### Austrade at a glance

#### Who are we?

The Australian Trade and Investment Commission (Austrade) contributes to Australia’s economic prosperity by helping Australian businesses, education institutions, tourism operators and governments as they:

- develop international markets
- promote international education
- win productive foreign direct investment
- strengthen Australia’s tourism industry.

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

#### Our staff

| 1,049 | Austrade staff at 30 June 2018, 66 per cent of whom were employed in client-focused operations in Australia and overseas. Staff turnover was 10.9 per cent and the gender balance was 57 per cent female and 43 per cent male. For detailed staffing information, see pages 135–148. |

#### Where we work

| 122 | locations at 30 June 2018, including 84 overseas locations in 49 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 service commitment

Each year, Austrade undertakes satisfaction surveys to assess service delivery and identify areas for improvement in its services to Australian organisations. The surveys are conducted independently and results are available throughout the year.
Achieving our purposes

Austrade’s purposes are listed below, along with some examples of how we achieved them in 2017–18. How we measure our performance results is summarised in Part 2 of this report, starting on page 15.

1 Develop international markets
   12,017 general and tailored services provided to 4,803 Australian organisations, helping them access opportunities (see page 49).
   Operated five Landing Pads in global innovation hotspots overseas, delivering on the Government’s National Innovation and Science Agenda (see pages 83–84).

2 Promote international education
   International education activity in 2017 contributed $30.3b to the economy, a 35 per cent increase on earnings recorded in 2016 (see page 88).
   86% of Australian education institutions surveyed indicated they achieved some form of commercial outcome as a result of working with Austrade (see page 24).

3 Win productive foreign direct investment
   Contributed to almost $4.8b in recorded investment value resulting from 113 investment outcomes, helping to increase foreign direct investment in Australia (see page 95).
   Organised the second Northern Australia Investment Forum in Cairns in November 2017. A total of 179 investor delegates attended the forum, representing 101 companies from 24 countries (see page 102).

4 Strengthen Australia’s tourism industry
   Contributed to the successful negotiation of new air services arrangements with India. Outcomes included negotiation of unlimited passenger services to six destinations in India, and six in Australia (see page 108).
   $107.4b in overnight visitor expenditure in the 12 months to March 2018, up 5.7 per cent, and continuing to track above the Tourism 2020 lower-bound target of $115 billion (see page 106).

5 Help Australians with consular and passport services
   98.8% of the 15,576 passport applications received were processed within the required timeframe (see page 119).
   Provided high-quality and responsive consular support to 821 Australians in difficulty overseas (see page 119).
2 October 2018

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 2017–18.

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 purposes for the year to 30 June 2018.

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 2017–18
▷ 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

Dr Stephanie Fahey
Chief Executive Officer
Highlights from 2017–18

**Continued to deliver value to Australian businesses**

89% of all clients surveyed say they were satisfied with Austrade’s services, and 85 per cent of businesses say they achieved a commercial outcome within 12 months of working with Austrade (see page 57).

**Hosted major minister-led business missions**

225 delegates attended four minister-led business missions, including Australia Business Week in India, held in August–September 2017 (see page 67).

**Continued to develop northern Australia**

Nine investors from the global health sector have matched government funding to build partnerships with Australian research institutes to commercialise approaches to curing tropical diseases using the Australian Tropical Medicine Commercialisation grants program (see page 103).

**Supported the international education and training sector**

1,428 general and tailored services delivered to Australian education and training providers (see page 90), and Australian International Education 2025 activities delivered across the sector (see page 89).

**Delivered Landing Pads in global innovation hotspots**

87% of 2018’s first cohort of surveyed Landing Pad participants achieved or expected to achieve a commercial outcome within 90 days of commencing their residency at the Landing Pad (see page 84).

**Assisted Australian businesses through the Export Market Development Grants scheme**

3,706 grant recipients received grants worth $131.6 million in 2017–18 (see page 72).

**Restructured for Austrade’s future**

Austrade’s operations were grouped into seven overseas regions, and eight industry sectors. These were supported by a Client Group and a Business, Partnerships and Support Group (see pages 5 and 32).

**Strengthened Australia’s tourism sector**

$107.4 billion in overnight visitor expenditure generated in the 12 months to March 2018, up 5.7 per cent (see page 106), with Austrade progressing a number of reforms identified in the Tourism 2020 Implementation Plan (see pages 105–110).

**Promoted Australia’s free trade agreements**

756 participants attended 22 North Asia free trade agreement seminars across Australia (see page 80).
PART 1

Agency overview

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Austrade’s network 6
Chief Executive Officer’s review 8
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Purpose
During 2017–18, the purpose of the Australian Trade and Investment Commission—Austrade—was to contribute to Australia’s economic prosperity by helping Australian businesses, education institutions, tourism operators, and governments to:
› develop international markets
› win productive foreign direct investment
› promote international education
› strengthen Australia’s tourism industry.
Austrade also helps Australian citizens by providing consular and passport services in designated overseas locations.
Austrade advances Australia’s international trade, education, investment and tourism interests by providing information, advice and services. We aim to create value for businesses and institutions in a way that represents a good investment for the taxpayer and meets or exceeds all appropriate standards of ethical behaviour.

Austrade’s functions
Promoting Australian trade internationally—Austrade helps Australian companies to grow their business in international markets, including through the administration of the Export Market Development Grants scheme and the TradeStart network.

Promoting Australian education internationally—Austrade promotes the Australian education and training sector in international markets and works with institutions and industry stakeholders to grow demand for Australian education and training.

Attracting foreign direct investment to Australia—Austrade provides coordinated government assistance at a national level to promote, attract and facilitate productive foreign direct investment into Australia.

Strengthening Australia’s tourism industry—Austrade develops policy, manages programs and provides research to support Australia’s tourism industry and to grow Australia’s tourism market share.

Working across government—Austrade delivers advice to the Australian Government on its trade, tourism, international education and training, and investment policy agendas.

Promoting Australia through online channels, media and marketing—Austrade’s objectives are supported by its marketing activities, including management of the nation branding program, Australia Unlimited, administration of Austrade’s websites and business communications, as well as related market research and major events.

Delivering consular services—Austrade provides Australian consular, passport and other government services in designated overseas locations in support of the Department of Foreign Affairs and Trade’s consular network.

An extensive network
At 30 June 2018, Austrade’s network comprised 122 locations, including 10 offices in major Australian centres, complemented by 28 TradeStart offices, and 84 locations overseas in 49 different markets. Fourteen of the locations overseas also provided consular services in locations where the Department of Foreign Affairs and Trade does not have a presence. In September 2017, consular and passport responsibilities for Istanbul, Turkey, transferred to the Department of Foreign Affairs and Trade. During the transition, Austrade continued to provide assistance with the delivery of consular services, and will continue to operate an office there.
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 pages 83–84. Austrade’s Australian and overseas locations are shown in Figure 2 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. The Hon Steven Ciobo MP held that position for the duration of the reporting year.

