

Part one
**Agency
overview**

Chief Executive Officer's report	2
About Austrade	5
Performance framework	8

Chief Executive Officer's report



Year in review

Austrade, the Australian Government's trade and investment development agency, has three key roles in supporting the Government's economic agenda. These roles are: enhancing Australia's national prosperity through

assisting Australian firms to develop international business opportunities; increasing the capability and capacity of Australian industry and firms to compete globally, including through facilitating foreign direct investment; and informing policy and actions that address impediments to trade and investment.

During the year under review, the global economy experienced a dramatic change, moving rapidly from a period of synchronised growth to where many economies were in, or were close to, recession. There was a significant fall in global exports in the second half of 2008 and in early 2009.

Australia has withstood the worst of this global downturn. Our export results in key sectors have remained resilient. Australia has been further assisted by foreign direct investment (FDI).

In 2009, the Government reinforced its support for the exporter community, providing \$50 million in additional funding for the Export Market Development Grants (EMDG) scheme, helping exporters defend market share and support jobs during the downturn. Demand for the EMDG scheme continued to be high, with 4,105 grants worth \$185.9 million paid in 2008–09. The Government also provided additional funding for Austrade to help Australian businesses achieve a greater share of the international clean energy market.

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Australian businesses have continued to look outward to overseas markets to grow their business. Austrade worked with over 15,600 Australian businesses in 2008–09, with 5,908 of these businesses acknowledging Austrade's support in achieving international trade and investment outcomes.

Austrade works closely with government and business allies to increase the availability of trade and investment advice to Australian business. In 2008–09, over 2,500 Australian businesses were assisted through 50 TradeStart offices around the country, delivered in collaboration with state and local governments and industry groups. In addition, more than 3,300 businesses received advice on trade and investment opportunities through our Corporate Partnership arrangements.

On 1 July 2008, Austrade resumed responsibility for attracting and facilitating FDI into Australia. Over the course of the year we have restructured our activities to deliver an integrated trade and investment service. FDI plays a key role in building competitiveness and capacity through providing access to new technology and important links into the global economy.

... we have restructured our activities to deliver an integrated trade and investment service

During 2008–09, Austrade engaged with investors across its global network and worked on more than 500 inward investment projects, in sectors such as clean energy, financial services and infrastructure. Reflecting the interconnection of trade and two-way investment in international

business, Austrade continued to support Australian businesses seeking to invest offshore in a wide range of industries, including in the manufacturing, mining, finance, insurance and transport industries.

As part of the whole-of-government approach to trade and investment development, Austrade liaises closely with other government agencies on competitiveness issues, market-access barriers and investment restrictions. During 2008–09, Austrade provided market information on the impact of multilateral and bilateral trade agreements and worked with the Department of Foreign Affairs and Trade to promote the gains from new free trade agreements with ASEAN and Chile. Cooperation with state and territory governments included supporting the Council of Australian Governments' (COAG) Ministerial Council on International Trade, chaired by Minister for Trade, the Hon Simon Crean MP.

The year in review included business-matching programs held in conjunction with the Beijing 2008 Olympic Games. Austrade assisted clients to take advantage of business connections during the Games through the Business Club Australia (BCA) program, which hosted over 4,000 business executives from around the world at networking events. Participating Australian firms have already reported substantial new business generated through the BCA program.

As well as trade and investment development activities, Austrade delivered consular services on behalf of the Government in a range of locations around the world. During 2008–09, 21 of our overseas offices delivered consular advice, assistance and information.

Year ahead

The global economic downturn has brought into sharp focus the importance of trade and investment liberalisation and development to support economic growth.

As markets recover, Australian businesses are well placed to take advantage of emerging opportunities and respond to shifts in the world economy. Prospects for growth in the Asia

Pacific region, particularly China and India, are strong. Opportunities exist to build on Australian capability in industries such as financial services and clean energy, while highlighting Australia's competitive advantages in sectors such as agribusiness, energy and resource development, and a wide range of services from automotive design to architecture, education and other professional services.

