

# Part *two*

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# outcomes and outputs

The outcomes and outputs framework for budgeting and reporting was introduced by the Australian Government for all its departments and agencies in 1999–2000. The outcomes and outputs framework shifts the focus from inputs to results.

Within this framework the Australian Government has set two outcomes for Austrade, which are primarily directed to the economic wellbeing of the Australian community and job creation.

*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's operations and activities that are directed towards these two outcomes are categorised into various output groups.

The link between Austrade's outcomes and outputs is shown in Figure 10.

## EFFECTIVENESS MEASURES

The key effectiveness measures for Outcome 1 are:

- ▶ the total number of Australian exporters (estimate for 2004–05 is 39 000)
- ▶ the proportion of Australians who believe exports make a major contribution to the economy (target for 2004–05 is 80 per cent).

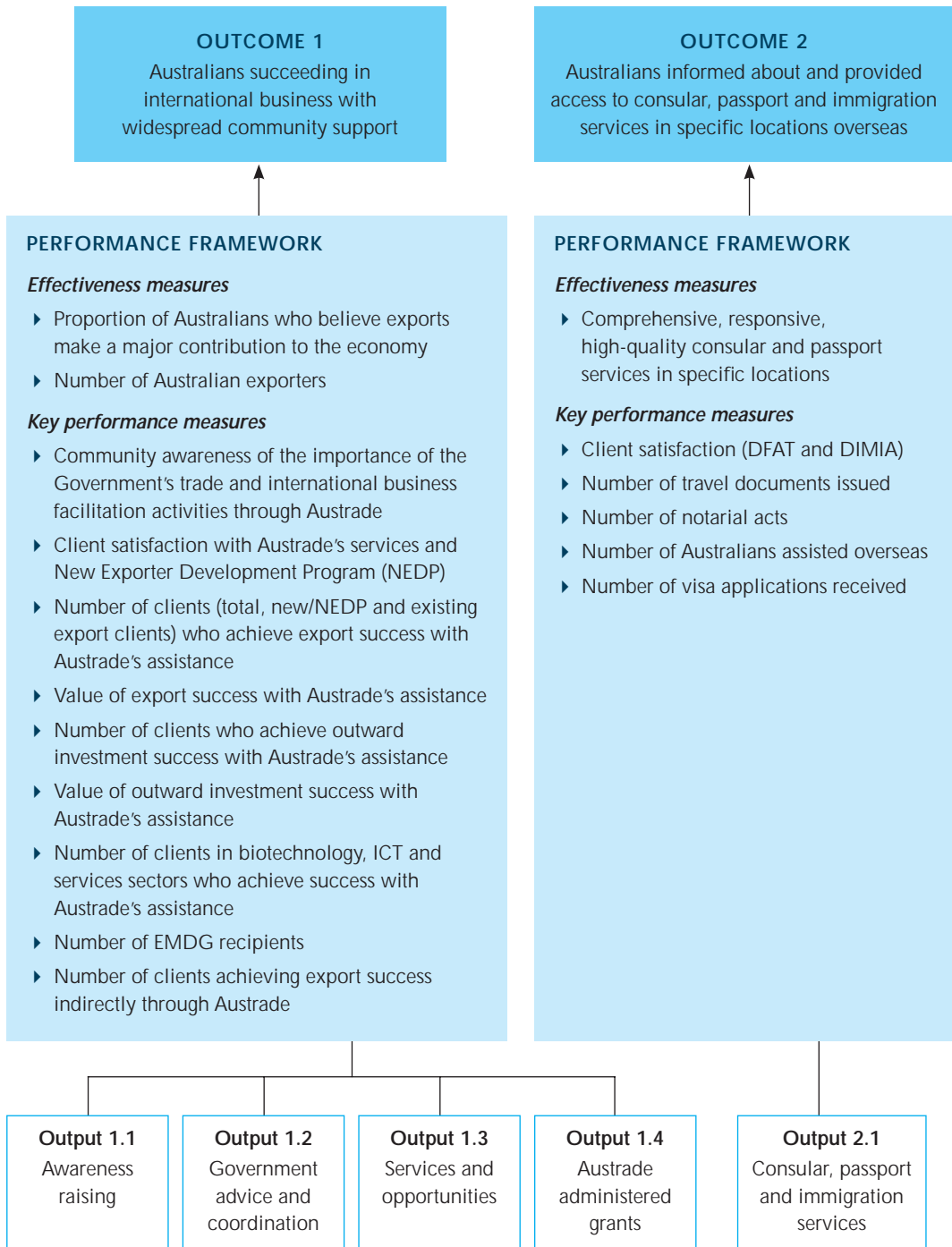
While Austrade contributes to these external measures, they are primarily driven by the efforts of Australian business. The measures also reflect the collective efforts of federal, state and territory governments and industry associations towards their achievement.

The Australian Bureau of Statistics (ABS) estimates the total number of exporters in the Australian business community and reports this figure in December for the previous financial year.

The latest estimate of the total number of Australian exporters is 30 788 for 2003–04. This figure is derived from Australian Customs Service records and the ABS listings of businesses. The next survey results are expected to be available in December 2005.

The proportion of Australians who believe exports make a major contribution to the economy remains unchanged at 82 per cent according to the results of the 2005 survey on community attitudes to trade, conducted by Newspoll on behalf of Austrade and DFAT.