During the reporting period, three people occupied the position of Assistant Minister for Trade, Tourism and Investment: the Hon Keith Pitt MP from 1 July 2017 until 20 December 2017; the Hon Luke Hartsuyker MP from 20 December 2017 until 5 March 2018; and the Hon Mark Coulton MP from 5 March 2018 until 30 June 2018.

**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 2018, Austrade employed 1,049 staff, 66 per cent of whom were employed in client-focused operations in Australia and overseas. For more information on Austrade’s staffing, see pages 135–148.

**Financial performance**

In 2017–18, Austrade continued to maintain an effective financial management framework and achieved improvements in practices and processes. In the independent auditor’s report, which can be found on pages 156–157, the Australian National Audit Office has provided its opinion that Austrade’s 2017–18 financial statements fairly present the agency’s financial position and financial performance, and are free from material misstatement.

Further analysis of Austrade’s financial position is provided in the Chief Financial Officer’s review on page 12, 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 2017–18, the Service Improvement Study found 89 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 page 57. 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. As a result, Austrade was restructured to include a group of 10 executive general managers, with six of those positions each directing an overseas region.

1991
Austrade moved from the Industry portfolio to the Foreign Affairs and Trade portfolio. Its head office also moved from Canberra to Sydney.

1996
Austrade was restructured, with its 10 executive general managers reduced to seven.

1999
An agreement was negotiated between federal, state and territory governments to cooperate in doubling the number of Australian companies exporting.

2001–02
Austrade took on responsibility for the promotion and attraction of productive foreign direct investment into Australia.

2006

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.

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

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.

2017
Austrade commissioned an organisational capability assessment to help it meet future challenges.
Organisational structure

Figure 1: Austrade’s organisational structure, at 30 June 2018

Minister for Trade, Tourism and Investment

Chief Executive Officer
Dr Stephanie Fahey

Business, Partnerships and Support
Executive Director
David Hazlehurst

- Government and Partnerships
  General Manager
- Strategy and Business Transformation
  General Manager
- Corporate Services
  Chief Operating Officer

Global Markets and Industry Engagement
Executive Director
David Hazlehurst (acting)

- Trade and Investment
  General Manager
- Americas
  General Manager
- ASEAN and Pacific
  General Manager
- Greater China
  General Manager
- Europe
  General Manager
- North East Asia
  General Manager
- South Asia
  General Manager
- Middle East and Africa
  General Manager

Client Group
Chief Client Officer
Kelly Ralston

- Client Experience
- Client Information
- Global Communications
- Nation Brand

(a) Temporary position.
Austrade’s network

Figure 2: Austrade’s Australian and overseas locations, at 30 June 2018

122
locations worldwide

10
locations in Australia

28 TradeStart locations

- Austrade presence overseas
- Austrade presence overseas where the agency also provides consular services
- Austrade Landing Pad
- Austrade office in Australia

Note: TradeStart locations are detailed in Appendix A.
Agency overview

Austrade’s network

84 locations overseas
14 providing consular services

5 Landing Pads in global innovation hotspots
Year in review

It gives me great pleasure to present my second annual report, covering my first full year as Chief Executive Officer of the Australian Trade and Investment Commission.

We are an internationally and commercially focused agency that supports Australian exporters and international investors through our global network, commercial connections, and expert market-specific advice. To continue to thrive, we need to ensure the services and advice we provide add real value, and that we work with agility, creativity and innovation to meet the needs of exporters and investors.

Austrade’s Corporate Plan 2017–18—our primary planning document—outlined an operating environment characterised by the rapid pace of geopolitical and technological change. This is creating new challenges, but also new opportunities for our clients.

Our clients are exporters of Australian products and services, buyers of Australian products and services overseas, and investors (or possible investors) into Australia, and they are all reacting and adapting to changes in their environments. To help our clients properly, we must be able to provide assistance in a way that they value. It is clear that what affects our clients will also have an impact on Austrade and how we do our business. This was the driver for a lot of activity within the organisation during 2017–18: we must be agile and adaptive to remain relevant.

In my introduction to the corporate plan, I touched on what Austrade would do—and how we would measure our performance—over the four-year life of that plan. This review will provide an outline of what we achieved in 2017–18, and what we hope to accomplish next year in helping our clients reduce the time, cost and risk of doing business internationally.

We completed our organisational capability assessment

Conscious of our changing environment, and eager to build on our strengths, we completed a major organisational capability assessment, in partnership with the Australian Public Service Commission. This assessment provided an independent view on our organisational strengths, as well as areas for development, taking into consideration our future operating environment. Included in these recommendations was the push to recognise where Austrade can add the greatest value and achieve the greatest impact. A further suggestion was for Austrade to make efforts to effectively harness data as a strategic asset by building scalable, cost-effective platforms that are information and insight rich, but require less effort by Austrade staff in the longer term; and to enhance and integrate data assets, making them accessible to business and government. Thirdly, the assessment recommended that we develop a service delivery model offering more tailored, targeted assistance in support of strategic priorities and client needs.

We produced a transformation plan and started implementing it

We responded to the organisational capability assessment by releasing an update of Austrade’s strategy covering the period 2018–22, with a series of strategic priorities, strategic drivers and clear articulation of how Austrade will best contribute to Australia’s economic prosperity. We also created a 14-point transformation plan to provide a roadmap for the implementation of the strategy. The plan spans the entirety of Austrade’s operations: what we do, who we work with, and where and how we work. At the heart of our transformation plan are four core projects that will redefine our service offerings to clients and how we deliver our services:

- a detailed client service audit, persona development and journey mapping to develop a new service delivery model and definition of our clients
a digital and data strategy and execution roadmap to enable the transformation to a ‘digital first’ agency, including delivery of services digitally, a digital workplace and culture, and reimagining the use of data and insights

a partnership strategy designed to develop and strengthen collaborative relationships across federal, state and territory governments and industry. This strategy, whose implementation will be strengthened through the use of co-design activities, will support the execution and advancement of Austrade’s overall strategy

the development and rollout of new ways of working in adapting the principles, work practices and relevant tools that come from agile and human-centred design methodologies.

We put clients at the centre of everything we do
Critical to Austrade’s strategy is ensuring our clients are at the centre of everything we do. To support this, we embarked on a major client mapping exercise during 2017–18. A specialised team completed a stocktake of Austrade’s current services and reviewed existing user data. The team then conducted a program of in-depth user research into the needs of Australian exporters, both current Austrade clients and non-clients. This work will expand to capture foreign investors’ needs, and will continue into 2018–19.

We moved to a matrix structure
One of the most significant changes contained in the transformation plan was the move from five operational silos (trade, investment, international education, tourism and consular/passport) to a matrix structure, where teams have both regional geographic responsibilities, as well as industry sector responsibilities. Austrade has established seven regions, each headed by a general manager. On the industry side, there are now eight specialised sectors—including the former pillars of international education and tourism—responsible for both trade promotion and investment.

