Investment Commission
Notes to and forming part of the financial statements

3.2. Non-Financial Assets

Note 3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles for 2019

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2019					
	Buildings - leasehold improvements \$'000	Plant and equipment \$'000	Computer software ¹ \$'000	Other intangibles ² \$'000	Total \$'000
As at 1 July 2018					
Gross book value	16,311	19,950	56,012	25,245	117,518
Accumulated depreciation and impairment	-	(10,651)	(49,213)	(5,965)	(65,829)
Total as at 1 July 2018	16,311	9,299	6,799	19,280	51,689
Additions					
Purchase or internally developed	1,054	382	5,397	5,180	12,013
Revaluations recognised in other comprehensive income	2,415	1,414	-	-	3,829
Impairments recognised in net cost of services	-	-	-	-	-
Depreciation and amortisation	(3,884)	(1,908)	(4,119)	(2,793)	(12,704)
Disposals					
Other	(20)	(194)	-	-	(214)
Other movements	2	(2)	-	-	-
Total as at 30 June 2019	15,878	8,991	8,077	21,667	54,613
Total as at 30 June 2019 represented by					
Gross book value	15,878	8,991	60,788	30,425	116,082
Accumulated depreciation, amortisation and impairment	-	-	(52,711)	(8,758)	(61,469)
Total as at 30 June 2019	15,878	8,991	8,077	21,667	54,613

1. The carrying amount of computer software included \$1,504 million (2018: \$2,460 million) of purchased software and \$6,573 million (2017: \$4,339 million) of internally generated software.

2. Other intangibles comprise capital costs in connection with the Tourism International Visitor Survey and National Visitor Survey.

3. Disposals are the gross disposal figure and are not adjusted for cost of sales.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$5,000 (\$3,500 for computer equipment), which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located where there is a reasonable prospect that this will be required.

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. In 2019, revaluations were conducted by Colliers International for leasehold improvements and Pickles Valuation Services for the majority of items of plant and equipment. The remaining items of plant and equipment are subject to management valuation using market-based evidence.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to Austrade using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future, reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2019 Lease term or assessed life	2018 Lease term or assessed life
Leasehold improvements		
Plant and equipment	3 to 10 years	3 to 10 years

Impairment

All assets were assessed for impairment at 30 June 2019. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if Austrade were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Restoration Provisions

Provisions for restoration represent restoration obligations in respect of information and communications technology equipment. This specifically relates to the costs of removing and disposing of information and communication technology equipment at overseas posts. The provisions are the best estimate of the present value of the expenditure required to settle the restoration obligations at reporting date, based on current security and legal requirements and technology. The amount of the provision for future restoration costs is capitalised as a Plant and Equipment asset and amortised over the asset's life.

Intangibles

Austrade's intangibles comprise internally developed and purchased software for internal use and other intellectual property. Other intellectual property comprises databases, still and moving images and website resources. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible asset development projects in progress, where future economic benefits are assessed as probable, are recognised progressively as assets and measured at cost. Amortisation begins when the asset is first put into use or held ready for use.

Intangible assets are amortised on a straight-line basis over their anticipated useful life. The useful lives of Austrade's intangibles are 3 to 10 years (2018: 3 to 10 years). All intangible assets were assessed for indications of impairment as at 30 June 2019.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

Contractual commitments for the acquisition of property, plant, equipment and intangible assets

Property, plant, equipment and intangible assets commitments are primarily contracts for purchases of leasehold improvements, computer software and other intellectual property.

	2019 \$'000	2018 \$'000
Commitments are payable as follows:		
Within 1 year	6,682	3,465
Between 1 to 5 years	9,476	-
More than 5 years	-	-
Total commitments	<u>16,158</u>	<u>3,465</u>

There were no impairment losses on buildings (2018: nil) to be recognised in other comprehensive income.

No buildings are expected to be sold or disposed of within the next 12 months, other than in the normal course of business operations.

No plant and equipment or intangibles are expected to be sold or disposed of within the next 12 months, other than in the normal course of business operations.

Note 3.2B: Other Non-Financial Assets

Prepayments - property leases	6,059	1,736
Prepayments - other	<u>3,688</u>	<u>3,815</u>
Total other non-financial assets	<u>9,747</u>	<u>5,551</u>

No indicators of impairment were found for other non-financial assets.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

3.3. Payables

	2019 \$'000	2018 \$'000
Note 3.3A: Suppliers		
Trade creditors and accruals	16,720	13,513
Total suppliers	16,720	13,513

Settlement was usually made within 30 days (2018: 30 days).

Accounting Policy

Trade creditors and accruals are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced) and measured at their nominal amounts, being the amounts at which they will be settled.

Note 3.3B: Other Payables

Salaries and wages	2,911	2,305
Lease incentives	867	496
Prepayments received/unearned income	3,549	2,400
Other	51	6
Total other payables	7,378	5,207

3.4. Other Provisions

	2019 \$'000	2018 \$'000
Note 3.4A: Other Provisions		
Provision for restoration	-	50
Total other provisions	-	50

	Provision for restoration \$'000	Total \$'000
As at 1 July 2018	50	50
Amounts used	(19)	(19)
Amounts reversed	(31)	(31)
Other movements	-	-
Total as at 30 June 2019	-	-

Austrade currently has 87 (2018: 90) agreements for the leasing of premises that have provisions requiring Austrade to restore the premises to their original condition at the conclusion of the lease. Austrade has made a provision to reflect the estimated present value of this obligation where it is considered probable that the clauses in the leases will be enforced by landlords. It is Austrade's experience that this only applies to a minority of leases.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

4. Assets and Liabilities Administered on Behalf of Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result, which Austrade does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

4.1. Administered – Financial Assets

	2019 \$'000	2018 \$'000
<u>Note 4.1A: Trade and Other Receivables</u>		
Other receivables		
Other	97	92
Total other receivables	97	92
Total trade and other receivables (gross)	97	92
 Less impairment loss allowance	 -	 -
Total trade and other receivables (net)	97	92

Other receivables are with entities external to the Australian Government. Credit terms were within 30 days (2018: 30 days).

4.2. Administered – Payables

	2019 \$'000	2018 \$'000
<u>Note 4.2A: Suppliers</u>		
Trade creditors and accruals	192	89
Other creditors	2	2
Total suppliers	194	91
 <u>Note 4.2B: Grants</u>		
Private sector:		
ATMC grants payable	856	1,287
EMDG grants payable	-	75
FTA-TP grants payable	608	370
Total grants	1,464	1,732
 <u>Note 4.2C: Other Payables</u>		
Salaries and wages	34	35
Total other payables	34	35

Australian Trade and Investment Commission
Notes to and forming part of the financial statements

4.3. Administered – Other Provisions

	2019	2018
	\$'000	\$'000
<u>Note 4.3A: Grants Provisions</u>		
Provision for EMDG grants	4,064	7,937
Total grants provisions	4,064	7,937

	Provision for grants \$'000	Total \$'000
As at 1 July 2018	7,937	7,937
Additional provisions made	3,780	3,780
Amounts used	(7,651)	(7,651)
Amounts reversed	(2)	(2)
Total as at 30 June 2019	4,064	4,064

Accounting Judgements and Estimates

The liability for grants lodged and payable under the EMDG Scheme but not yet determined has been estimated by reference to payment histories in previous years.

The liability for grant appeals lodged under the EMDG Scheme but not yet finalised has been estimated by reference to successful appeals histories in previous years.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

5. Funding

This section identifies Austrade's funding structure.

5.1. Appropriations

Note 5.1A: Annual Appropriations ('Recoverable GST exclusive')

Annual Appropriations for 2019

	Annual Appropriation ¹ \$'000	Adjustments to appropriations ² \$'000	Total appropriation \$'000	Appropriation applied in 2019 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	205,535	26,812	232,347	227,797	4,550
Capital Budget ⁴	14,135	-	14,135	12,044	2,091
Other services					
Equity injections	1,731	-	1,731	148	1,583
Total departmental	221,401	26,812	248,213	239,989	8,224
Administered items					
Ordinary annual services					
Administered items	140,871	-	140,871	139,454	1,417
Total administered	140,871	-	140,871	139,454	1,417

1. In 2018-19, nil appropriation was withheld under section 51 of the PGPA Act.

2. PGPA Act section 74 receipts were \$26.812 million.

3. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1, 3, and 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

Note 5.1A: Annual Appropriations ('Recoverable GST exclusive') (continued)

Annual Appropriations for 2018

	Annual Appropriation ¹ \$'000	Adjustments to appropriations ² \$'000	Total appropriation \$'000	Appropriation applied in 2018 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	193,869	28,661	222,530	216,563	5,967
Capital Budget ⁴	14,076	-	14,076	15,176	(1,100)
Other services					
Equity	-	-	-	184	(184)
Total departmental	207,945	28,661	236,606	231,923	4,683
Administered					
Ordinary annual services					
Administered items	141,018	-	141,018	139,455	1,563
Total administered	141,018	-	141,018	139,455	1,563

1. In 2017-18, \$5.152 million in Departmental appropriation and \$1.434 million in Administered appropriation was withheld under section 51 of the PGPA Act to reflect savings measures and approved movements of funds.