Figure 10: Linking Austrade's outcomes and outputs to internal key performance indicators



# output 1.1

## — AWARENESS RAISING

*Community commitment to trade and investment; understanding of the Australian Government's export assistance program and a positive business image of Australia overseas*

### OUTPUT MEASURES

Table 1: Measures and results for Output 1.1

	Measure	Target	Result
Quality	▶ Client satisfaction — Minister's office		Satisfactory
Quantity	▶ Proportion of Australians who believe exports make a contribution to the economy	80%	82%
	▶ Community awareness of the importance of the Australian Government's trade and international business facilitation activities through Austrade	75%	66%
	▶ Number of positive net media mentions	2 500*	3 913
Cost (\$m)		\$22.4	\$19.1

\* Estimate

### OUTPUT PERFORMANCE

#### PROMOTING THE BENEFITS OF EXPORT THROUGH MEDIA AND MARKETING

In 2004–05 Austrade implemented media and marketing strategies to promote the benefit of exports to all Australians and to raise awareness in the business community of the Australian Government's export assistance programs delivered through Austrade.

Marketing communications campaigns helped raise business awareness, understanding and utilisation of Austrade's services for new and existing exporters. The campaigns also maximised attendance at seminars, events and trade missions, including the business missions to World Expo 2005 in Aichi, Japan, the tsunami reconstruction workshops held around Australia, and the Australian Export Awards.

A major focus of media and marketing campaigns was raising business awareness of the opportunities arising from free trade agreements, particularly the Australia–United States Free Trade Agreement and the Thailand–Australia Free Trade Agreement, which both came into effect on 1 January 2005.

A marketing campaign was also launched to maximise participation in Business Club Australia: Melbourne 2006, in the lead-up to the Commonwealth Games next year.

Austrade's awareness-raising activities generated 3913 positive media items in metropolitan, regional and specialty media across Australia. Media items in foreign press, newswire services and on Internet-based media sites contributed to a positive business image of Australia.

Community awareness of the importance of the Australian Government's trade and international business facilitation activities through Austrade was consistent with last year's result, at 66 per cent, but below the target of 75 per cent. This measure is made up of an average of responses from questions posed on Austrade services in a survey conducted by Newspoll. Aided awareness of Austrade in general was 78 per cent in 2004–05, a significant increase on last year's 69 per cent.

## EXPORTING FOR THE FUTURE

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The Exporting for the Future (EFF) education program has now extended its reach to Australian educators in primary, secondary and tertiary courses. Two new poster series with related resource books and the annual newspaper supplement were released to guide primary and secondary students' study of globalisation issues and international business opportunities. The online student centre resources were popular, and 1016 teachers participated in 47 'train-the-trainer' seminars in 2004–05.

The annual Export Plan Competition has an additional tertiary division for 2005. This focuses students' attention on local export potential through preparation of export plans for SMEs that do not yet export.



*Parliamentary Secretary Mr Bruce Billson MP launching the Tertiary Export Plan Competition at Monash University in March 2005*

## CROCODILE CHARLIE AND THE FTA

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The global market for services is the fastest-growing sector of world trade. The national treatment provisions of the AUSFTA allow Australian businesses to compete in the US market on equal terms with US competitors in most service sectors. This has resulted in enormous opportunities for the Australian professional services sector to be very competitive in the global marketplace.

John Kolm, Australian author, motivational speaker and Managing Director of Team Results, says his business has benefited from the AUSFTA and Austrade's new focus on professional service companies. With the assistance of Austrade's Washington-based Business Development Manager Debra Alley, his book *Crocodile Charlie and the Holy Grail* (published by Penguin in 2004) has been picked up by every major book chain in the United States, including Barnes & Noble, Books-A-Million, Wal-Mart, Waldenbooks and Amazon.

'The AUSFTA couldn't have come at a better time for my company. The book, workshops and the spin-off from its success have been phenomenal. It appears that since the AUSFTA took effect on 1 January 2005 American companies have a great deal of freedom to engage Australian service providers and I have experienced little or no resistance from them', said Mr Kolm. 'The international prominence we've achieved with Austrade's help has made a big difference to our existing success.'



*John Kolm launching Crocodile Charlie and the Holy Grail in the United States*

# output 1.2

## — GOVERNMENT ADVICE AND COORDINATION

*Advice to the Australian Government and coordination of Australia's export activities*

### OUTPUT MEASURES

Table 2: Measures and results for Output 1.2

Measure	Target	Result
<b>Quality</b> ▶ Client satisfaction—Minister's office		Satisfactory
<b>Quantity</b> ▶ Number of briefs (including submissions and ministerials) provided to ministers, Parliament, public sector agencies	575*	506
▶ Percentage of material prepared within agreed timeframes	100%	82%
<b>Cost (\$m)</b>	\$12.2	\$8.4

\* Estimate

#### PARLIAMENTARY INQUIRIES AND BRIEFINGS

Austrade made a number of submissions and responses to, and appearances before, various parliamentary committees, including:

- ▶ the Joint Standing Committee on Foreign Affairs, Defence and Trade into trade and investment relations with the Gulf States
- ▶ briefings for the Trade Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade on Australia's trade and commercial relations with Europe, North Africa, the Middle East, North East Asia and the United States
- ▶ the Senate Foreign Affairs, Defence and Trade Legislation Committee's consideration of 2004–05 additional estimates and 2005–06 budget estimates
- ▶ the Senate Foreign Affairs, Defence and Trade References Committee inquiry on relations with China
- ▶ the Joint Standing Committee on Foreign Affairs, Defence and Trade Foreign Affairs Sub-Committee Inquiry into Australia's Relations with the Republic of Korea; and Developments on the Korean Peninsula

- ▶ the House of Representatives Standing Committee on Science and Innovation Inquiry into Pathways to Technical Innovation
- ▶ the Joint Standing Committee on Foreign Affairs, Defence and Trade Inquiry into Trade and Investment Relations with North Africa.