We developed a new, simpler purpose to guide our actions
The integration of Austrade’s former pillars into a unified structure resulted in the simplification of our purpose statement: ‘To deliver quality trade and investment services to businesses to grow Australia’s prosperity’. The new, clearer purpose statement was developed for the 2018–19 corporate plan, and will form the basis for reporting in next year’s annual report.

We delivered services across our global network
During our transformation, we did not lose sight of the fact that our primary purpose was to assist our clients. Through our network of 84 overseas locations in 49 markets, we provided over 12,000 services to more than 4,800 Australian organisations, helping them to identify export opportunities or partnerships in overseas markets. And we delivered export advice to 210 new clients over the phone and email through our First-Tier Services team. Our 10 Austrade and 28 TradeStart offices in Australia complete our network of 122 points of presence around the globe.

We helped attract productive foreign direct investment to Australia
In 2017–18, we helped facilitate 113 inward investment outcomes worth almost $4.8 billion, across a variety of sectors, including services and technology, agrifood, and resources and energy. Productive foreign direct investment provides jobs for Australians, boosts productivity and helps diversify our economy. Investments facilitated by Austrade during 2017–18 helped safeguard over 27,000 Australian jobs.

We continued to promote the benefits of free trade
Austrade’s delivery of its free trade agreements seminar program continued in 2017–18. As the program has evolved, we have improved our presentations to provide more appropriate information that is better tailored to exporters and potential exporters. Some attendees had already attended a previous seminar, and we used their feedback to improve our presentation, providing information that is more relevant to exporters. TradeStart has been integral to supporting the seminar series, as well as supporting further outreach activities in regional Australia. Austrade has also focused on establishing a network of Australian exporters to mentor and support each other through the process.
We delivered minister-led business missions and Australia Week programs

Austrade continued to deliver results through minister-led business missions, including Australia Week programs, helping to spread the word about Australia’s capabilities and investment opportunities among our major trading partners. During 2017–18, Austrade coordinated three minister-led business missions—to Singapore, Saudi Arabia and Mexico—as well as a major minister-led business mission to India as part of Australia Business Week in India 2017, with 157 delegates participating in 75 events across six locations. Commercial deals are likely to flow from the events, with 98 per cent of surveyed respondents reporting that their participation had resulted in an advantage for their organisation.

We brought our commercial voice to the foreign policy white paper

Austrade contributed to the development of a new foreign policy white paper, released in November 2017. The paper underlined the Government’s intention to ensure that Australia’s diplomacy is equipped to support the country’s commercial interests. Since the paper’s publication, the Department of Foreign Affairs and Trade and Austrade have been cooperating closely on the development of joint strategies in overseas posts to bring economic and commercial diplomacy to all aspects of Austrade’s business.

We promoted investment opportunities in northern Australia

Austrade organised and ran the second Northern Australia Investment Forum in Cairns in November 2017 to raise awareness of the north among significant international investors. This is part of the range of activities Austrade undertook to facilitate investor interest in opportunities in northern Australia, which also included engagement with traditional land owners and educating investors on Australia’s land tenure arrangements.

We implemented the Australian International Education 2025 roadmap

Austrade, in partnership with the international education sector, continued implementing Australian International Education 2025, a long-term plan for the development of international education markets. The sector has seen a 13 per cent increase in the number of international students studying in Australia in 2017 compared to 2016, equating to a record 623,257 international students in Australia. Austrade worked with key players in the Australian education and technology sectors by co-hosting the first of a series of ‘Deep Dives’ on collaboration in higher education and lifelong learning.

We strengthened Australia’s tourism sector

Through the Tourism 2020 Implementation Plan (2015–2020), Austrade progressed a number of reform areas during 2017–18, and also started planning for the next phase of the tourism strategy beyond 2020. Activities throughout the year continued to focus on strengthening the relationship with China, Australia’s most valuable inbound tourism market, through the China–Australia Year of Tourism, which finished during the reporting period. The year to March 2018 saw record overnight visitor expenditure in the country—more than $107 billion.

We supported businesses through the Export Market Development Grants scheme

Austrade continued to administer the Export Market Development Grants scheme to support small to medium-sized Australian businesses increase their international marketing and promotion expenditure to achieve more sustainable international sales. The scheme supports eligible applicants across all business models and industries. More than 3,700 grants worth $131.6 million were paid to recipients in 2017–18.

We provided consular services to Australians in locations across the world

At 30 June 2018, Austrade was delivering timely consular and passport services to Australians in 14 overseas locations, extending Australia’s consular network. Austrade provided high-quality and responsive consular support to 821 Australians in difficulty overseas. This included assistance to 58 people imprisoned overseas, 99 people requiring medical assistance or hospitalisation, and support to the families of 93 people who died overseas. Our consular staff processed 15,576 passport applications and undertook 7,017 notarial acts.
We developed and supported our workforce
Austrade continued to attract talented people from the private and public sectors who have a passion for international trade and investment, and a commitment to drive growth and prosperity in the Australian economy. We supported a diverse workforce and developed our staff through short-term overseas assignments, scholarships, and programs to build cross-cultural awareness and language capabilities, as well as by extending our e-learning catalogue, women’s mentoring, and the creation of a new Diversity and Inclusion Strategy 2018–2020.

Outlook for 2018–19
2017–18 was a year of transformation for Austrade. In 2018–19, that work will continue shaping our organisation to provide our clients with the best possible service to help them grow and increase Australia’s prosperity. The broader economic environment for trade and investment remains uncertain. However, that points to sustained demand for what we do: providing practical advice to our clients that saves time and reduces the cost and risk of doing business internationally.

We will place our clients at the centre of everything we do
The challenging global economic environment is putting pressure on our clients, customers, investors and stakeholders. We are re-examining how we deliver our services and work with our partners, including whether we are taking full advantage of new technologies. Over the coming year, we will start to look for opportunities to intensify our use of big data and data analytics to improve the delivery of services to clients, expand our reach and deepen our impact, and strengthen our internal decision-making.

We will change the way we work
Initiatives arising from the transformation plan will continue into 2018–19. At all stages of the process, staff will be engaged in how to improve what we do and how we do it. Collectively, these initiatives will sharpen Austrade’s strategic direction, give us a forward-looking focus and shape our activities to ensure we continue to deliver value for Australia. This includes adopting new methodologies that enable teams to form more quickly, focus more on our clients’ needs, and deliver results more effectively.

We will reduce duplication
Austrade recognises it operates in a difficult economic environment, and is working to reduce duplication of services by intensifying our cooperation with other branches of the Australian Government, our counterparts in the states and territories, and our stakeholders in industry. We will continuously examine where we deploy resources so we can take best advantage of emerging opportunities to collaborate, co-design and work in partnership. We will undertake co-design workshops, focused on enhancing collaboration between Australian, state and territory governments offshore, and we will develop a partnerships framework for Austrade.