2. PGPA Act section 74 receipts were \$28,661 million.

3. In 2017-18, the Departmental and Administered variances were mainly attributed to the amounts withheld under section 51 of the PGPA Act.

4. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, and 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

Note 5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2019	2018
	\$'000	\$'000
Departmental		
Appropriation Act (No. 2) 2016-17	3	137
Supply Act (No. 2) 2016-17	540	540
Appropriation Act (No.1) 2017-18	49,240	47,655
Appropriation Act (No. 1) 2018-19 - Capital Budget (DCB)	1,829	-
Appropriation Act (No. 3) 2018-19	3,849	-
Appropriation Act (No. 2) 2018-19	1,387	-
Appropriation Act (No. 4) 2018-19	330	-
Cash and cash equivalents	3,505	4,870
Total departmental	60,683	53,202
Administered		
Appropriation Act (No. 1) 2017-18	-	4,225
Appropriation Act (No. 1) 2018-19	5,723	-
Total administered	5,723	4,225

Australian Trade and Investment Commission
Notes to and forming part of the financial statements

5.2. Special Accounts

	Services for Other Entities and Trust Moneys ¹	
	2019 \$'000	2018 \$'000
Balance brought forward from previous period	128	512
Increases		
Other receipts	-	-
Total increases	-	-
Available for payments	128	512
Decreases		
Departmental		
Payments made	-	(384)
Total departmental	-	(384)
Administered		
Payments made	-	-
Balance returned to the Official Public Account	-	-
Total administered	-	-
Total decreases	-	(384)
Total balance carried to the next period	128	128
Balance represented by:		
Cash held in entity bank accounts	-	-
Cash held in the Official Public Account	128	128
Total balance carried to the next period	128	128

1. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 78.

Establishing Instrument: PGPA Act Determination (Austrade SOETM Special Account 2018).

Purpose: To disburse amounts temporarily held on trust, and to disburse amounts in connection with services performed on behalf of other entities.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

6. People and Relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

6.1. Employee Provisions

	2019	2018
	\$'000	\$'000
Note 6.1A: Employee Provisions		
Leave	27,292	25,125
Separations and redundancies	13,586	11,032
Total employee provisions	40,878	36,157

Note 6.1B: Administered - Employee Provisions

Leave	2,032	2,178
Total employee provisions	2,032	2,178

Accounting Policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including Austrade's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2019. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. Austrade recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

For employees engaged overseas, liabilities for separation entitlements are calculated in accordance with local employment conditions.

Superannuation

Australian-based staff of Austrade are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

Austrade makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. Austrade accounts for the contributions as if they were contributions to defined contribution plans.

For employees engaged overseas, Austrade pays employer contributions to meet its superannuation obligations, which vary according to local employment conditions.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

6.2. Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The entity has determined the key management personnel to be the Chief Executive Officer, Deputy Chief Executive Officers and Chief Client Officer. Key management personnel remuneration is reported in the table below:

	2019	2018
	\$'000	\$'000
Short-term employee benefits	1,522	2,690
Post-employment benefits	170	332
Other long-term benefits	33	158
Termination benefits	-	-
Total key management personnel remuneration expenses¹	1,725	3,180

The total number of key management personnel included in the above table is 4 (2018: 15). This includes acting arrangements in key management positions for greater than 90 days. Following a review of personnel in 2019 having authority and responsibility for planning, directing and controlling the activities of Austrade against AASB 124 *Related Party Disclosures*, the key management personnel were reduced from 15 to 4.

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

6.3. Related Party Transactions

Related party relationships:

Austrade is an Australian Government controlled entity. Key Management Personnel include the Portfolio Minister and Executive, and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales transfers or leases;
- debts forgiven; and
- guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by Austrade, it has been determined from obtaining disclosures of related parties from key management personnel and cross-checks for transactions within Austrade's financial systems that there are no related party transactions to be separately disclosed.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

7. Managing Uncertainties

This section analyses how Austrade manages financial risks within its operating environment.

7.1. Contingent Assets and Liabilities

Note 7.1A: Contingent Liabilities and Assets

	Claims for damages or costs		Total	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Contingent liabilities				
Balance from previous period	-	-	-	-
New contingent liabilities recognised	(2,745)	-	(2,745)	-
Total contingent liabilities	(2,745)	-	(2,745)	-

Quantifiable Contingencies

The above table contains 1 contingent liability disclosure in 2019 (2018: nil).

Significant Remote Contingencies

Austrade has provided bank guarantees for a total of \$0.211 million (2018: \$0.786 million) in relation to property leases. These were not included in the above table.

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote. Administered contingencies are determined on a case-by-case basis.

Note 7.1B: Administered Contingent Assets and Liabilities

	Claims for damages or costs		Total	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Contingent liabilities				
Balance from previous period	(2,854)	(2,717)	(2,854)	(2,717)
New contingent liabilities recognised	(3,116)	(2,025)	(3,116)	(2,025)
Re-measurement	76	(513)	76	(513)
Liabilities realised	528	450	528	450
Obligations expired	1,907	1,951	1,907	1,951
Total contingent liabilities	(3,459)	(2,854)	(3,459)	(2,854)
Net contingent assets/(liabilities)	(3,459)	(2,854)	(3,459)	(2,854)

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

7.2. Financial Instruments

Note 7.2A: Categories of Financial Instruments

	2019 \$'000	2018 \$'000
Financial Assets under AASB 139		
Loans and receivables		
Cash and cash equivalents		4,870
Trade and other receivables		55,092
Total		59,962
Financial Assets under AASB 9		
Financial assets at amortised cost		
Cash and cash equivalents	3,505	
Trade and other receivables	65,322	
Total	68,827	
Total financial assets	68,827	59,962
Financial Liabilities		
At amortised cost:		
Suppliers	16,720	13,513
Other payables	7,378	5,207
Total	24,098	18,720
Total financial liabilities	24,098	18,720

The change in carrying amount of financial assets and financial liabilities based on measurement under AASB 139 is nil and the change in measurement on transition to AASB 9 is nil.

Accounting Judgements and Estimates

Financial Assets

With the implementation of AASB 9 *Financial Instruments* for the first time in 2019, Austrade classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income; and
- financial assets measured at amortised cost.

The classification depends on Austrade's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when Austrade becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

- the financial asset is held in order to collect the contractual cash flows; and
- the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Australian Trade and Investment Commission

Notes to and forming part of the financial statements

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets either doesn't meet the criteria of financial assets held at amortised cost or at FVOCI (i.e. mandatorily held at FVTPL) or may be designated.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial Liabilities

With the implementation of AASB 9 Financial Instrument for the first time in 2019, Austrade classifies its financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Australian Trade and Investment Commission
Notes to and forming part of the financial statements

7.3. Fair Value Measurement

Note 7.3A: Fair Value Measurement

	Fair value measurements at the end of the reporting period	
	2019 \$'000	2018 \$'000
Non-financial assets¹		
Leasehold improvements	15,878	16,311
Plant and equipment ²	8,991	9,299
Total non-financial assets	24,869	25,610
Total fair value measurements of assets in the Statement of Financial Position	24,869	25,610

1. The highest and best use of all non-financial assets are the same as their current use.
2. Comprises IT assets, motor vehicles and furniture and fittings.

Accounting Judgements and Estimates

The fair value of leasehold improvements has been taken to be the depreciated replacement cost as determined by an independent valuer by reference to the gross replacement cost.

The fair value of plant and equipment has been determined by reference to the market value of similar assets.