#### CONTRIBUTION TO TRADE POLICY

Austrade worked closely on trade policy issues with the Department of Foreign Affairs and Trade and through its membership in the Trade Policy Advisory Council.

Austrade contributed to the publication *Trade 2005*, which is the Minister for Trade's annual statement. Austrade provided material on the availability and effectiveness of the Government's assistance for Australian exporters and the translation of trade policy into trade outcomes.

Austrade and the Department of Foreign Affairs and Trade took a lead role in the development of a whole-of-government FTA website. The website is a one-stop online resource designed to help Australian businesses to make the most of Australia's FTAs with New Zealand, Singapore, Thailand and the United States.

The FTA website offers a useful platform to promote the wide range of services and initiatives provided by Australian Government agencies, including those offered by Austrade, that assist Australian companies to maximise the benefits of the enhanced business environments in FTA markets. For more information visit [www.fta.gov.au](http://www.fta.gov.au).

Austrade established the FTA Export Advisory Panel, an election commitment, to provide a forum for ongoing consultation between business and the Australian Government on the nation's current free trade agreements.



The FTA Export Advisory Panel includes senior representatives from a range of industry groups and is chaired by Austrade's Chairman Mr Ross Adler AO. There will also be opportunities for the Export Advisory Panel to include input from a broad cross-section of specialists, business organisations and community groups, as required.

## *coordination of* COMMONWEALTH EXPORT PROGRAMS

As the lead agency for export facilitation, Austrade coordinated a whole-of-government and industry approach to help businesses take advantage of global opportunities.

During the year Austrade engaged with a wide range of government and industry stakeholders to promote the Australian Government's export agenda and identify new export market opportunities for industry. Following are a number of key examples:

- ▶ Austrade convened meetings for various key industry sectors, including the automotive and ICT sectors, under the auspices of the Export Advisory Panel, an Austrade–industry consultative body.
- ▶ Austrade made a presentation to the Prime Minister's Science, Engineering and Innovation Council (PMSEIC), which focuses on growing technology-based SMEs in Australia. The presentation focused on Austrade's assistance to technology-based business. Austrade also provided a submission to PMSEIC's final report.
- ▶ Austrade presented case studies of successful Australian innovative businesses to the Inquiry into Pathways to Technological Innovation being conducted by the House of Representatives Standing Committee on Science and Innovation.
- ▶ Austrade worked closely with other government agencies to ensure that export market development was given a priority in the development of industry Action Agendas. Working with the Department of Industry, Tourism and Resources, Austrade provided input to the electronic, medical devices, marine and advanced manufacturing industry Action Agendas. Austrade also worked with the Department of Agriculture, Fisheries and Forestry to address export market opportunities in the food industry.
- ▶ Austrade commenced development of a memorandum of understanding with AusIndustry to ensure closer collaboration and seamless referral of clients between the two agencies.
- ▶ Austrade worked in consultation with the Department of Communications, Information Technology and the Arts to develop and deliver a roadshow of FTA-related presentations tailored for the ICT sector.

# output 1.3

## — SERVICES AND OPPORTUNITIES

*Export and outward investment services and opportunities for Australians through a national and global network*

Measures for Output 1.3 show the performance of Austrade in delivering services and opportunities and helping Australian businesses to achieve export sales.

### OUTPUT MEASURES

Table 3: Measures and results for Output 1.3

	Measure	Target	Result
<b>Quality</b>	▶ Client satisfaction with Austrade's services	85%	89%
<b>Quantity</b>	▶ Number of clients who achieve export success with Austrade's assistance (total export impact clients)	3 750	4 358
	▶ Number of new <sup>1</sup> and irregular exporters who achieve export success with Austrade assistance (New/NEDP export impact clients)	1 420	1 717
	▶ Number of established exporters who achieve export success with Austrade's assistance (established export impact clients)	2 330	2 641
	▶ Number of clients in biotechnology, ICT and services (BIS) sectors who achieve success <sup>2</sup> with Austrade's assistance (BIS clients)	1 350	1 723
	▶ Value of export success with Austrade's assistance (total export impact dollars)	\$8 billion	\$18.4 billion
	▶ Number of clients who achieve outward investment success with Austrade's assistance (outward investment impact clients)	80*	161
	▶ Value of outward investment success with Austrade's assistance (total outward investment impact dollars)	\$1.12 billion*	\$1.61 billion
	▶ Number of clients who achieve export success indirectly through Austrade	500*	263
	▶ Number of clients receiving initial information and advice and/or detailed services from Austrade	13 000*	16 865
<b>Cost (\$m)</b>		<b>\$139.4</b>	<b>\$155.1</b>

1 First export sale of \$5000 or more in the last three years.

2 Success is defined in terms of export, investment and non-monetary measures such as strategic alliances and joint ventures.

\* Estimate

## OUTPUT PERFORMANCE

Austrade provides clients with a range of services from assistance to first-time exporters, through to supporting well-established exporters to expand their business in existing or new export markets. In 2004–05 Austrade provided services to more than 16 800 Australian businesses.

Austrade assisted 4358 Australian businesses to achieve export success worth \$18.4 billion in 2004–05. These figures represent a 31 per cent increase in the number of companies assisted and a 36 per cent increase in the value of export success achieved with Austrade's assistance over the previous financial year.

Clients provided written confirmation of Austrade's assistance for export transactions. Client confirmations are validated by a year-end verification process.