Australian businesses are well placed to take advantage of emerging opportunities and respond to shifts in the world economy

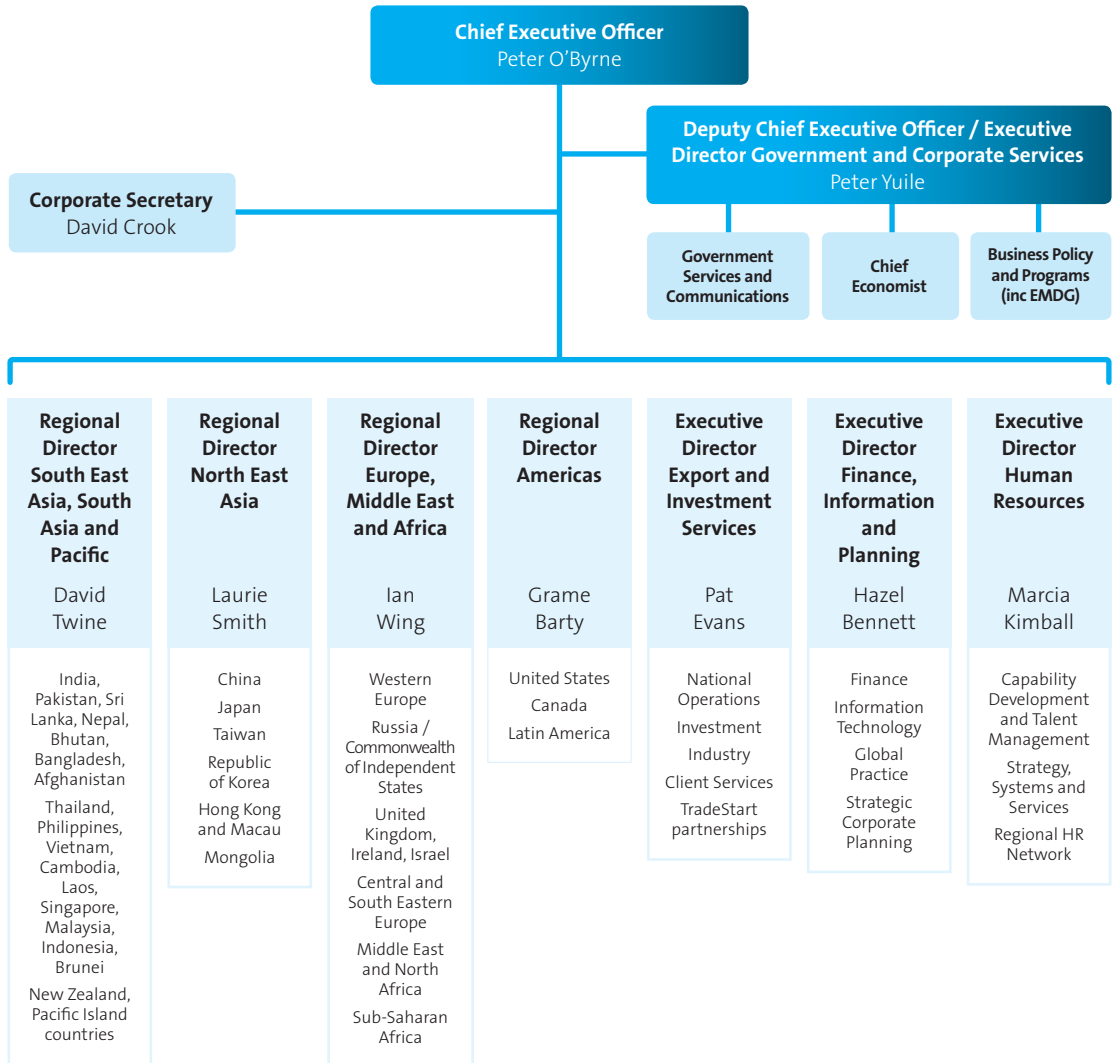
Austrade has a key role to play in assisting Australian businesses to take advantage of these opportunities, and in encouraging and facilitating further investment in our economy. The Government has also asked Austrade to drive its initiative, Building Brand Australia, to support and strengthen our competitive position internationally.