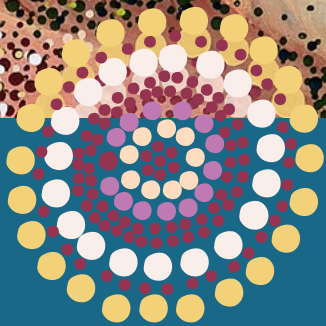
8. Other Information

8.1. Aggregate Assets and Liabilities

	2019 \$'000	2018 \$'000
<u>Note 8.1A: Aggregate Assets and Liabilities</u>		
Assets expected to be recovered in:		
No more than 12 months	68,827	59,962
More than 12 months	64,360	57,240
Total assets	133,187	117,202
Liabilities expected to be settled in:		
No more than 12 months	44,251	39,016
More than 12 months	20,725	15,911
Total liabilities	64,976	54,927

Note 8.1B: Administered - Aggregate Assets and Liabilities

Assets expected to be recovered in:		
No more than 12 months	97	167
More than 12 months	-	-
Total assets	97	167
Liabilities expected to be settled in:		
No more than 12 months	6,195	10,297
More than 12 months	1,593	1,676
Total liabilities	7,788	11,973



PART 5

Appendixes



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Appendix A

Austrade and TradeStart locations in Australia, and TradeStart partners

Figure A1: Austrade's national network, including TradeStart, at 30 June 2019



Table A1: TradeStart locations and partners, at 30 June 2019

Office location	Partner name
New South Wales and ACT	
Miranda	NSW Business Chamber
Port Macquarie	NSW Department of Premier and Cabinet
Gosford	NSW Department of Premier and Cabinet
Nowra	NSW Department of Premier and Cabinet
Wagga Wagga	NSW Department of Premier and Cabinet
Orange	NSW Department of Premier and Cabinet
Tamworth	NSW Department of Premier and Cabinet
Canberra	Canberra Business Chamber
Victoria	
Melbourne	Ai Group
Albury–Wodonga	Ai Group
Geelong	Regional Development Victoria
Queensland	
Brisbane	Ai Group
Gold Coast	Gold Coast City Council
Rockhampton	Trade & Investment Queensland
Mackay	Trade & Investment Queensland
Cairns	Trade & Investment Queensland
Townsville	Trade & Investment Queensland
Sunshine Coast	Trade & Investment Queensland
Bundaberg	Trade & Investment Queensland
Toowoomba	Trade & Investment Queensland
Western Australia	
Bunbury	South West Development Commission
Perth	Chamber of Commerce and Industry Western Australia
South Australia	
Adelaide	SA Department for Trade, Tourism and Investment
Mt Gambier	SA Department for Trade, Tourism and Investment
Tanunda	SA Department for Trade, Tourism and Investment
Berri	SA Department for Trade, Tourism and Investment
Tasmania	
Hobart	Tasmanian Chamber of Commerce and Industry
Northern Territory	
Darwin	No partner in place for 2018–19

Appendix B

Austrade's Service Charter

Austrade's Service Charter sets out the level of service you can expect from Austrade.

Our service values

Austrade will endeavour to:

- › provide information and insight based on our experience and networks in Australia and around the world
- › be professional when assisting your organisation
- › be flexible and responsive to meet your particular business needs.

Our service standards for Australian exporters and education providers

We will clearly explain our service offerings as they apply to your business needs.

We will explain any fees and costs associated with our services and provide you with a written quote before commencing work on your behalf.

If you contact us, we will respond within two working days of receiving your enquiry. If your enquiry is complex and we cannot respond immediately, we will inform you of our progress and work towards an agreed set of goals and deadlines.

We will maintain the confidentiality of your information in accordance with the Australian Government's legal and regulatory requirements, as well as government policies regarding the disclosure of information to Parliament and the Australian Government.

We will endeavour to connect your organisation with relevant international business opportunities.

We will provide you with clear information about Austrade's Export Market Development Grants (EMDG) scheme, and will provide advice regarding your eligibility and the application and assessment process. We will process your application promptly and efficiently in accordance with the EMDG legislation.

If Austrade is unable to assist with your request, we will endeavour to refer you to appropriate service providers that may be better able to address your enquiry.

In line with Australia's anti-bribery laws, we will not provide business-related services to any party that we are aware has breached laws prohibiting bribery and related behaviour. We will also report credible evidence of any breach to the relevant authorities.

Our service standards for international organisations seeking to invest in Australia or buy products or services from Australia

We will endeavour to introduce you to Australian business connections that can help you achieve your goals.

We will clearly explain the opportunities and sources of assistance that may be available to you within Austrade and from other organisations.

If you contact us, we will respond within two working days of receiving your enquiry. If your enquiry is complex and we cannot respond immediately, we will inform you of our progress and work towards an agreed set of goals and deadlines.

We will maintain your confidentiality in accordance with the Australian Government's legal and regulatory requirements, as well as government policies regarding the disclosure of information to Parliament and the Australian Government.

To assist you with your business needs, Austrade may provide your information to other Australian Government departments and Australian state and territory governments.

If Austrade is unable to assist with your request, we will endeavour to refer you to appropriate service providers that may be better able to address your enquiry.

In line with Australia's anti-bribery laws, we will not provide business-related services to any party that we are aware has breached laws prohibiting bribery and related behaviour. We will also report credible evidence of any breach to the relevant authorities.

Appendix C

Work health and safety

In accordance with Schedule 2, Part 4 of the *Work Health and Safety Act 2011* (WHS Act), Austrade is required to report on:

- › initiatives taken during the year to ensure the health, safety and welfare at work of workers who carry out work for Austrade
- › health and safety outcomes (including the impact on injury rates of workers) achieved as a result of the initiatives taken during the year or previous years
- › statistics of any notifiable incidents of which Austrade becomes aware during the year that arose out of the conduct of Austrade's business
- › any investigations conducted during the year that relate to Austrade's business or undertakings, including details of all notices given to Austrade during the year under Part 10 of the WHS Act
- › such other matters required by guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit.

Austrade strives to provide and maintain a healthy and safe working environment. Staff can access work health and safety (WHS) information through the Austrade intranet, the Workplace Relations and Conditions team, and human resources managers throughout Austrade's international network. Initiatives and programs to promote the physical and mental wellbeing of staff in 2018–19 included:

- › a review and update of the WHS annual online refresher for a relaunch in 2019–20
- › updated WHS presentations for all Austrade Today induction programs to highlight WHS duties and expectations

- › WHS due diligence workshops for senior Austrade staff to explain their due diligence obligations under the WHS Act
- › a wellbeing program that saw 230 staff across Austrade's Australian offices receive flu vaccinations, and 121 staff undertake a voluntary health assessment
- › the opportunity for first aid officers to undertake mental health first aid training to complement their first aid training requirements. The mental health training is voluntary and will be offered to other interested staff in 2019–20.

Incident reporting

During 2018–19, 44 workplace incidents/hazards were reported in Australia and overseas, a decrease on the 53 incidents/hazards reported in the previous year (Figure C1). Corrective actions were implemented to eliminate or minimise risks to prevent further occurrence.

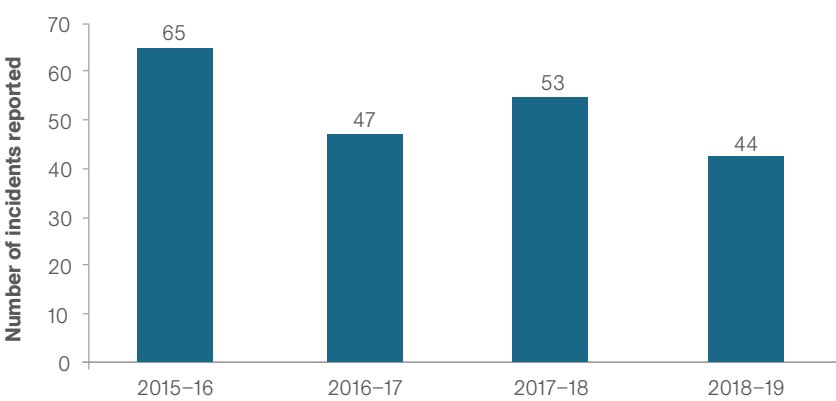
One incident was notified to Comcare under Part 3 of the WHS Act, a decrease on the two notifications in 2017–18 (Table C1). No directions were given to Austrade under section 217 in Part 11 of the WHS Act.

Austrade conducts WHS inspections globally twice a year to assess compliance with Austrade's WHS management system and to identify areas for improvement.

Rehabilitation management

Comcare accepted three compensation claims involving Austrade staff during 2018–19. Two of these claims were for slips/trips or falls, and one was for an unspecified condition.