### EXPORT IMPACT

Of the 4358 companies that Austrade assisted to achieve export success in 2004–05, 1717 were new or irregular exporters and 2641 were established exporters. This represents a 44 per cent increase for new and irregular exporters and 24 per cent increase for established exporters, compared to the previous financial year.

New and irregular exporters accounted for an increasing proportion of the \$18.4 billion in total export value assisted by Austrade, rising from 3 per cent last year to 12 per cent this year. This is consistent with the increasing number of new or irregular exporters achieving export success.

### INDIRECT EXPORT ASSISTANCE

In 2004–05, Austrade commenced the development and delivery of a formal corporate partnerships program that involved working with service providers such as accountants, lawyers and financiers.

By sharing Austrade's export training tools and experience with the service providers Austrade has supported corporate partners to assist more Australian companies succeed in international business.

In 2004–05, Austrade's Corporate Partnership program partnered with 20 organisations. In total, 263 clients achieved export success indirectly through Austrade in 2004–05.

## CORPORATE PARTNERSHIPS

Corporate partnerships continues to pioneer the extended delivery model, consolidating alliances in the private sector, extending the export footprint, and contributing to international business successes for Australian companies.

Austrade works with private sector service delivery partners on promoting internationalisation to their client base through jointly delivered cooperative marketing initiatives and by engaging partner networks globally to enhance the effectiveness of Austrade's activities. Seventy-eight initiatives have been conducted this year, ranging from articles in partner publications and national press, to Austrade presentations at partner client seminars. In total, 243 private sector advisers commenced the professional development program in 2004–05, including completion of over 700 online learning modules on the benefits of internationalisation and tradecraft skills.

Through these relationships Austrade is able to broaden and deepen its reach into a diverse range of industries and companies within the business community. Relationships include companies and institutes representing the accounting, consulting, legal, banking, insurance and logistics sectors.

Austrade and Australia Post have joined forces under the 'Stamped for Export' banner to hold a series of workshops around Australia to raise awareness about export and encourage Australian businesses to internationalise.

One of Austrade's new exporter clients, The Recovery Company, shared its export journey at the inaugural 'Stamped for Export' seminar in Melbourne, saying that the key to export success is in securing distribution: 'Austrade's extensive knowledge and contacts are essential and Australia Post products will help you get your product to market.'

## CANADIAN INTERNATIONAL FARM EQUIPMENT SHOW (CIFES) TORONTO

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Austrade North America in partnership with TradeStart staff Brett Henderson (Bendigo), Craig Urand (Mildura) and Laki Kondylas (Upper Spencer Gulf) promoted Australian agricultural equipment companies at the Canadian International Farm Equipment Show held in Toronto in February 2004.

The Canadian farm equipment show attracted almost 39 000 visitors who were able to explore over 600 agricultural exhibits, presenting the products and services of thousands of companies, spread over 470 000 square feet of exhibition space.

The Austrade stand provided an opportunity for Australian companies to exhibit their products or to have Austrade and TradeStart officers represent their products at the show. Australian agricultural equipment on display varied from broad acre farming machinery to the good old Aussie swag.



*Left to right: Lindsay Jensen, CEO of Fjord Manufacturing, and his son Scott, Zeph Phillips (Austrade), Janna Pomozova (Austrade) and John Wilkinson of Wilkinson Engineering on their stand at the Canadian International Farm Equipment Show*

## OUTWARD INVESTMENT IMPACT

Austrade provides advice and in-market support services to Australian businesses seeking to establish an overseas presence as part of their international growth strategy.

In 2004–05, Austrade assisted 161 Australian businesses to achieve \$1.61 billion in outward investment success. When compared with 2003–04, the number of clients assisted grew by 22 per cent and the value of outward investment success increased by 47 per cent.

## CLIENT SATISFACTION

Austrade's annual Client Service Improvement Study (CSIS) was conducted by Wallis Consulting in May and June 2005. A total of 2550 companies were interviewed, 933 of which had received services as part of the New Exporter Development Program.

Of the 1617 established exporters and companies not on the NEDP, 89 per cent rated Austrade overall as good, very good or extremely good. This result confirms that clients continue to rate Austrade's services highly, as this outcome is consistent with the rating of the previous two years of 88 per cent.

The satisfaction result for NEDP clients was consistent with that of non-NEDP clients; 89 per cent of surveyed clients rated Austrade overall as good, very good or extremely good. This represents an increase from the 2003–04 rating for which 83 per cent of clients rated Austrade as good or higher.

## CONNECTING WITH EXPORTERS ONLINE

The Austrade website [www.austrade.gov.au](http://www.austrade.gov.au) continued to be a key access point to the organisation for exporters and potential exporters. In 2004–05 it received 1.75 million visits with more than 15 000 users per month using the site on a repeat basis to obtain information, register for events and access Austrade services.

The website serves as a key information and marketing channel for Austrade and for exporters, providing details of Austrade services and programs, as well as supporting Australian companies in their initial research on exporting, selection of appropriate markets, consideration of an export strategy and overseas promotion. Online access and business processes have become increasingly important in many areas of Austrade's operation, with a number of business activities now managed in part through

the website. In 2004–05 the responsiveness of the website was particularly important, for example, in enabling a quick response to business inquiries following the Asian tsunami and delivering subsequent information and events.

Austrade's Internet presence continued to expand, with specific websites developed to target specific audiences and to support achievement of business outcomes. Sites were developed to support implementation of the Australian Government's free trade agreements [fta.gov.au](http://www.fta.gov.au), the Business Club Australia: Melbourne 2006 [www.businessclubaustralia.com.au](http://www.businessclubaustralia.com.au) initiative and a number of major trade events such as BIO2005 [www.austrade.gov.au/bio2005](http://www.austrade.gov.au/bio2005). In addition, many posts are operating websites to promote Australian companies and capability in their local markets and to support local buyer relationships.