We will become a ‘digital first’ organisation
We are working towards operating as a truly digital organisation with cutting-edge technology, wide-ranging data sources, and powerful information tools. In 2018–19, Austrade will present its ‘digital first’ strategy to outline what we will do and how we will do it over the next four years.

We will instil our values across the organisation
As an Australian Public Service (APS) agency, Austrade is committed to reinforcing the APS Values: we are impartial, committed to service, accountable, respectful and ethical. But beyond that, we are advancing an additional set of values that seek to strengthen our unique culture: generosity of spirit, innovation, collaboration and transparency. Through a combination of these values and the existing APS Values, we will shape an Austrade culture that maintains our focus on how best to help our clients. In closing, I would like to express my gratitude to Austrade’s capable, talented and passionate staff for the hard work they do in providing help to Australian businesses and international investors, and contributing to Australia’s economic success.

Dr Stephanie Fahey
Chief Executive Officer
Chief Financial Officer’s review

Robert O’Meara, Chief Financial Officer, Austrade

Year in review

In 2017–18, the Government provided Austrade with $189.7 million in funding for ordinary annual services. Revenue from the Government decreased by $5.1 million compared to 2016–17. This decrease was mainly due to savings required to fund the continuation of the Approved Destination Status scheme in 2018–19 (a reduction of $2.6 million in 2017–18), and Austrade’s contribution to the Foreign Affairs and Trade portfolio savings in the 2017–18 Budget (a further reduction of $2.6 million in 2017–18).

In addition, Austrade received $28.7 million in own-source income—an increase of $0.9 million from 2016–17, mainly due to increased sponsorship for events. Expenditure was lower this year in line with government decisions to reduce appropriation. Austrade also received $14.1 million to fund capital expenditure.

Austrade continues to streamline numerous controls and processes to reduce the administrative burden across the organisation and on external parties.

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 2018.

Austrade’s financial statements for 2017–18 are provided in Part 4 of this report, and Austrade’s financial and staffing resource tables are provided in Appendix D.

Outlook for 2018–19

In a challenging fiscal environment where Austrade continues to absorb savings and an above-standard efficiency dividend, the agency is simultaneously completing a thorough assessment of its budget and resource utilisation framework, with the objective of placing an appropriate portion of the agency’s existing resourcing toward its digital transformation.

Robert O’Meara
Chief Financial Officer
Financial performance in 2017–18

**Figure 3:** Austrade’s financial performance, 2017–18 (including four-year trends)

$1.7 million deficit

excluding depreciation

0.8% variance to budget

<table>
<thead>
<tr>
<th><strong>Total income</strong></th>
<th>▼ 2.3%</th>
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</thead>
<tbody>
<tr>
<td>Appropriations</td>
<td>$189.7m ▼ 2.6%</td>
</tr>
<tr>
<td>Own-source revenue</td>
<td>$28.7m ▲ 3.3%</td>
</tr>
<tr>
<td>Gains</td>
<td>$0 m ▼ 100%</td>
</tr>
</tbody>
</table>

$218.4 million

**Total expenses** ▼ 1%

<table>
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<th>Budget</th>
<th>▲ 0%</th>
</tr>
</thead>
<tbody>
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<td>Employees</td>
<td>$142.8m</td>
</tr>
<tr>
<td>Suppliers</td>
<td>$76.5m ▼ 1.4%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$17.3m ▼ 74%</td>
</tr>
<tr>
<td>Other</td>
<td>$0.7m ▲ 19.5%</td>
</tr>
</tbody>
</table>

$237.3 million

**Note:** Figures have been rounded. Comparative percentage movements are in relation to the 2016–17 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).
Figure 4: Austrade’s financial position, 2017–18

$62.3 million net assets ▼ 7.1%

$117.2 million Total assets ▼ 2%
- Cash $4.9m ▼ 17.6%
- Receivables $55.1m ▲ 0.5%
- Non-financial assets $57.2m ▼ 2.7%

$54.9 million Total liabilities ▲ 4.4%
- Payables $18.7m ▲ 4.9%
- Employee provisions $36.2m ▲ 4.3%
- Other $0.1m ▼ 23.1%

Note: Figures have been rounded. Comparative percentage movements are in relation to the 2016–17 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).
### Purpose 1: Develop international markets

**Program 1.1**
- Austrade’s international network
- Promoting Australian trade internationally
- How Austrade works with Australian businesses
- Promoting Australia through online channels, media and marketing
- Working across government and with partners

**Program 1.2**
- Export Market Development Grants scheme
- Promotion of Australia’s free trade agreements
- National Innovation and Science Agenda – Global Innovation Strategy

### Purpose 2: Promote international education

**Program 1.1**
- Promoting Australian education and training internationally
- Sector performance
- Delivering education and skills to meet the needs of the world’s learners

### Purpose 3: Win productive foreign direct investment

**Program 1.1**
- Attracting productive foreign direct investment to Australia
- Promoting investment in Australia

**Program 1.2**
- Developing northern Australia

### Purpose 4: Strengthen Australia’s tourism industry

**Program 1.1**
- Strengthening Australia’s tourism industry

**Program 1.2**
- Tourism Demand-Driver Infrastructure program
- Queensland Tourism Tropical Cyclone Debbie Recovery Package
- Tasmanian Tourism Growth Package

### Purpose 5: Help Australians with consular and passport services

**Program 2.1**
- Austrade-managed consulates
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 2017–18 corporate plan, which was approved by the Minister for Trade, Tourism and Investment, covers the four-year period from 2017–18 to 2020–21, and is Austrade’s primary planning document. Austrade has identified five purposes as part of its 2017–18 corporate plan (Figure 5). Each purpose is associated with a set of performance measures and can be linked to Austrade’s outcomes and programs in the Portfolio Budget Statements 2017–18 (Figure 6).

Figure 5: Austrade’s purposes for 2017–18

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Develop international markets</td>
</tr>
<tr>
<td>2</td>
<td>Promote international education</td>
</tr>
<tr>
<td>3</td>
<td>Win productive foreign direct investment</td>
</tr>
<tr>
<td>4</td>
<td>Strengthen Australia’s tourism industry</td>
</tr>
<tr>
<td>5</td>
<td>Help Australians with consular and passport services</td>
</tr>
</tbody>
</table>

Portfolio budget statements

The Portfolio Budget Statements 2017–18 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 2017–18, Austrade had two outcomes that were achieved through three specific programs (Figure 6).
Figure 6: Austrade’s outcome and program framework for 2017–18

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

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

Annual performance statement

Austrade’s annual performance statement, which starts on page 19, shows Austrade’s achievements in 2017–18 against its purposes from its Corporate Plan 2017–18 and its key performance indicators set out in its Portfolio Budget Statements 2017–18. Austrade’s annual performance statement, and additional performance reporting information, have been developed in accordance with guidelines provided by the Department of Finance. Because the corporate plan is Austrade’s primary document, the annual performance statement has been structured to address each of the corporate plan’s purposes, as has the remainder of the performance reporting section.