Figure C1: Reported workplace incidents, 2015–16 to 2018–19



Note: Figure shows the number of workplace incidents and hazards reported within Austrade's incident reporting system.

Table C1: Workplace incidents notified to Comcare, 2015–16 to 2018–19

	2015–16	2016–17	2017–18	2018–19
Notifications	3	0	2	1
Incidents investigated by Comcare	1	0	0	0

Note: Table shows the number of workplace incidents that Austrade notified to Comcare under work health and safety legislation.

Appendix D

Financial and staffing resources

Table D1: Agency resource statement, 2018–19

	Actual available appropriation for 2018–19 \$'000 (A)	Payments made 2018–19 \$'000 (B)	Balance remaining 2018–19 \$'000 (A – B)
Ordinary annual services^(a)			
Departmental appropriation^(b)			
Prior-year departmental appropriation	53,089	46,622	6,467
Departmental appropriation	219,670	170,430	49,240
Section 74 retained revenue receipts	26,812	26,812	–
Total	299,570	243,864	55,706
Administered expenses			
Outcome 1	146,741	139,260	7,481
Total	146,741	139,260	7,481
Total ordinary annual services	A	446,311	383,124
Other services			
Departmental non-operating			
Equity injections ^(c)	4,089	1,401	2,688
Total	4,089	1,401	2,688
Total other services	B	4,089	1,401
Total available annual appropriations and payments	450,400	384,525	65,875
Total resourcing and payments (A + B)	450,400	384,525	65,875
Total net resourcing and payments for Austrade	450,400	384,525	65,875

(a) *Appropriation Act (No. 1) 2018–2019*. This also includes prior-year departmental appropriation and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

(b) Includes an amount of \$15.5 million in 2018–19 for the departmental capital budget. For accounting purposes, this amount has been designated as 'contributions by owners'.

(c) *Appropriation Act (No. 2) 2018–2019*. This may also include prior-year appropriation.

Table D2: Expenses for outcomes, 2018–19

Expenses for Outcome 1			
Outcome 1: Contribute to Australia's economic prosperity by promoting Australia's export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government	Budget^(a) 2018–19 \$'000	Actual expenses 2018–19 \$'000	Variation 2018–19 \$'000
Program 1.1: Promotion of Australia's export and other international economic interests			
Departmental expenses			
Departmental appropriation ^(b)	216,387	220,311	3,924
Expenses not requiring appropriation in the budget year	16,500	12,181	(4,319)
Total for Program 1.1	232,887	232,491	(396)
Program 1.2: Programs to promote Australia's exports and other international economic interests			
Administered expenses			
Ordinary annual services (Appropriation Act nos. 1, 3 and 5)	140,871	131,154	(9,717)
Total for Program 1.2	140,871	131,154	(9,717)
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Act nos. 1, 3 and 5)	140,871	131,154	(9,717)
Departmental expenses			
Ordinary annual services (Appropriation Act nos. 1, 3 and 5)	216,387	220,311	3,924
Expenses not requiring appropriation in the budget year	16,500	12,181	(4,319)
Total expenses for Outcome 1	373,758	363,645	(10,113)
Average staffing level (number)	993	919	(74)

Table D2: Expenses for outcomes, 2018–19 (continued)

Expenses for Outcome 2			
Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas	Budget^(a) 2018–19 \$'000	Actual expenses 2018–19 \$'000	Variation 2018–19 \$'000
Program 2.1: Consular and passport services			
Departmental expenses			
Departmental appropriation ^(b)	12,827	12,533	(294)
Expenses not requiring appropriation in the budget year	–	683	683
Total for Program 2.1	12,827	13,217	390
Outcome 2 totals by appropriation type			
Departmental expenses			
Ordinary annual services (Appropriation Act nos. 1, 3 and 5)	12,827	12,533	(294)
Expenses not requiring appropriation in the budget year	–	683	683
Total expenses for Outcome 2	12,827	13,217	390
Average staffing level (number)	35	34	(1)

(a) Full-year budget, including any subsequent adjustment made to the 2018–19 Budget at Additional Estimates.

(b) Departmental appropriation combines ordinary annual services (Appropriation Act nos. 1, 3 and 5 and *Supply Act (No. 1) 2019–2020*) and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

Appendix E

Remuneration and staffing

Table E1: Remuneration for key management personnel, 2018–19

Name	Position title	Short-term benefits			Post-employment benefits		Other long-term benefits			Termination benefits (\$) remuneration	Total remuneration (\$)
		Base salary ^(a) (\$)	Bonuses (\$)	Other benefits and allowances ^(b) (\$)	Superannuation contributions (\$)	Other long-term service leave ^(c) (\$)	Long-term service leave ^(c) (\$)	Other long-term benefits	Other long-term benefits		
Stephanie Fahey	CEO	533,498	–	5,014	20,531	4,557	–	–	–	–	563,000
David Hazlehurst	Deputy CEO	323,057	–	36,783	62,471	11,860	–	–	–	–	434,171
Timothy Beresford ^(d)	Deputy CEO	316,547	–	28,544	46,019	4,494	–	–	–	–	395,604
Kelly Ralston	Chief Client Officer	247,848	–	31,116	41,261	12,395	–	–	–	–	332,620

(a) Base salary includes wages and the net movement in the annual leave provision account. It excludes wages for long service leave.

(b) Austrade has APS employees working in overseas locations who are paid allowances and benefits related to overseas postings. Allowances and benefits include residential rent for overseas accommodation; cost of living allowances; allowances and education expenses for children living abroad; car parking; motor vehicle; car hire; leave fares; medical costs and insurance; studies assistance; and home assistance. These benefits are grossed up to reflect the total costs including taxable value. They include taxation payments returned to the ATO, and accommodation costs returned to the Department of Foreign Affairs and Trade (DFAT) where the premises are managed by DFAT.

(c) Long service leave includes any long service leave taken during the year and the net movement in the long service leave provision account. Changes to salary, entitlements and long service leave actuarial multipliers may impact long service leave provisions.

(d) Timothy Beresford commenced with Austrade as Deputy Chief Executive Officer on 10 September 2018.

Table E2: Remuneration for senior executives, 2018–19

Total remuneration bands (\$)	Number of senior executives	Short-term benefits			Post-employment benefits		Other long-term benefits			Termination benefits		Total remuneration
		Average salary ^(a) (\$)	Average base bonuses (\$)	Average other benefits and allowances ^(b) (\$)	Average superannuation contributions (\$)	Average service leave ^(c) (\$)	Average long-term benefits (\$)	Average other long-term benefits (\$)	Average termination benefits (\$)			
0 – 220,000	23	79,927	–	31,447	13,942	2,549	–	–	3,962	–	131,838	
220,001 – 245,000	9	165,467	–	31,067	30,175	8,292	–	–	–	–	235,003	
245,001 – 270,000	9	196,205	–	28,122	33,577	2,542	–	–	–	–	260,447	
270,001 – 295,000	4	177,749	–	76,314	29,966	2,732	–	–	–	–	286,767	
295,001 – 320,000	1	111,115	–	66,334	21,698	2,999	–	–	97,362	–	299,513	
320,001 – 345,000	3	205,397	–	81,262	36,670	2,083	–	–	–	–	325,412	
345,001 – 370,000	1	149,375	–	185,768	25,565	5,518	–	–	–	–	366,243	
395,001 – 420,000	1	81,710	–	310,341	12,636	7,666	–	–	–	–	412,359	
420,001 – 445,000	2	173,676	–	225,582	32,546	–1,188	–	–	–	–	430,617	
445,001 – 470,000	3	166,229	–	250,392	35,128	6,358	–	–	–	–	458,108	
470,001 – 495,000	3	143,728	–	310,647	21,941	3,931	–	–	–	–	480,253	
495,001 – 520,000	1	169,962	–	315,039	25,322	1,700	–	–	–	–	512,022	
545,001 – 570,000	2	173,056	–	354,114	28,444	–1,221	–	–	–	–	554,393	
570,001 – 595,000	2	163,525	–	384,115	28,133	6,065	–	–	–	–	581,842	
595,001 – 620,000	2	203,348	–	372,541	34,520	4,073	–	–	–	–	614,482	
620,001 – 695,000	1	195,133	–	458,918	33,438	401	–	–	–	–	687,891	
695,001 – and above	6	197,339	–	646,101	33,714	4,964	–	–	–	–	882,118	

(a) Base salary includes wages and the net movement in the annual leave provision account. It excludes wages for long service leave.