In 2004–05, the website's Australian Suppliers Database attracted 1147 new registrations (378 were new clients to Austrade), with the overall number of Australian exporting companies listed on the database increasing to 9606. This database is an important resource for overseas buyers searching for Australian products and services. The website also sourced another 321 clients via Export Chat and website contact forms.

An extensive program of workshops has also been conducted to help exporting companies make the best use of their own websites in their exporting activities. These workshops are very practical and interactive, and include sessions covering business planning and strategy, marketing online to attract traffic to websites, online payment issues, domain names, security, search engine optimisation and electronic marketplaces. Thirty-four of these workshops have been held across Australia, with 594 companies attending and providing positive feedback.

## PUGGLEKIDS ONLINE

PuggleKids, an online catalogue of Australian baby and children's products, was launched in February 2005 to help offshore Austrade offices showcase Australian products to potential buyers, importers and distributors around the world.

PuggleKids was developed by Austrade's Local Export Adviser Network, Corporate Communications and the e-commerce team. The word puggle refers to a baby echidna or platypus, both Australian native animals. The catalogue currently highlights 72 new exporters, and can be viewed on Austrade's website or at [www.pugglekids.com](http://www.pugglekids.com).

The catalogue is being used in Hong Kong, Japan, New Zealand and the United Kingdom, and in several other markets that actively promote the baby product sector. Most of the featured companies sell through specialty retail and/or department stores in Australia, and Austrade is assisting these companies attract mid- to high-end specialty retail opportunities overseas.



## EXTREME SPORT EXPORTS TO OSAKA

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In late 2003 Austrade Osaka responded to a market inquiry from Sportstage, a new exporter keen to test overseas interest in an Australian-style extreme sport motorcycle stunt show.

Austrade pitched the proposal to the sporting events producer at Osaka's Kansai Telecasting Corporation. Kansai TV loved the concept and immediately visited Australia for detailed discussions with Sportstage executives. Kansai TV contracted Sportstage to co-produce the Air-X spectacular in front of a live audience at the famous Osaka Dome. Several Australian companies achieved their first ever export success in conjunction with Air-X.

Over 10 000 spectators attended the motorcycle stunt show and plans are underway to repeat the event in both Osaka and Tokyo, in 2006.



Winners of the Free Style and Big Air competitions at the Air-X Spectacular, Osaka Dome

## AUSTRADE LEAGUES AHEAD IN THOROUGHBRED SALES

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In June 2005 Austrade staff from Asia, Pacific and Middle East posts accompanied up to 100 buyers for the annual Magic Millions Sale on Queensland's Gold Coast. Nearly \$6 million in export sales of thoroughbred yearling, weanling and brood mare horses were achieved with Austrade's assistance.

Geraldine Doumany, Export Adviser in Brisbane, with the assistance of the Queensland Government, organised a major equine tradeshow at the Magic Millions. This involved 20 companies, including many from the NEDP, who showcased their range of innovative equine products and services to the large gathering of domestic and international buyers.

'While Australia is recognised as a source of quality breeding stock, the feedback from many overseas buyers at Magic Millions was that there is a growing demand for ancillary products and services needed to support the thoroughbred racing industries, especially in Asia and the Middle East', said Doumany. 'Some exhibitors have already achieved sales with others receiving many positive leads which are currently being followed up.'

At an Austrade reception held for overseas buyers, Gerry Harvey, leading Australian retailer and horse industry identity, applauded Austrade's involvement in promoting the Australian equine sector to the world. Trevor de Carteret, Austrade's Network Manager in Queensland, said it was a great example of Austrade coordination and cooperation with allies and with the equine industry to help foster this expanding export sector.



Gerry Harvey (right) looks at the latest equine products on offer

# output 1.4

## — AUSTRADE ADMINISTERED GRANTS AND LOANS

*Administering Export Market Development Grants for SMEs, and managing the closure of the loans program under the International Trade Enhancement Scheme (ITES)*

Note: Grant payments are generally made the year after expenditure was incurred, therefore references to 2004–05 EMDG in this report relate to expenditure incurred in the 2003–04 grant year, unless otherwise specified.

**Table 4: Measures and results for Output 1.4**

	Measure	Estimate	Result
Quantity	▶ Number of EMDG applicants	3 760	3 588
	▶ Number of EMDG recipients	3 440	3 277 <sup>a</sup>
	▶ Number of new EMDG applicants	1 360	1 236
	▶ Number of new EMDG recipients	1 100	1 054 <sup>a</sup>
	▶ Number and dollar amount of facilities under management	6 and \$2.1m	4 and \$1.6m
Cost (\$m)		\$134	\$131.3

a Includes 2003–04 grant year recipients and some recipients from previous grant years.

### KEY DEVELOPMENTS 2004–05

In 2004–05, a key task for Austrade was to implement changes to the Export Market Development Grants (EMDG) scheme legislated by the Australian Parliament in June 2003. This was the first year of these changes which were intended by the Australian Government to refocus the scheme more closely on smaller and less experienced exporters. Changes included reducing the annual income limit to \$30 million, limiting the number of grants a recipient could receive from eight to seven, removing the \$25 million annual export earnings ceiling, reducing the maximum grant amount from \$200 000 to \$150 000 and removing the new markets provision.