While there are many challenges ahead, Austrade's clients and its staff understand and are focused on the potential that trade and investment has to contribute to economic growth and prosperity. I am grateful for the efforts of our Austrade team in helping Australian business navigate the turbulent global trading environment over the past year.

This report is my eighth as Managing Director and CEO of Austrade. As I will be standing down as CEO during this financial year, I take this opportunity to register my appreciation for the support that I have received, in particular from Austrade staff around the world. I also acknowledge the passion and the commitment to building Australia's future of the many thousands of Australian businesses with which Austrade has worked.

Peter O'Byrne
Chief Executive Officer

Figure 1: Organisational structure at 30 June 2009



About Austrade

Austrade's role

Austrade is the Australian Government's trade and investment development agency. Austrade helps businesses of all sizes across all sectors to succeed in international trade and investment.

Austrade is established by the *Australian Trade Commission Act 1985*. It is a prescribed agency subject to the *Financial Management and Accountability Act 1997* and the *Public Service Act 1999* and is part of the Foreign Affairs and Trade portfolio. Austrade is responsible to the Minister for Trade.

Onshore and offshore network

At 30 June 2009, Austrade operated in 112 overseas locations in 59 countries. Austrade delivered consular, passport and other Government services in 17 consulates and four honorary consulates overseas.

Across Australia, Austrade's services and programs were delivered by 18 offices and the network of 50 TradeStart offices in metropolitan and regional areas, operating in partnership with state and territory governments, industry associations and regional development bodies, including eight export hubs co-located with AusIndustry.

Austrade's global network is divided into four regions: the Americas; Europe, Middle East and Africa; North East Asia; and South East Asia, South Asia and Pacific.

Allies

Austrade extends access to its services and its overseas network through partnerships with the private sector, chambers of commerce, industry associations, other Commonwealth agencies, state, territory and local governments, and regional development bodies.

Staff

Austrade's workforce comprises a mix of Australia-based staff working in Australia and abroad, and overseas engaged employees with relevant business skills and local market knowledge.

At 30 June 2009, Austrade employed 1,047 staff, 79 per cent of whom were employed in Austrade's overseas regions and client-focused operations in Australia.

Funding

Austrade received operational funding from the Government of \$189.6 million for 2008–09. In addition, Austrade received funding of \$200.2 million for the EMDG scheme and raised \$27.9 million in other revenue, including through providing services to Australian businesses and other Government agencies.

Austrade's organisational structure at 30 June 2009 is shown in Figure 1.

Austrade's network





Performance framework

The Government appropriates resources for Austrade to contribute to the Government's outcomes. In 2008–09, Austrade contributed to the achievement of the following outcomes.

Outcome 1: Australians succeeding in international business with widespread community support

Outcome 2: Australians informed about, and provided access to, consular, passport and immigration services in specific locations overseas.

Austrade delivers a series of outputs focused on achieving these outcomes for the Government. In 2008–09 Austrade restructured its outputs within Outcome 1 to better align with the Government's priorities and to incorporate an inwards investment output group following the transfer of responsibility for inward investment facilitation from the

Department of Innovation, Industry, Science and Research (DIISR) on 1 July 2008.

This report summarises Austrade's performance in achieving its outcomes, and the efficiency of its outputs during the year.

A comprehensive range of performance indicators measure the extent to which these outcomes have been achieved, and are presented in Part two of this report.

Figure 2 shows the Outcome and Output framework at 30 June 2009.

From 1 July 2009, Austrade's reporting will be presented on a program basis following the Government's Operation Sunlight Outcome Statements Review.

Figure 2: Austrade's outcome and output framework for 2008–09