(b) Austrade has APS employees working in overseas locations who are paid allowances and benefits related to overseas postings. Allowances and benefits include residential rent for overseas accommodation; cost of living allowances; allowances and education expenses for children living abroad; car parking; motor vehicle; car hire; leave fares; medical costs and insurance; studies assistance; and home assistance. These benefits are grossed up to reflect the total costs including taxable value. They include taxation payments returned to the ATO, and accommodation costs returned to the Department of Foreign Affairs and Trade (DFAT) where the premises are managed by DFAT.

(c) Long service leave includes any long service leave taken during the year and the net movement in the long service leave provision account. Changes to salary, entitlements and long service leave actuarial multipliers may impact long service leave provisions.

Table E3: Remuneration for other highly paid staff, 2018–19

Total remuneration bands (\$)	Number of other highly paid staff	Short-term benefits			Post-employment benefits		Other long-term benefits			Termination benefits	Total remuneration
		Average base salary ^(a) (\$)	Average bonuses (\$)	Average other allowances ^(b) (\$)	Average superannuation contributions (\$)	Average long service leave ^(c) (\$)	Average other long-term benefits (\$)	Average termination benefits (\$)	Average total remuneration (\$)		
220,001 – 245,000	2	71,685	–	28,082	3,297	3,152	–	122,178	228,658		
245,001 – 270,000	1	122,984	–	92,866	15,251	2,016	–	–	257,726		
270,001 – 295,000	1	139,196	–	5,153	27,323	102,417	–	–	278,920		
295,001 – 320,000	–	–	–	–	–	–	–	–	–		
320,001 – 345,000	1	141,359	–	109,871	21,422	1,916	–	–	343,549		
345,001 – 370,000	–	–	–	–	–	–	–	–	–		
370,001 – 395,000	3	118,110	–	153,073	17,654	976	–	–	380,708		
395,001 – 420,000	4	125,075	–	176,091	22,816	2,078	–	–	406,383		
420,001 – 445,000	4	138,846	–	145,015	24,869	5,065	–	–	435,614		
445,001 – 470,000	3	135,413	–	191,340	21,885	4,467	–	–	458,841		
470,001 – 495,000	3	130,084	–	229,246	20,486	5,703	–	–	478,269		
495,001 – 520,000	5	131,351	–	213,878	24,451	14,869	–	–	504,018		
520,001 – 545,000	4	143,076	–	248,209	25,683	5,098	–	–	531,125		
545,001 – 570,000	3	124,919	–	296,616	20,078	5,163	–	–	551,765		
570,001 – 595,000	2	125,959	–	274,026	20,103	5,144	–	–	578,127		
595,001 – 620,000	3	150,236	–	268,775	25,323	5,302	–	–	606,529		
620,001 – 945,000	10	142,268	–	472,685	21,550	3,072	–	–	762,630		

(a) Base salary includes wages and the net movement in the annual leave provision account. It excludes wages for long service leave.

(b) Austrade has APS employees working in overseas locations who are paid allowances and benefits related to overseas postings. Allowances and benefits include residential rent for overseas accommodation; cost of living allowances; allowances and education expenses for children living abroad; car parking; motor vehicle; car hire; leave fares; medical costs and insurance; studies assistance; and home assistance. These benefits are grossed up to reflect the total costs including taxable value. They include taxation payments returned to the ATO, and accommodation costs returned to the Department of Foreign Affairs and Trade (DFAT) where the premises are managed by DFAT.

(c) Long service leave includes any long service leave taken during the year and the net movement in the long service leave provision account. Changes to salary, entitlements and long service leave actuarial multipliers may impact long service leave provisions.

Table E4: All ongoing employees, by gender, location and work status, at 30 June 2019

Location	Male			Female			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	
Australia	183	6	189	220	56	276	465
NSW	61	2	63	76	19	95	158
QLD	16	–	16	14	3	17	33
SA	3	–	3	5	3	8	11
TAS	1	–	1	–	–	–	1
VIC	23	–	23	19	5	24	47
WA	2	–	2	4	2	6	8
ACT	76	4	80	102	24	126	206
NT	1	–	1	–	–	–	1
Overseas	214	2	216	289	6	295	511
Americas	36	1	37	47	1	48	85
ASEAN and Pacific	34	–	34	72	2	74	108
Europe	27	–	27	27	3	30	57
Greater China	38	–	38	73	–	73	111
Middle East and Africa	21	–	21	21	–	21	42
North East Asia	20	1	21	37	–	37	58
South Asia	38	–	38	12	–	12	50
Total	397	8	405	509	62	571	976

Note: Includes all APS employees and overseas-engaged staff. Data is based on substantive employment arrangements.
 At 30 June 2019, Austrade had no ongoing employees of indeterminate gender.

Table E5: All non-ongoing employees, by gender, location and work status, at 30 June 2019

Location	Male			Female			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	
Australia	23	3	26	32	4	36	62
NSW	12	1	13	13	–	13	26
QLD	–	–	–	1	2	3	3
SA	–	–	–	–	–	–	–
TAS	–	–	–	–	–	–	–
VIC	2	–	2	2	–	2	4
WA	–	–	–	–	–	–	–
ACT	9	2	11	16	2	18	29
NT	–	–	–	–	–	–	–
Overseas	20	1	21	11	3	14	35
Americas	3	–	3	1	2	3	6
ASEAN and Pacific	1	–	1	3	–	3	4
Europe	6	–	6	2	–	2	8
Greater China	–	–	–	2	–	2	2
Middle East and Africa	6	1	7	3	1	4	11
North East Asia	–	–	–	–	–	–	–
South Asia	4	–	4	–	–	–	4
Total	43	4	47	43	7	50	97

Note: Includes all APS employees and overseas-engaged staff. Data is based on substantive employment arrangements. At 30 June 2019, Austrade had no non-ongoing employees of indeterminate gender.

Table E6: All ongoing employees, by gender, location and work status, at 30 June 2018

Location	Male			Female			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	
Australia	175	7	182	207	50	257	439
NSW	61	2	63	69	18	87	150
QLD	13	–	13	9	4	13	26
SA	3	–	3	–	2	2	5
TAS	1	–	1	–	–	–	1
VIC	18	–	18	20	6	26	44
WA	1	–	1	4	1	5	6
ACT	77	5	82	105	19	124	206
NT	1	–	1	–	–	–	1
Overseas	199	1	200	256	5	261	461
Americas	38	1	39	50	1	51	90
ASEAN and Pacific	33	–	33	66	1	67	100
Europe	29	–	29	29	3	32	61
Greater China	34	–	34	60	–	60	94
Middle East and Africa	9	–	9	7	–	7	16
North East Asia	22	–	22	38	–	38	60
South Asia	34	–	34	6	–	6	40
Total	374	8	382	463	55	518	900

Note: Includes all APS employees and overseas-engaged staff. Data is based on substantive employment arrangements. Numbers in the Australian Trade and Investment Commission Annual Report 2017–18 were based on actual arrangements. At 30 June 2018, Austrade had no ongoing employees of indeterminate gender.

Table E7: All non-ongoing employees, by gender, location and work status, at 30 June 2018

Location	Male			Female			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	
Australia	20	3	23	21	6	27	50
NSW	10	1	11	7	2	9	20
QLD	–	–	–	1	2	3	3
SA	1	–	1	1	–	1	2
TAS	–	–	–	–	–	–	–
VIC	2	–	2	2	–	2	4
WA	–	–	–	–	–	–	–
ACT	7	2	9	10	2	12	21
NT	–	–	–	–	–	–	–
Overseas	49	–	49	46	4	50	99
Americas	4	–	4	2	1	3	7
ASEAN and Pacific	5	–	5	8	1	9	14
Europe	5	–	5	1	1	2	7
Greater China	5	–	5	13	–	13	18
Middle East and Africa	19	–	19	15	1	16	35
North East Asia	1	–	1	1	–	1	2
South Asia	10	–	10	6	–	6	16
Total	69	3	72	67	10	77	149

Note: Includes all APS employees and overseas-engaged staff. Data is based on substantive employment arrangements. Numbers in the Australian Trade and Investment Commission Annual Report 2017–18 were based on actual arrangements. At 30 June 2018, Austrade had no non-ongoing employees of indeterminate gender.