The full EMDG appropriation was not drawn down in 2004–05 and all 2003–04 grant year recipients received their full grant entitlement. The 75 per cent of EMDG recipients entitled to a grant of \$50 000 or less received their full grant entitlement in a single payment. The remaining 25 per cent, who had provisional grant entitlements

above \$50 000, received \$50 000 on assessment and the full balance of their provisional second tranche payment by 30 June 2005. In June 2005, the Minister for Trade set the initial payment ceiling amount for the 2004–05 grant year at \$70 000.

In the 2005–06 federal budget, the Australian Government carried forward \$10 million of EMDG funding from 2004–05 to the next financial year, and allocated a further \$10 million to 2005–06, resulting in total additional funding for the EMDG scheme of \$20 million in 2005–06.

In accordance with Section 106A of the EMDG Act, Austrade conducted a review of the scheme in 2004–05 for the purpose of making recommendations about the scheme's continuation. In carrying out the review, Austrade collected public submissions, commissioned independent research, drew on its own operational experience as the scheme administrator and appointed a review facilitator to consult with the export community.

**Table 5: Export Market Development Grants 2004–05**

<b>For 2004–05:</b>	
Total grant recipients	3 277 <sup>a</sup>
Total value	\$123.9m <sup>b</sup>
<b>For the 2003–04 grant year:</b>	
Grant applicants	3 588
New grant applicants	1 236
Grant recipients	3 205
Value of grants	\$119.0m
Average grant	\$37 145
Median grant	\$22 643
Businesses assisted (including joint ventures)	3 305
Recipients from rural and regional areas	749
Value of exports generated	\$3 032.3m
Employees of recipients	71 849

a Includes recipients for the 2003–04 grant year (3205) and 72 recipients from previous years.

b Includes value of 2003–04 grants (\$119.0 million) plus value of the 72 grants from previous years and supplementary payments to grant recipients from previous years.

## OVERVIEW OF EXPORT GRANTS IN 2004–05

A total of \$123.9 million and 3277 grants were paid in 2004–05. Of these, 3153 relate to marketing expenditure by individual businesses in the 2003–04 grant year; 72 relate to applicants from previous grant years; and 52 relate to marketing expenditure made by businesses under the Special Approvals category.

The Special Approvals category enables other types of businesses, including industry associations, trading houses and firms cooperating in joint venture-style marketing arrangements to access the scheme. In the 2003–04 grant year \$2.7 million in grants was paid to organisations under this category.

This included 34 grants paid to Approved Bodies (export-focused peak industry associations undertaking generic export promotion on behalf of their industry); 17 grants paid to Approved Joint Venture applicants (groups of Australian SMEs cooperating in a joint venture-style marketing arrangement to pursue specific export activities); and one grant paid to Approved Trading Houses (large organisations with extensive overseas experience that represent the interests of Australian SMEs internationally).

A breakdown of EMDG recipients by state and territory is shown in Table 6.

### IMPACT OF THE 2003 SCHEME CHANGES

Following the scheme changes legislated in 2003, there was a decrease in the aggregate number of applications received and grants paid in 2004–05. The number of recipients for the 2003–04 grant year, compared with the previous grant year, fell from 3643 to 3205. However, after allowing for the 2003 scheme changes, there was an underlying increase in recipients of almost 2 per cent.

The profile of EMDG scheme applications in 2004–05 showed a shift towards smaller businesses and newer exporters consistent with the intention of the 2003 scheme changes. There was a higher proportion of small businesses with annual incomes of less than \$5 million, and of businesses with export earnings of \$1 million or less, 14 per cent of which had not yet generated export earnings. Thirty-one per cent of 2004–05 recipients were first-time grant recipients.

Grants paid were smaller, on average, during 2004–05 reflecting the lower promotional spending of smaller/emerging exporters. The average grant paid was \$37 145, down from \$38 591 for the 2002–03 grant year and the median grant paid was \$22 643, down from \$26 272 for the 2002–03 grant year.

## REVIEW OF THE EMDG SCHEME

In 2004–05 Austrade conducted a review of the EMDG scheme, in accordance with the terms of reference that were provided by the Minister for Trade. In carrying out this review, Austrade undertook a wide consultative process to analyse the many diverse experiences and opinions that were put forward about the future direction of the scheme.

This process involved the collection of 394 public submissions, 70 consultation meetings conducted throughout Australia by the EMDG review facilitator and the commissioning of independent research. The research included a survey of recent grant recipients, designed to gather their views and experiences about export marketing issues. Austrade drew on the findings of these public submissions, external research and consultations, as well as the operational experience of Austrade staff in administering and delivering the scheme, to prepare the review report for the Minister. The report was submitted to the Minister for Trade on 30 June 2005.

## REACHING MORE POTENTIAL EXPORTERS

In 2004–05 more businesses were made aware of the benefits of export and the EMDG scheme through a range of client service and communications initiatives. These initiatives were aimed at promoting EMDG assistance in light of the additional funding committed to the scheme and as an incentive for Australian SMEs to pursue opportunities arising from recent free trade agreements. New initiatives included targeted direct mail and email campaigns to industry associations and government allies, distribution of a quarterly EMDG client newsletter and targeted national advertising campaigns in newspapers and business and accounting journals.

In addition, Austrade continued to implement initiatives to increase awareness and improve access to the scheme for the ethnic, rural and regional business communities. Specifically, Austrade undertook increased advertising in the rural and regional press and produced an EMDG brochure in Mandarin.

## LOANS

In 2004–05, recoveries of \$691 783 were made under the International Trade Enhancement Scheme (ITES), with facilities under management at 30 June 2005 reduced to four. Formal repayment arrangements are in place with two of the remaining participants, while the other two remain in liquidation with final outcomes not yet determined.