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

The annual performance statement clearly links performance criteria with the relevant source document—the corporate plan, the portfolio budget statements, or both. The high degree of overlap between the measures in the Corporate Plan 2017–18 and the Portfolio Budget Statements 2017–18 means many of the measures are derived from both documents. Figure 7 on the next page sets out the relationship between reporting measures outlined in Austrade’s corporate plan, portfolio budget statements and annual performance statement for 2017–18.

Further detail on Austrade’s achievements against its performance measures follows the annual performance statement, using a combination of methods, including charts, tables, narrative discussion and case studies. The annual performance statement includes page references to relevant supplementary information for ease of navigation.
Figure 7: Relationship between Austrade’s portfolio budget statements, corporate plan and annual performance statement

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.

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

Programs:

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.

Program 2.1: Consular and passport services.

Purposes:

Purpose 1: Develop international markets.

Purpose 2: Promote international education.

Purpose 3: Win productive foreign direct investment.

Purpose 4: Strengthen Australia’s tourism industry.

Purpose 5: Help Australians with consular and passport services.

Annual performance statement (annual report):

Report against performance criteria (pages 20–23).

Report against performance criteria (pages 23–24).


Report against performance criteria (pages 27–29).

Report against performance criteria (pages 29–30).
Australian Trade and Investment Commission annual performance statement

I, Stephanie Fahey, as the accountable authority of the Australian Trade and Investment Commission, present the agency’s 2017–18 annual performance statement, 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 statement accurately reflects the performance of the agency and complies with subsection 39(2) of the PGPA Act.

Dr Stephanie Fahey  
Chief Executive Officer

Approach

The performance criteria that Austrade reports against are contained in its Corporate Plan 2017–18 and Portfolio Budget Statements 2017–18. The relationship between the corporate plan, portfolio budget statements and the annual performance statement is shown in Figure 7 on page 18.

The performance criteria in this annual performance statement have been organised according to the five purposes set out in Austrade’s corporate plan:

- **Purpose 1**: Develop international markets (pages 20–23)
- **Purpose 2**: Promote international education (pages 23–24)
- **Purpose 3**: Win productive foreign direct investment (pages 25–27)
- **Purpose 4**: Strengthen Australia’s tourism industry (pages 27–29)
- **Purpose 5**: Help Australians with consular and passport services (pages 29–30).

Where performance forecasts exist for 2017–18, a symbol against each criterion in the statement shows the extent to which Austrade has met those forecasts. Performance forecasts for 2017–18 appeared in Austrade’s Portfolio Budget Statements (PBS) 2017–18.
Purpose 1: Develop international markets

Performance criteria and results: Purpose 1
Program 1.1: Promotion of Australia’s export and other international economic interests

Satisfaction with Austrade’s services

<table>
<thead>
<tr>
<th>High level of satisfaction for ministers, Australian business community, institutions and key partners with Austrade’s services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of criterion: PBS 2017–18, Program 1.1 (Table 2.1.3)</td>
</tr>
<tr>
<td>Result</td>
</tr>
<tr>
<td>%</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>70</td>
</tr>
</tbody>
</table>

Criterion met. Austrade conducts its independent Service Improvement Study to assess the agency’s service delivery and to identify areas of improvement in its services to businesses and institutions. This study surveys Austrade’s clients, based on their recent engagement with the agency.

In 2017–18, the Service Improvement Study found 89 per cent of Austrade’s clients (across exporters, international education and tourism organisations) were satisfied with their dealings with the agency during the past 12 months. This result is identical to the previous year’s figure, and slightly above the 87 per cent achieved in 2015–16. These sustained high levels of satisfaction demonstrate the strong client service culture that exists within Austrade, reinforced by the fact that 85 per cent of all respondents reported achieving a commercial outcome within 12 months of working with Austrade (compared to 87 per cent in 2016–17, and 71 per cent in 2015–16). The survey also showed 76 per cent of clients rated Austrade’s paid services as representing good value for money. With the 2016–17 figure of 80 per cent, and the 2015–16 figure of 82 per cent, this also shows that high standards have been maintained, and are above the forecast of 70 per cent set out in the PBS 2017–18.

During 2017–18, Austrade coordinated four minister-led business missions—including a significant Australia Week promotion in India in August–September 2017. This brings the total number of minister-led business missions organised by Austrade since March 2014 to 39. Mission participants also provided positive feedback—98 per cent of respondents who participated in Australia Business Week in India (ABWI) said it had delivered an advantage to their organisation, and 72 per cent said that most or all of their objectives for participating in ABWI had been met. Furthermore, 64 per cent indicated that they achieved or expected to achieve a new business relationship in the subsequent three months. The Minister for Trade, Tourism and Investment also indicated a high level of satisfaction with Austrade’s comprehensive minister-led business missions program.

The sustained high levels of satisfaction with Austrade—both generally and on business missions—demonstrate the agency’s success at achieving this criterion.
### Performance criteria and results: Purpose 1
#### Program 1.1: Promotion of Australia’s export and other international economic interests

<table>
<thead>
<tr>
<th>Develop international markets</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of Australian businesses that have engaged with Austrade, and say Austrade made a positive contribution to their international business activities</td>
<td>Criterion met</td>
</tr>
</tbody>
</table>

**Source of criterion:** Corporate Plan 2017–18 (Table 1)

**Criterion met.** In 2017–18, Austrade’s Service Improvement Study found 75 per cent of Australian exporting businesses indicated Austrade made a positive contribution to their international business activities, slightly below the 2016–17 figure of 76 per cent and the same as the 2015–16 figure, but below the 2014–15 figure of 78 per cent. Austrade provides information and advice on export markets and helps its clients navigate complexities in international business. The sustained high levels of satisfaction recorded for this measure demonstrate Austrade’s services are relevant to its clients.

<table>
<thead>
<tr>
<th>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</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Source of criterion:</strong> Corporate Plan 2017–18 (Table 1)</td>
<td>Criterion met</td>
</tr>
</tbody>
</table>

**Criterion met.** In 2017–18, Austrade’s Service Improvement Study found 84 per cent of Australian businesses (trade respondents only) indicated they achieved some form of commercial outcome within 12 months of working with Austrade, compared to 85 per cent in 2016–17, 68 per cent in 2015–16 and 75 per cent in 2014–15. A key role for Austrade is connecting Australian business to international buyers, partners and agents. The sustained high levels of satisfaction recorded for this measure demonstrate Austrade’s success in helping its clients do business overseas.
Performance criteria and results: Purpose 1
Program 1.2: Programs to promote Australia’s export and other international economic interests

Free trade agreement (FTA) promotion

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

**Source of criterion:** PBS 2017–18, program 1.2 (Table 2.1.3); Corporate Plan 2017–18 (Table 2)

<table>
<thead>
<tr>
<th>Result</th>
<th>%</th>
<th>Forecast</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>85</td>
<td></td>
<td>88</td>
</tr>
</tbody>
</table>

**Criterion met.** In 2017–18, 88 per cent of respondents to seminar participant surveys reported an increase in understanding of how to use and benefit from FTAs as a result of attending the FTA seminars, compared to 90 per cent in 2016–17 and 89 per cent in 2015–16. The high level of increased understanding of how to use and benefit from the FTAs demonstrates Austrade’s success at achieving this criterion, and is above the 85 per cent forecast in the PBS 2017–18.