Table E8: APS ongoing employees, by gender, classification and work status, at 30 June 2019

Classification	Male			Female			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	
SES 3	2	–	2	–	–	–	2
SES 2	3	–	3	5	–	5	8
SES 1	17	1	18	15	–	15	33
EL 2	80	–	80	53	6	59	139
EL 1	74	5	79	88	27	115	194
APS 6	37	1	38	52	17	69	107
APS 5	7	–	7	10	1	11	18
APS 4	7	–	7	17	5	22	29
APS 3	–	–	–	1	–	1	1
APS 2	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–
Total	227	7	234	241	56	297	531

Note: Includes all APS employees, excluding the CEO. Data is based on substantive employment arrangements. At 30 June 2019, Austrade had no ongoing APS employees of indeterminate gender.

Table E9: APS non-ongoing employees, by gender, classification and work status, at 30 June 2019

Classification	Male			Female			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	
SES 3	–	–	–	–	–	–	–
SES 2	2	–	2	–	–	–	2
SES 1	6	–	6	1	2	3	9
EL 2	3	1	4	5	–	5	9
EL 1	6	–	6	6	–	6	12
APS 6	5	1	6	5	–	5	11
APS 5	2	–	2	6	–	6	8
APS 4	1	1	2	6	2	8	10
APS 3	1	–	1	3	–	3	4
APS 2	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–
Total	26	3	29	32	4	36	65

Note: Includes all APS employees, excluding the CEO. Data is based on substantive employment arrangements. At 30 June 2019, Austrade had no non-ongoing APS employees of indeterminate gender.

Table E10: APS ongoing employees, by gender, classification and work status, at 30 June 2018

Classification	Male			Female			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	
SES 3	1	–	1	–	–	–	1
SES 2	7	–	7	4	–	4	11
SES 1	20	1	21	12	–	12	33
EL 2	81	–	81	49	5	54	135
EL 1	67	5	72	80	26	106	178
APS 6	30	1	31	52	13	65	96
APS 5	8	–	8	8	–	8	16
APS 4	7	–	7	23	6	29	36
APS 3	1	–	1	3	–	3	4
APS 2	–	–	–	–	–	–	–
APS 1	1	–	1	–	–	–	–
Total	222	7	229	231	50	281	510

Note: Includes all APS employees, excluding the CEO. Data is based on substantive employment arrangements. Numbers in the Australian Trade and Investment Commission Annual Report 2017–18 were based on actual arrangements. At 30 June 2018, Austrade had no ongoing APS employees of indeterminate gender.

Table E11: APS non-ongoing employees, by gender, classification and work status, at 30 June 2018

Classification	Male			Female			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	
SES 3	–	–	–	–	–	–	–
SES 2	1	–	1	–	–	–	1
SES 1	5	–	5	1	3	4	9
EL 2	1	1	2	2	–	2	4
EL 1	8	1	9	4	–	4	13
APS 6	1	1	2	6	1	7	9
APS 5	3	–	3	5	1	6	9
APS 4	1	–	1	3	1	4	5
APS 3	2	–	2	–	–	–	2
APS 2	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–
Total	22	3	25	21	6	27	52

Note: Includes all APS employees, excluding the CEO. Data is based on substantive employment arrangements. Numbers in the Australian Trade and Investment Commission Annual Report 2017–18 were based on actual arrangements. At 30 June 2018, Austrade had no non-ongoing APS employees of indeterminate gender.

Table E12: APS ongoing and non-ongoing employees, by classification and work status, at 30 June 2019

Classification	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time	Total non-ongoing	
SES 3	2	–	2	–	–	–	2
SES 2	8	–	8	2	–	2	10
SES 1	32	1	33	7	2	9	42
EL 2	133	6	139	8	1	9	148
EL 1	162	32	194	12	–	12	206
APS 6	89	18	107	10	1	11	118
APS 5	17	1	18	8	–	8	26
APS 4	24	5	29	7	3	10	39
APS 3	1	–	1	4	–	4	5
APS 2	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–
Total	468	63	531	58	7	65	596

Note: Includes all APS employees, excluding the CEO. Data is based on substantive employment arrangements.

Table E13: APS ongoing and non-ongoing employees, by classification and work status, at 30 June 2018

Classification	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time	Total non-ongoing	
SES 3	1	–	1	–	–	–	1
SES 2	11	–	11	1	–	1	12
SES 1	32	1	33	6	3	9	42
EL 2	130	5	135	3	1	4	139
EL 1	147	31	178	12	1	13	191
APS 6	82	14	96	7	2	9	105
APS 5	16	–	16	8	1	9	25
APS 4	30	6	36	4	1	5	41
APS 3	4	–	4	2	–	2	6
APS 2	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–
Total	453	57	510	43	9	52	562

Note: Includes all APS employees, excluding the CEO. Data is based on substantive employment arrangements. Numbers in the Australian Trade and Investment Commission Annual Report 2017–18 were based on actual arrangements.

Table E14: APS employees, by employment type and location, at 30 June 2019

Location	Ongoing	Non-ongoing	Total
Australia	464	62	526
NSW	157	26	183
QLD	33	3	36
SA	11	–	11
TAS	1	–	1
VIC	47	4	51
WA	8	–	8
ACT	206	29	235
NT	1	–	1
Overseas	68	3	71
Americas	11	1	12
ASEAN and Pacific	14	1	15
Europe	6	–	6
Greater China	14	–	14
Middle East and Africa	9	1	10
North East Asia	9	–	9
South Asia	5	–	5
Total	532	65	597

Note: Includes all APS employees, including the CEO. Data is based on substantive employment arrangements.

Table E15: APS employees, by employment type and location, at 30 June 2018

Location	Ongoing	Non-ongoing	Total
Australia	439	50	489
NSW	150	20	170
QLD	26	3	29
SA	5	2	7
TAS	1	–	1
VIC	44	4	48
WA	6	–	6
ACT	206	21	227
NT	1	–	1
Overseas	72	2	74
Americas	12	1	13
ASEAN and Pacific	16	–	16
Europe	8	–	8
Greater China	15	–	15
Middle East and Africa	7	–	7
North East Asia	9	1	10
South Asia	5	–	5
Total	511	52	563

Note: Includes all APS employees, including the CEO. Data is based on substantive employment arrangements. Numbers in the Australian Trade and Investment Commission Annual Report 2017–18 were based on actual arrangements.

Table E16: APS employees identifying as Indigenous, by employment type, at 30 June 2019

Employment type	Indigenous
Ongoing	6
Non-ongoing	–
Total	6

Note: Includes all APS employees, including the CEO.

Table E17: APS employees identifying as Indigenous, by employment type, at 30 June 2018

Employment type	Indigenous
Ongoing	4
Non-ongoing	1
Total	5

Note: Includes all APS employees, including the CEO.

Table E18: Employment arrangements for SES and non-SES employees, at 30 June 2019

Type of arrangement	SES	Non-SES	Total
CEO arrangement	1	–	1
Enterprise agreement	–	524	524
Common law arrangement	54	1	55
Individual flexibility arrangement	–	17	17
Total	55	542	597

Table E19: Salary ranges of SES and non-SES employees, by classification level, at 30 June 2019

Classification	Minimum salary (\$)	Maximum salary (\$)
SES 3	332,559	369,972
SES 2	198,090	249,000
SES 1	161,624	230,643
EL 2	116,266	157,369
EL 1	99,385	111,795
APS 6	85,954	93,320
APS 5	76,155	82,508
APS 4	67,386	73,226
APS 3	57,602	64,797
APS 2	53,256	55,386
APS 1	51,209	51,209

Note: Salary ranges for non-SES staff are based on the pay scales in the Australian Trade and Investment Commission Enterprise Agreement 2019–2022. The ranges do not include the maximum salary payable under an individual flexibility arrangement.

Disability reporting

Since 1994, non-corporate Commonwealth entities have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy.

In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service reports and the *Australian Public Service Statistical Bulletin*. These reports are available at apsc.gov.au. From 2010–11, departments and agencies were no longer required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high-level, two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. The first of these progress reports was published in 2014, and can be found at dss.gov.au.

Appendix F

Ecologically sustainable development and environmental performance

This appendix summarises Austrade's reported energy consumption in its Australian operations as required by the Energy Efficiency in Government Operations policy, as well as other aspects of Austrade's environmental performance in 2018–19.

Electricity consumption and greenhouse emissions

The *Energy Use in the Australian Government's Operations: 2007–08* report, released in December 2009, outlines the levels of energy usage and emissions for the Australian Government, at both whole-of-government and individual agency levels.

During 2018–19, Austrade's energy consumption decreased by 3.3 per cent compared to 2017–18. Total electrical energy consumption fell from 490.7 kilowatt hours in 2017–18 to 471.4 kilowatt hours in 2018–19.