## ADMINISTRATIVE PERFORMANCE

An analysis of the administrative performance of the EMDG scheme shows:

- ▶ 98.3 per cent of 2003–04 grant year applications were processed within the year
- ▶ 81.8 per cent of applications lodged before November 2004 were determined within eight weeks, and 92.2 per cent lodged in November 2004 were completed within seven weeks of the start of assessment
- ▶ 46.8 per cent of applications were determined without the need for an on-site audit
- ▶ 4.4 per cent of applications processed resulted in a request for an Austrade review of the initial grant assessment.

Further details on EMDG recipients are at Appendix H.

**Table 6: EMDG recipients by state and territory, 2003–04 grant year**

<b>STATE</b>	<b>Number of recipients</b>	<b>Total grant payments</b>	<b>Total assessed exports</b>
NSW	1 083	\$44.0m	\$946.1m
Vic	830	\$31.1m	\$810.4m
Qld	554	\$16.9m	\$554.9m
SA	323	\$12.7m	\$289.7m
WA	310	\$11.5m	\$354.9m
Tas	38	\$0.8m	\$31.5m
NT	29	\$0.7m	\$18.4m
ACT	38	\$1.3m	\$26.4m
<b>National</b>	<b>3 205</b>	<b>\$119.0m</b>	<b>\$3 032.3m</b>

Source: EMDG database, June 2005

### **RISK MANAGEMENT AND FRAUD CONTROL FOR THE EMDG SCHEME**

In 2004–05 there was an increased emphasis on the assessment of applications that included overseas representation and marketing consultants expenditure. In addition, Austrade focused on encouraging the lodgment of accurate applications and preventing incorrect grant payments. A number of initiatives were adopted which have been successful in detecting incidents of over claiming and preventing fraud. These initiatives included revised procedures for validation of application expenses, increased in-country interviews of the representatives, an increase in assessments by visits to the applicant's premises and a 1800 free-call Fraud Hotline and email system.

At 30 June 2005 there was one case of alleged fraud against the EMDG scheme before the courts and one case with the Commonwealth Director of Public Prosecutions for consideration as to whether to commence prosecution.

Under an agreement between the Australian Federal Police and Austrade, one federal agent continued a secondment with Austrade to provide advice and assistance in the prevention, detection and investigation of fraud involving the EMDG scheme.

## GREAT BIG EVENTS KICKING EXPORT GOALS

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First-time EMDG recipient, Great Big Events, is a Sydney-based company that has earned a global reputation as a specialist in sport presentation.

Great Big Events has been responsible for developing and delivering some of the most spectacular sporting events in recent times, including the Sydney and Athens Olympic Games, the Manchester Commonwealth Games and the Rugby World Cup.

The company weaves together creative, technical and musical elements to greatly enhance sporting events, transforming them into theatrical events for audiences.

While the majority of export income is currently derived from the United Kingdom, Great Big Events is tendering for diverse projects throughout the world.

‘The EMDG scheme and Austrade have assisted our company greatly over the last 12 months. The range of assistance received includes such varied activities as translation assistance in Paris, networking opportunities and invitations in Athens to official functions and marketing support financially by way of EMDG’, said Greg Bowman, Managing Director of Great Big Events. ‘Without this grant, our small-sized company would not be able to sustain the initial export marketing activities and financial outlay that are required to stamp our existence in overseas markets.’



*Great Big Events covering the Men's 100m final in the control room at the Athens Olympics*

## TURBOSMART—ON THE EXPORT FAST TRACK WITH EMDG

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Turbosmart, a world leader in the market of turbo accessories, is racing ahead of its competition in export sales. Founded in 1996 with a two-product line-up, the company today distributes more than 80 products to over 50 countries.

Sydney-based Turbosmart's four EMDG grants have assisted in increasing the company's profile by partially reimbursing costs incurred on activities such as participating in global industry trade shows, including the Performance Racing Industry (PRI) Annual Trade Show and the Specialty Equipment Market Association (SEMA) event, which attracted 120 000 professionals from over 100 countries.

Greg Lysien, Marketing Promotions Manager, says: ‘The grant has given us the previously unattainable opportunity to advertise and promote our product in the overseas media—mainly US. This provided a good starting point for our products’ introduction into a very competitive market.’

‘With Austrade's assistance we were able to get our products into the US market and successfully compete with many established brands. Today, close to 50 per cent of our total sales are being exported overseas!’



*Turbosmart Blow-Off valves with their trademark blue caps are instantly recognised within the local and international performance industry alike*

# output 2.1

## — CONSULAR, PASSPORT AND IMMIGRATION SERVICES

### OUTPUT MEASURES

Table 7: Measures and results for Output 2.1

	Measure	Estimate	Result
Quality	▶ Client satisfaction (DFAT and DIMIA)		Satisfactory
Quantity	▶ Number of travel documents issued	8 000	1 048
	▶ Number of notarial acts	5 000	4 545
	▶ Number of Australians assisted overseas (not receiving travel documents or notarial acts)	45 000	44 355 <sup>a</sup>
	▶ Number of visa applications received	76 400	67 898
Cost (\$m)		\$11.7	\$10.7

a This figure includes 1046 consular cases and 43 309 consular inquiries.

### OUTPUT PERFORMANCE

Austrade operates 17 consulates and five honorary consulates on behalf of the Australian Government (see Table 8).