Export Market Development Grants (EMDG) scheme

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

**Source of criterion:** PBS 2017–18, program 1.2 (Table 2.1.3); Corporate Plan 2017–18 (Table 1)

<table>
<thead>
<tr>
<th>Result</th>
<th>%</th>
<th>Forecast</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>70</td>
<td></td>
<td>71</td>
</tr>
</tbody>
</table>

**Criterion met.** During 2017–18, 71 per cent of respondents reported the receipt of a grant encouraged them to increase their export promotion activities, compared to 73 per cent in 2016–17. This is a new measure for the EMDG scheme that more directly addresses the objectives of the scheme. The outcome is above the forecast of 70 per cent set out in the PBS 2017–18, showing this criterion has been achieved.

Analysis of Purpose 1

Austrade has met or exceeded the forecasts set out in the PBS 2017–18, and has therefore achieved Purpose 1.

The results of Austrade’s Service Improvement Study have been sustained at a high level over three years. Austrade’s surveyed clients continue to value its services, with 89 per cent satisfied with their dealings with the agency during the last 12 months. Note that tourism organisations were included in the survey for the first time in 2017–18; results from this sector were consistent with the satisfaction levels reported by other sectors. Austrade’s surveyed clients (trade and education) also reported that Austrade made positive contributions to their international business activities, with 85 per cent of all respondents reporting they achieved a commercial outcome within 12 months of working with Austrade, down slightly from 87 per cent in the previous year, and 71 per cent in 2015–16. Note that this is distinct to the commercial outcome KPI on page 21, which covers trade clients only.

Collaborative efforts between state and territory governments, industry associations and other allies are imperative for Australia to be successful on the global stage. Austrade’s deep engagement with stakeholders throughout the year delivered aligned interests, greater coordination and cooperation, and helped the Australian Government to better understand Australian industry appetite, capacity and capability for international trade, including in emerging sectors.
The Export Market Development Grants (EMDG) scheme survey found recipients’ level of engagement with the scheme was positive, with 90 per cent of respondents rating their engagement with the scheme as either good, very good or extremely good (compared to 93 per cent in 2016–17 and 91 per cent in 2015–16). Ninety-five per cent of respondents indicated the scheme enabled their organisation to become a more sustainable exporter, including through helping them expand into international markets, grow their international revenue, establish an international presence, or reinvest in their business. Austrade introduced a new key performance indicator for the 2016–17 reporting year, measuring the number of participants reporting that the receipt of a grant encouraged them to increase export promotion activities. This measure better reflects the policy intent of the scheme: encouraging businesses to grasp the benefits of overseas promotional expenditure. It is important to note that the EMDG scheme reimburses past expenditure; this measure is a gauge of those businesses’ propensity to spend money on export promotion in the future.

The delivery of 22 Free Trade Agreement (FTA) seminars by Austrade in 2017–18, to a total audience of over 750 business representatives, was an important part of Austrade’s FTA promotion strategy. It helped businesses better understand the benefits of Australia’s FTAs with Korea, Japan and China, with 88 per cent reporting an increase in awareness of FTAs. In 2017–18, the seminar program covered opportunities created by the existing North Asia FTAs, as well as anticipated benefits from the newly signed Peru–Australia Free Trade Agreement and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP-11). As the program has matured, the familiarity of the attendees with the program has also grown. Accordingly, the presentations have evolved to provide more in-depth information to more knowledgeable audiences. Among seminar attendees who claimed their awareness of FTAs increased in 2017–18, more than 90 per cent said their seminar objectives were all or mostly met. These results reinforce the value of the seminars’ key objectives—to increase awareness and knowledge of the FTAs.

**Purpose 2: Promote international education**

<table>
<thead>
<tr>
<th>Performance criteria and results: Purpose 2</th>
<th>Program 1.1: Promotion of Australia’s export and other international economic interests</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promote international education</strong></td>
<td></td>
</tr>
<tr>
<td>Proportion of Australian education institutions that have engaged with Austrade and say Austrade made a positive contribution to their international business activities</td>
<td>Result</td>
</tr>
<tr>
<td><strong>Source of criterion:</strong> Corporate Plan 2017–18 (Table 2)</td>
<td>Criterion met. In 2017–18, a follow-up survey to Austrade’s Service Improvement Study found 86 per cent of Australian education institutions indicated Austrade made a positive contribution to their international business activities, compared to 81 per cent in both 2016–17 and 2015–16, and 88 per cent in 2014–15. Austrade directly supports the sector through regular market intelligence and opportunities, as well as international events and promotions. The sustained high level of satisfaction demonstrates Austrade’s success at achieving this purpose.</td>
</tr>
</tbody>
</table>
Performance criteria and results: Purpose 2
Program 1.1: Promotion of Australia’s export and other international economic interests

Proportion of Australian education institutions that have engaged with Austrade, and say they achieved some form of commercial outcome as a result of working with Austrade

<table>
<thead>
<tr>
<th>Source of criterion: Corporate Plan 2017–18 (Table 2)</th>
</tr>
</thead>
</table>
| Criterion met. In 2017–18, a follow-up survey to Austrade’s Service Improvement Study found 86 per cent of Australian education institutions indicated they achieved some form of commercial outcome within 12 months of working with Austrade, compared to 91 per cent in 2016–17, 82 per cent in 2015–16 and 87 per cent in 2014–15. Commercial outcomes range from new international student enrolments to forging new international partnerships. This high level of satisfaction demonstrates Austrade’s success at achieving this purpose.

Analysis of Purpose 2

The sustained high levels of satisfaction by Austrade’s education clients demonstrate Austrade’s success at achieving its purpose of promoting international education. In particular, the survey results show Austrade’s activities directly contributed to clients’ international business activities and allowed them to achieve commercial outcomes. The consistency of results across years points to the survey’s overall reliability, and is evidence of the impact of Austrade’s work in promoting international education.

International education activity in 2017 contributed $30.3 billion to the economy, a 35 per cent increase on earnings recorded in 2016. Australian International Education 2025 (AIE2025) is a long-term market development roadmap, developed together with the sector to enable long-term sustainable growth, and in 2017–18, Austrade led on a range of projects that supported AIE2025’s themes. Austrade co-hosted a series of ‘Deep Dives’, which explored collaboration in higher education and higher learning. Austrade also released a new online advisory tool for clients, providing them with insights on market opportunities and trends that might be relevant to their businesses. Also during 2017–18, Austrade led the development of a strategic messaging framework that will enable consistent national marketing messages for Australia’s education and research strengths.