These figures exclude Austrade's Canberra office, as Austrade moved to new Canberra premises in November 2017, and the whole-of-government arrangements at the new premises, which are shared with other organisations, do not allow Austrade to isolate its energy consumption levels.

Table F1 shows Austrade's electricity consumption in Australia for the last two years, as well as the greenhouse emissions associated with that consumption. Emissions have been calculated using the 2017–18 emissions factors released by the Department of the Environment and Energy, as the department has not yet released the factors for 2018–19.

Videoconferencing

During 2018–19, Austrade supported a total of 100,525 video calls, representing approximately 66,773 hours of video calls and 82,603 hours of voice calls. Austrade has 126 room-based videoconference end points and approximately 1,199 individual users of mobile videoconference facilities, accessed from phones, tablets and laptops.

Waste

Austrade continued to manage and review approaches for minimising its environmental impact through established practices across its offices in Australia and overseas. These practices included reducing waste by establishing recycling systems for a range of office supplies, consumables and general waste

Table F1: Austrade's electricity consumption in Australia, 2017–18 and 2018–19

Indicator	2017–18	2018–19	Change (%)
Office tenant light and power (kilowatt hours)	490,720	474,401	–3.3
Greenhouse emissions attributed to office tenant light and power energy use (tonnes CO ₂ equivalent)	459.5	444.1	–3.3

Note: Figures exclude Austrade's Canberra office, as whole-of-government arrangements at that office do not allow Austrade to isolate its energy consumption levels.

from workspaces and staff kitchens. Austrade's Canberra office initiated a holistic waste review to ensure waste practices are aligned throughout all tenancies in the Nishi Building, and to improve the building's overall waste management strategy.

Water

Water consumption is difficult for Austrade to measure on a broad scale as most of its tenancies are not separately metered for water consumption. Austrade's facility and office managers continue to work with building owners, where possible, to improve water consumption and introduce water-saving measures, such as waterless urinals, dual-flush toilets and flow restrictors on taps.

Principles of ecologically sustainable development

Austrade operates under the *Australian Trade and Investment Commission Act 1985* and administers the Export Market Development Grants scheme pursuant to the *Export Market Development Grants Act 1997*. While neither Act makes specific reference to ecologically sustainable development or sustainability principles, Austrade continues to adhere to government policy and ministerial directives on sustainability.

Appendix G

Advertising and market research

As required under section 311A of the *Commonwealth Electoral Act 1918*, this appendix includes particulars of payments made by Austrade during 2018–19 of more than \$13,800 (inclusive of GST) for advertising and market research.

During 2018–19, Austrade did not conduct any advertising campaigns in Australia. Austrade conducted overseas advertising for the Festival of Australia in China, as noted in Table G3.

Table G1: Total advertising and market research expenditure, 2018–19

Description	Value (\$)
Advertising agencies	–
Market research organisations	7,787,880.48
Polling organisations	–
Direct mail organisations	176,778.94
Media advertising organisations	306,112.89
Total	8,270,772.31

Table G2: Individual payments of more than \$13,800 to market research organisations, 2018–19

Organisation	Description	Amount (\$)
Beresford Management Consultants	International network study (payment 1)	44,000.00
Beresford Management Consultants	International network study (payment 2)	64,240.00
Beresford Management Consultants	International network study (payment 3)	35,200.00
Deloitte Access Economics Pty Ltd	2018 trade forecast—international network review (payment 1)	25,938.00
Deloitte Access Economics Pty Ltd	2018 trade forecast—international network review (payment 2)	51,876.00
Deloitte Consulting	International education digital study (final payment)	91,265.74
Deloitte Touche Tohmatsu	Digital readiness study (payment 1)	102,465.00
Deloitte Touche Tohmatsu	Digital readiness study (payment 2)	22,770.00
Deloitte Touche Tohmatsu	2018 destination research project	44,000.00
Ernst & Young	Contribution of the ADS scheme to the Australian economy—study	82,500.00
Euroconsult	National Investment Advisory Board research project	55,000.00
FDRW Pty Ltd	Lithium research project (final payment)	22,699.60
Fifty-Five Five Pty Ltd	Nation brand—milestone one (payment 1)	192,500.00
Fifty-Five Five Pty Ltd	Nation brand—milestone two (payment 2)	192,500.00

Organisation	Description	Amount (\$)
Fifty-Five Five Pty Ltd	Nation brand—concepts testing	38,500.00
Matryzel Consulting	Research and analysis—Digital Malaysia report 2018	19,744.65
MXX Holdings Pty Ltd	IP mapping datasets and reports across industry subsectors	38,500.00
PwC	Data stocktake review (payment 1)	23,100.00
PwC	Data stocktake review (payment 2)	30,800.00
Taylor Nelson Sofres Australia Pty Ltd	Service Improvement Study Q3 2017–18	15,558.40
Taylor Nelson Sofres Australia Pty Ltd	Service Improvement Study 2016–17	14,960.00
Taylor Nelson Sofres Australia Pty Ltd	Service Improvement Study Q4 2017–18 initial survey	15,558.40
Taylor Nelson Sofres Australia Pty Ltd	Service Improvement Study 2017–18	15,558.40
Taylor Nelson Sofres Australia Pty Ltd	Service Improvement Study and follow-up survey Q1 2018–19	20,443.50
Taylor Nelson Sofres Australia Pty Ltd	Service Improvement Study and follow-up survey Q2 2018–19	17,418.50
Tebbutt Research Australia Pty Ltd	Commercial opportunities in Papua New Guinea and Fiji study	44,000.00
Urbis Pty Ltd	Regulatory mapping study	35,371.05
ORC International Pty Ltd	International Visitor Survey, July 2018	245,776.09
ORC International Pty Ltd	National Visitor Survey, July 2018	214,101.37
ORC International Pty Ltd	International Visitor Survey, August 2018	245,776.09
ORC International Pty Ltd	National Visitor Survey, August 2018	214,101.37
ORC International Pty Ltd	International Visitor Survey, September 2018	245,776.09
ORC International Pty Ltd	National Visitor Survey, September 2018	214,101.37
ORC International Pty Ltd	International Visitor Survey, October 2018	245,776.09
ORC International Pty Ltd	National Visitor Survey, October 2018	214,101.37
ORC International Pty Ltd	International Visitor Survey, November 2018	245,776.09
ORC International Pty Ltd	National Visitor Survey, November 2018	214,101.37
ORC International Pty Ltd	International Visitor Survey, December 2018	245,776.09
ORC International Pty Ltd	National Visitor Survey, December 2018	214,101.37
ORC International Pty Ltd	International Visitor Survey, Q3 September 2018	81,925.36
ORC International Pty Ltd	International Visitor Survey, Q4 December 2018	81,925.36
ORC International Pty Ltd	National Visitor Survey, Q3 September 2018	71,367.12
ORC International Pty Ltd	National Visitors Survey, Q4 December 2018	71,367.12
Engine Asia Pacific Pty Ltd	International Visitor Survey, January 2019	256,723.67

Organisation	Description	Amount (\$)
Engine Asia Pacific Pty Ltd	National Visitor Survey, January 2019	217,060.97
Engine Asia Pacific Pty Ltd	International Visitor Survey, February 2019	256,723.67
Engine Asia Pacific Pty Ltd	National Visitor Survey, February 2019	217,060.97
Engine Asia Pacific Pty Ltd	International Visitor Survey, March 2019	256,723.67
Engine Asia Pacific Pty Ltd	National Visitor Survey, March 2019	217,060.97
Engine Asia Pacific Pty Ltd	International Visitor Survey, April 2019	256,723.67
Engine Asia Pacific Pty Ltd	National Visitor Survey, April 2019	217,060.97
Engine Asia Pacific Pty Ltd	International Visitor Survey, airport fees 2019 (Part 1)	45,181.94
Engine Asia Pacific Pty Ltd	National Visitor Survey, Q1 March 2019	72,353.66
Engine Asia Pacific Pty Ltd	International Visitor Survey, Q1 March 2019	49,429.00
Engine Asia Pacific Pty Ltd	National Visitor Survey, Q2 June 2019	72,353.66
Engine Asia Pacific Pty Ltd	International Visitor Survey, Q2 June 2019	83,315.46
Engine Asia Pacific Pty Ltd	International Visitor Survey, May 2019	256,723.67
Engine Asia Pacific Pty Ltd	National Visitor Survey, May 2019	217,060.97
Engine Asia Pacific Pty Ltd	International Visitor Survey, June 2019	249,946.38
Engine Asia Pacific Pty Ltd	National Visitor Survey, June 2019	217,060.97
Total		7,580,881.17