Austrade-managed consulates provide a range of consular assistance including passport services, notarial acts, medical evacuations, prison visits and general advice and assistance to Australians overseas. Austrade staff in these posts work closely with embassies and high commissions in their region and the Department of Foreign Affairs and Trade consular operations unit in Canberra, particularly when dealing with sensitive and complex cases.

In 2004–05, the number of passports issued was 1048 which was significantly lower than previous

years largely due to the introduction in December 2003 of centralised passport production from centres located in London, Washington and Canberra.

The number of notarial acts performed was 4545 which is lower than in the previous year. In contrast, the number of Australians assisted overseas increased significantly to 44 355 compared to 20 714 in 2003–04.

In addition to managing a consular role, the Austrade posts in Auckland and Dubai and the honorary consulate in Vladivostok managed the delivery of immigration (visa) services on behalf of the Department of Immigration, Multicultural and Indigenous Affairs (DIMIA). Austrade's Mumbai post also delivered immigration services up until February 2005 when DIMIA moved into its own office accommodation. The total number of visa



#### TOMOKO UMEDA

.....  
Consular Officer  
Osaka

Tomoko is one of Austrade's unsung heroes. As a consular officer in Osaka, Tomoko's reputation for quality client service has ensured that her role attracts far more attention than is usually the case. Such is her enthusiasm for helping others that Tomoko is widely regarded as delivering a standard of client service that is the envy of her marketing colleagues throughout the Japan network.

applications received at Austrade posts in 2004–05 was 67 898.

During the year, Austrade worked closely with representatives from the Department of Foreign Affairs and Trade and the Australian Electoral Commission to implement new arrangements to improve the efficiency and effectiveness of overseas voting services for the 2004 federal election.

Voting services were provided at all Austrade consulates and the honorary consulate in Vancouver, with a total of 4292 pre-poll votes and 1163 postal votes issued in the lead up to and on polling day.

**Table 8: Consulates and honorary consulates managed by Austrade**

Consulates	Honorary consulates
Atlanta	Prague
Auckland	Skopje
Bucharest	Sofia
Dubai	Vancouver
Frankfurt	Vladivostok
Fukuoka	
Istanbul	
Lima	
Milan	
Mumbai	
Nagoya	
Osaka	
San Francisco	
Sao Paulo	
Sapporo	
Sendai	
Toronto	

## AUSTRADE STAFF ASSIST IN TSUNAMI DISASTER RESPONSE

Following the Asian tsunami on 26 December 2004, Austrade staff in Bangkok, Colombo, Jakarta and Kuala Lumpur, as well as staff in India, and Canberra, actively supported DFAT colleagues in locating and assisting Australian citizens in affected areas.

The Austrade Bangkok team was commended for their extraordinary efforts in difficult circumstances. As soon as the extent of the devastation was known, the Austrade office was shut down and staff redirected to the consular effort, working very long hours.

Ian Davey, Trade Commissioner in Bangkok, led a team that was instrumental in collecting data from Thai hospitals in affected areas, as well as in Bangkok, on the nationality and condition of foreign patients. Three Austrade staff also assisted at the temporary Australian consulates in Phuket and Krabi, where two were on holiday at the time of the tsunami.

Twenty Austrade staff from the Canberra office were seconded to join DFAT colleagues in the tsunami crisis centre in Canberra.



*David Twine (second row, second on right), Regional Director SEASAP, visited the Bangkok office on 14 January 2005 and presented certificates of commendation to Bangkok staff in recognition of their efforts following the tsunami disaster*

# 2004 Australian

## EXPORT AWARDS

There were a record number of entries for the 41st annual Australian Export Awards. The awards, co-presented by Austrade and the Australian Chamber of Commerce and Industry, celebrate the outstanding achievements of Australian companies involved in international business.

The Australian Export Awards is one of the most important events on the Australian business calendar and plays a role in rewarding and encouraging excellence in overseas trade. Importantly, it also highlights the contribution made by exports to the Australian economy.

The Australian Export Awards is an example of the strong cooperation that exists between state and territory governments, the business community and the Australian Government to encourage the growth of Australian exports.

In 2004 a record number of 793 entrants from across Australia and covering a range of industry sectors competed for awards. The 73 finalists, comprising winners from state and territory export award programs, competed for 11 national award categories.

Trade Minister Mark Vaile announced the award winners at a gala dinner at the Gold Coast Convention and Exhibition Centre. Casella Wines was announced as DHL Australian Exporter of the Year. The company has now won an Australian Export Award on three occasions and joins just three other companies in the prestigious Exporters Hall of Fame. The other 2004 award winners were:

- ▶ IELTS Australia (Australian Capital Territory)—Education
- ▶ Australian Gold Reagents Pty Ltd (Western Australia)—Emerging exporter
- ▶ Redmap Networks Pty Ltd (Queensland)—ICT
- ▶ Australia Zoo (Queensland)—Tourism
- ▶ Ausenco Limited (Queensland)—Services
- ▶ Mayne Pharma Pty Ltd (Victoria)—Large advanced manufacturer
- ▶ Hammersley Iron Pty Ltd (Western Australia)—Minerals and energy
- ▶ Mt Romance Pty Ltd (Western Australia)—Regional exporter
- ▶ Muir Engineering Pty Ltd (Tasmania)—Small to medium manufacturer
- ▶ Imagination Entertainment (South Australia)—Arts and entertainment
- ▶ Casella Wines Pty Ltd (New South Wales)—Agribusiness



*Mr Vaile (back row, seventh from left), with the 2004 Export Award winners, Gold Coast, 2004*



*Mr Vaile and DHL's Gary Edstein present Casella Wines' John Soutter, GM Export Sales and Marketing (centre), with the Australian Exporter of the Year award*