The data used for assessing Austrade’s performance in this sector is derived from a follow-up survey to the Service Improvement Study. The sustained levels of satisfaction across multiple years, coupled with the increase in economic contribution from international education, point to Austrade’s success at achieving its purpose in promoting international education.
## Purpose 3: Win productive foreign direct investment

### Performance criteria and results: Purpose 3

**Program 1.1: Promotion of Australia’s export and other international economic interests**

**Win productive foreign direct investment (FDI)**

Austrade has a shared set of key performance indicators with the states and territories:

<table>
<thead>
<tr>
<th>The number of investment outcomes facilitated, measured in terms of investment value, jobs created/retained and anticipated annual exports&lt;sup&gt;(a)&lt;/sup&gt;</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Criterion</strong> met. In 2017–18, Austrade facilitated 113 investment outcomes. This represented an increase of almost 23 per cent from 2016–17, when there were 92 outcomes. It is also an increase on the 81 inward investments achieved in both 2015–16 and 2014–15. The sustained level of investment outcomes demonstrates Austrade’s contribution in achieving this criterion.</td>
<td></td>
</tr>
</tbody>
</table>

Total recorded investment value for 2017–18 was almost $4.8 billion, the same investment value as in 2016–17, and an increase from the 2015–16 figure of $3.2 billion. The result in 2017–18 was boosted by several high-value resources and energy, and agribusiness and food projects. The timing of large projects can have a major impact on the final outcome for the year in which the investment value is recorded. With high levels of investment value recorded over 2017–18, this underlines Austrade’s contribution in achieving this criterion.

In 2017–18, there were an estimated 27,588 jobs created or retained as a result of investment outcomes facilitated. This represents a substantial increase on the 2016–17 figure of 3,738 and the 2015–16 jobs figure of 1,853.

In 2017–18, $333 million in annual exports are anticipated from investment outcomes facilitated. This is a significant increase on the 2016–17 figure of $1 million and on the 2015–16 figure of almost $69 million. As with all of the investment measures, this relies on investors’ voluntary reporting of statistics. In this instance, the percentage of investors reporting on this measure is particularly low (2.7 per cent in 2017–18, 1 per cent in 2016–17 and 4.9 per cent in 2015–16). The figure is also a function of the type of investments attracted and the degree to which they are directly linked to potential exports. While the potential to drive exports is one measure of the strategic value of FDI, it is not directly related to all FDI projects. This year’s results included a number of key strategic infrastructure projects and investments in innovation and technology, which add significant value to Australia but may not, in the first instance, be direct drivers of exports.

<sup>(a)</sup>The information for this criterion is supplied by inward investors only on a voluntary basis, or compiled from publicly available sources and does not cover all investments.
## Performance criteria and results: Purpose 3  
### Program 1.1: Promotion of Australia’s export and other international economic interests

<table>
<thead>
<tr>
<th>Austrade-specific measures</th>
<th>Result</th>
<th>Source of criterion: Corporate Plan 2017–18 (Table 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The number of significant engagements with agreed investor targets (onshore and offshore), including reinvestment and aftercare</strong></td>
<td><strong>Criterion met</strong></td>
<td>There were 100 engagements with agreed investor targets in 2017–18, including in the areas of reinvestment and aftercare. This was a new measure for 2017–18.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Austrade-specific measures</th>
<th>Result</th>
<th>Source of criterion: Corporate Plan 2017–18 (Table 3)</th>
</tr>
</thead>
</table>
| **The number of priority milestones, information, project and visitation requests, and stakeholder introductions generated from potential investors** | **Criterion met** | There was a total of 490 information requests, project requests, visitation requests and stakeholder introductions in 2017–18, which is an increase of 20 per cent on the total of 407 in 2016–17, and is also an increase on 323 in 2015–16 and 312 in 2014–15. The sustained demand for Austrade’s services over four years demonstrates the attractiveness of Austrade’s service offering.  

Austrade also records priority milestones to recognise the length of time required for investment decisions to come to fruition and the changing nature of investment. During 2017–18, Austrade recorded 31 priority milestones, down from 52 the previous financial year. |

### Analysis of Purpose 3

The sustained high numbers of foreign investment outcomes facilitated show Austrade’s success in achieving its purpose of winning productive foreign direct investment (FDI).

The number of investment outcomes facilitated by Austrade in 2017–18 rose to 113, above the previous three years’ results. The value of investment facilitated ($4.8 billion) was similar to the 2016–17 results. Similarly, the jobs and exports figures were up from the previous two years’ results. While the number of priority milestones recorded in 2017–18 was below the number recorded in 2016–17, it is worth noting that the definition for priority milestones was tightened in July 2017 to exclude the signing of non-disclosure agreements. This resulted in a lower 2017–18 outcome than would otherwise have been the case.

There are a number of factors to keep in mind when looking at the number and value of investment outcomes. First, Austrade does not seek to touch all FDI into Australia. It focuses its efforts on productive FDI in areas where the benefit to Australia is greatest and where there is a role for government. Second, investment flows by their nature will vary significantly from year to year. One or two significant projects, particularly in the infrastructure and resources and energy sectors, can have a major impact on total values and/or jobs and exports. Finally, Austrade relies on publicly available information and investors’ voluntary reporting of information to arrive at investment value, jobs and anticipated export figures. Response rates can vary significantly, meaning that changes to the underlying figures can be amplified.
Cross-border investment is changing globally. Competition continues to intensify and changes in the geopolitical environment are challenging globalisation and trade and investment liberalisation. Traditional source markets are becoming strong competitors for limited investment dollars, and emerging non-traditional investors from developing economies create a new dynamic in investment promotion and attraction. These factors, combined with the continuing transition underway in Australia’s economy following the mining investment boom, create an increasingly challenging environment for the promotion and attraction of productive foreign direct investment into Australia.

Austrade continues to refocus its activities to accommodate the global and national changes in FDI, which is still transitioning from capital-intensive resource investments following the mining investment boom to more capital-light growth in the services industry.

**Purpose 4: Strengthen Australia’s tourism industry**

<table>
<thead>
<tr>
<th>Performance criteria and results: Purpose 4</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program 1.1: Promotion of Australia’s export and other international economic interests</td>
<td>Criterion met</td>
</tr>
<tr>
<td><strong>Strengthen Australia’s tourism industry</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Double overnight visitor expenditure to between $115 billion and $140 billion by 2020</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Source of criterion:</strong> Corporate Plan 2017–18 (Table 4)</td>
<td></td>
</tr>
</tbody>
</table>

Expenditure is still on target to exceed the $115 billion lower-bound threshold of the Tourism 2020 growth targets. Total overnight visitor expenditure reached $107.4 billion in the 12 months to March 2018, having grown by 5.7 per cent from the same period in the previous year. This growth was consistent with the increase recorded in the preceding 12-month period: total overnight visitor expenditure grew by 5.8 per cent from $96.0 billion in the 12 months to March 2016 to $101.6 billion in the 12-month period to March 2017. Expenditure grew by 7.1 per cent from $89.6 billion in the 12 months to March 2015 to $96.0 billion in the 12-month period to March 2016. The continued strong performance of overnight visitor expenditure in Australia over four years underscores Austrade’s contribution to achieving this criterion.