Table G3: Individual payments of more than \$13,800 to media advertising organisations, 2018–19

Organisation	Description	Amount (\$)
Dentsu X Australia Pty Ltd	Job recruitment advertisement—LinkedIn subscription	91,732.72
Easy Success (Guangzhou) Information	Media service to promote Festival of Australia	24,357.60
Shanghai SGR Advertising	Media service to promote Festival of Australia	78,147.30
Total		194,237.62

Table G4: Individual payments of more than \$13,800 to direct mail organisations, 2018–19

Organisation	Description	Amount (\$)
Plan Alliance	Australia: <i>Future Unlimited</i> education exhibition—digital marketing work	26,400.00
Total		26,400.00

Appendix H

List of requirements

PGPA Rule reference	Description	Requirement	Page
17AD(g)	Letter of transmittal		
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the PGPA Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory	ii
17AD(h)	Aids to access		
17AJ(a)	Table of contents	Mandatory	iii
17AJ(b)	Alphabetical index	Mandatory	226–35
17AJ(c)	Abbreviations and acronyms	Mandatory	225
17AJ(d)	List of requirements	Mandatory	219–22
17AJ(e)	Details of contact officer	Mandatory	236
17AJ(f)	Entity's website address	Mandatory	236
17AJ(g)	Electronic address of report	Mandatory	236
17AD(a)	Review by accountable authority		
17AD(a)	A review by the accountable authority of the entity	Mandatory	9–11
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity	Mandatory	2–3
17AE(1)(a)(ii)	A description of the organisational structure of the entity	Mandatory	8
17AE(1)(a)(iii)	A description of the outcomes and programs administered by the entity	Mandatory	16–18
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan	Mandatory	16–18
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority	Mandatory	118
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority	Mandatory	118
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	118
17AE(1)(b)	An outline of the structure of the portfolio of the entity	Portfolio departments—mandatory	Not applicable
17AE(2)	Where the outcomes and programs administered by the entity differ from any portfolio budget statements, portfolio additional estimates statements or other portfolio estimates statements that were prepared for the entity for the period, include details of variation and reasons for change	If applicable, mandatory	Not applicable
17AD(c)	Report on the performance of the entity		
16F	Annual performance statements		
17AD(c)(i)	Annual performance statements in accordance with paragraph 39(1)(b) of the PGPA Act and section 16F of the PGPA Rule	Mandatory	19–34
17AD(c)(ii)	Report on financial performance		
17AF(1)(a)	A discussion and analysis of the entity's financial performance	Mandatory	12–14
17AF(1)(b)	A table summarising the total resources and total payments of the entity	Mandatory	194

PGPA Rule reference	Description	Requirement	Page
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, mandatory	Not applicable
17AD(d)	Management and accountability		
17AG(2)	Corporate governance		
17AG(2)(a)	Information on compliance with section 10 of the PGPA Rule (fraud systems)	Mandatory	ii, 125
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory	ii, 125
17AG(2)(b)(ii)	A certification by accountable authority that the entity has in place appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud	Mandatory	ii, 125
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory	ii, 125
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory	118–25
17AG(2)(d)–(e)	A statement of significant issues reported to minister under paragraph 19(1)(e) of the PGPA Act that relate to noncompliance with finance law and action taken to remedy noncompliance	If applicable, mandatory	138
17AG(3)	External scrutiny		
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory	128–9
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, mandatory	129
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the PGPA Act), a parliamentary committee or the Commonwealth Ombudsman	If applicable, mandatory	128–9
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period	If applicable, mandatory	Not applicable
17AG(4)	Management of human resources		
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory	130–8
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including statistics on: <ul style="list-style-type: none"> › full-time employees › part-time employees › gender › staff location 	Mandatory	200–3
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis, including statistics on: <ul style="list-style-type: none"> › staffing classification level › full-time employees › part-time employees › gender › staff location › employees who identify as Indigenous 	Mandatory	204–12

PGPA Rule reference	Description	Requirement	Page
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	Mandatory	212
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements, etc. identified in paragraph 17AG(4)(c) of the PGPA Rule	Mandatory	212
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level	Mandatory	213
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees	Mandatory	132
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay	If applicable, mandatory	Not applicable
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level	If applicable, mandatory	Not applicable
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level	If applicable, mandatory	Not applicable
17AG(4)(d)(iv)	Information on aggregate amount of performance payments	If applicable, mandatory	Not applicable
17AG(5)	Asset management		
17AG(5)	An assessment of effectiveness of asset management where asset management is a significant part of the entity's activities	If applicable, mandatory	139
17AG(6)	Purchasing		
17AG(6)	An assessment of entity performance against the Commonwealth Procurement Rules	Mandatory	141
17AG(7)	Consultants		
17AG(7)(a)	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	141
17AG(7)(b)	A statement that 'During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million].'	Mandatory	141
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory	141
17AG(7)(d)	A statement that 'Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website.'	Mandatory	141
17AG(8)	Australian National Audit Office access clauses		
17AG(8)	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	If applicable, mandatory	Not applicable

PGPA Rule reference	Description	Requirement	Page
17AG(9)	Exempt contracts		
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published on AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters	If applicable, mandatory	Not applicable
17AG(10)	Small business		
17AG(10)(a)	A statement that '[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and medium-sized enterprise (SME) and small enterprise participation statistics are available on the Department of Finance's website.'	Mandatory	141–2
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium-sized enterprises	Mandatory	141–2
17AG(10)(c)	If the entity is considered by the department administered by the Finance Minister as material in nature—a statement that '[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the survey of Australian Government payments to small business are available on the Treasury's website.'	If applicable, mandatory	142
17AD(e)	Financial statements		
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the PGPA Act	Mandatory	145–86
17AD(da)	Executive remuneration		
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the PGPA Rule	Mandatory	197–9
17AD(f)	Other mandatory information		
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that 'During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website.'	If applicable, mandatory	216–18
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, mandatory	216
17AH(1)(b)	A statement that 'Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website].'	If applicable, mandatory	90
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory	213
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory	129
17AH(1)(e)	Correction of material errors in previous annual report	If applicable, mandatory	39, 67, 93
17AH(2)	Information required by other legislation	Mandatory	2, 91–2, 101–2, 128–9, 135, 192–3, 214–15, 216–18

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Abbreviations and acronyms

ADS	Approved Destination Status	IAGDP	Indigenous Australian Government Development Program
AFL	Australian Football League	ICT	information and communications technology
AIE2025	Australian International Education 2025	IMF	International Monetary Fund
ANAO	Australian National Audit Office	IP	intellectual property
APS	Australian Public Service	IT	information technology
ASA	Australian Space Agency	LGBTI	lesbian, gay, bisexual, transgender and intersex
ASEAN	Association of Southeast Asian Nations	METS	mining equipment, technology and services
ATMC	Australian Tropical Medicine Commercialisation	MP	member of parliament
Austrade	Australian Trade and Investment Commission	NAIDOC	National Aborigines and Islanders Day Observance Committee
CEO	chief executive officer	NTB	non-tariff barrier
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership	OECD	Organisation for Economic Co-operation and Development
CSIRO	Commonwealth Scientific and Industrial Research Organisation	OLSC	Office of Legal Services Coordination
DFAT	Department of Foreign Affairs and Trade	PBS	portfolio budget statements
Efic	Export Finance and Insurance Corporation	PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
EL	Executive Level	PGPA Rule	Public Governance, Performance and Accountability Rule 2014
EMDG	Export Market Development Grants	PIV	Premium Investor Visa
EMDG Act	<i>Export Market Development Grants Act 1997</i>	SES	Senior Executive Service
EU	European Union	SIV	Significant Investor Visa
FDI	foreign direct investment	SME	small to medium-sized enterprise
FOI Act	<i>Freedom of Information Act 1982</i>	SME _x	small to medium-sized exporter
FTA	free trade agreement	TAFE	Technical and Further Education
GDP	gross domestic product	TRA	Tourism Research Australia
GDPR	General Data Protection Regulation	UAE	United Arab Emirates
GPS	global positioning system	UNCTAD	United Nations Conference on Trade and Development
GST	goods and services tax	WHS	work health and safety
IA-CEPA	Indonesia–Australia Comprehensive Economic Partnership Agreement	WHS Act	<i>Work Health and Safety Act 2011</i>

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