Note that Austrade is unable to provide figures to June 2018 because of issues with international arrivals data used for producing the survey results—see analysis on page 28 for details.
**Performance criteria and results: Purpose 4**  
**Program 1.1: Promotion of Australia’s export and other international economic interests**

Priorities and outputs outlined in the Tourism 2020 Implementation Plan (2015–2020) progressed in accordance with agreed timeframes

<table>
<thead>
<tr>
<th>Source of criterion: Corporate Plan 2017–18 (Table 4)</th>
</tr>
</thead>
</table>

**Criterion met.** During 2017–18, the Tourism 2020 target of 20,000 new rooms in 10 major markets (eight capital cities, Gold Coast and Cairns) was exceeded. Austrade was responsible for key actions outlined in the Tourism 2020 Implementation Plan (2015–2020), overseen by tourism ministers through the Australian Standing Committee on Tourism. Austrade reviewed the progress against the plan, which includes cross-portfolio collaboration, visa arrangements, aviation capacity, labour and skills, and investment. Outcomes included the continued rollout of multiple-entry visitor visas and online visa lodgement; contribution to the successful negotiation of new or updated air services arrangements with India; collaboration between industry and government to address labour and skills issues; and efforts to integrate national and state tourism plans into regional development and local government planning.

The suite of activities Austrade has undertaken in this area shows that Austrade has progressed the priorities and outputs of the Tourism 2020 Implementation Plan.

**Analysis of Purpose 4**

The sustained growth of total overnight visitor expenditure shows that Austrade has achieved its purpose of strengthening Australia’s tourism industry. Current Tourism Research Australia forecasts suggest that nominal overnight tourism spend is expected to reach approximately $131 billion by 2020, surpassing the Tourism 2020 lower-bound target of $115 billion.

Austrade is not yet able to provide total visitor expenditure to June 2018 because the release of the full International Visitor Survey results was delayed. This is because there were some concerns with the data on the characteristics of international arrivals collected by the Department of Home Affairs and used in the International Visitor Survey. At the time of publication, work was in progress to resolve these issues.

Austrade contributes to the strengthening of Australia’s tourism industry via its role in policy development. As the impact of tourism policy on final tourism outcomes is indirect, Austrade uses its key performance indicators as proxies to show its performance in achieving this purpose. The top-line measure of overnight visitor expenditure in Australia is a demonstration of the success of the tourism industry as a whole. Austrade acknowledges that its contributions to that success are indirect; however, policy settings are an important component in ensuring the success of a business that is driven by international and domestic travel. For example, new air services arrangements (see below) will help towards achieving the Tourism 2020 upper-bound target of $140 billion in overnight visitor expenditure by 2020.
Austrade continues to focus on developing and advocating for policy reform to enable the Tourism 2020 upper-bound growth targets to be attained. The sustained increase in overnight visitor expenditure results shows this work is on track to reach the targets set by the Government in the 2020 Tourism Industry Potential growth scenario. The progress on this important measure underlines the strength of Australia’s tourism industry.

Examples of Austrade’s policy development and advocacy include participation in the Australian Government delegation responsible for air services negotiations with India. Outcomes from these negotiations in 2017–18 included the negotiation of unlimited passenger services to six destinations in India (Mumbai, New Delhi, Kolkata, Chennai, Hyderabad and Bangalore) from any point in Australia, and unlimited services to six destinations in Australia (Brisbane, Sydney, Melbourne, Adelaide, Perth and another destination to be determined by India) from any point in India.

Austrade also engaged with the Department of Home Affairs on significant technology-based enhancements to Australian visitor visa and passenger facilitation products, including the complete rollout of online lodgement for visitor visas for all markets, and commencement of trials of second-generation ‘contactless’ SmartGate technology.

Asian markets continue to drive growth in international tourism, with China overtaking New Zealand in February 2018 as the main source of visitors to Australia.

**Purpose 5: Help Australians with consular and passport services**

| Performance criteria and results: Purpose 5
| Program 2.1: Consular and passport services
| In accordance with the Department of Foreign Affairs and Trade Consular Services Charter and Australian Passport Office Client Service Charter: |
| Timely and effective delivery of consular and passport services to Australians overseas | Result |
| Source of criterion: PBS 2017–18, program 2.1; Corporate Plan 2017–18 (Table 6) | Criterion met |

**Criterion met.** In 2017–18, 98.8 per cent of the 15,576 passport applications received at Austrade offices were scanned within 24 hours. This result is well within the 3 per cent tolerance benchmark set by the Australian Passport Office, and is slightly higher than the 98.5 per cent achieved in 2016–17 and the 98.4 per cent achieved in 2015–16. The number of passport applications received fell by 6.0 per cent in 2017–18 compared to 2016–17.

Austrade received 1,158 applications in 2017–18 for emergency travel documents overseas. This represented a fall of 2.4 per cent from the 1,186 applications received in 2016–17, but an increase on the 1,121 applications received in 2015–16. All urgent passport issues were dealt with in a timely and responsive manner.

A total of 7,017 recorded notarial services were delivered in person and at the time when complete and correct documentation was lodged, compared to 7,996 in 2016–17. This is a reduction of 12.2 per cent.
Analysis of Purpose 5

Austrade delivers consular and passport services on behalf of the Australian Government in particular locations where it is represented. Austrade's primary responsibility in the process of issuing a passport is the reviewing, accepting and scanning of passport applications. From that point, the application transfers to the Australian Passport Office, which is responsible for the printing and issuing of the book. The high proportion of applications (98.8 per cent) that were 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. The Australian Passport Office has noted that Austrade posts are all currently performing well against key performance indicators.

Austrade consular posts performed well throughout the year and have met their obligations under the memorandum of understanding between the Department of Foreign Affairs and Trade (DFAT) and Austrade.

Consular (including notarial) services are by their nature unpredictable, and it is not possible to apply in-depth analysis to these services, short of noting DFAT's satisfaction with Austrade's services. DFAT's feedback highlighted particular achievements, including professional management of a sensitive consular case, and efforts undertaken to improve service delivery and crisis management knowledge. This feedback again underlines Austrade's effectiveness in providing timely and effective consular services.

In September 2017, responsibility for consular matters in Istanbul transferred to DFAT. As such, statistics for consular services provided by the Istanbul post to September 2017 have been included in the full-year result.
Purpose 1: Develop international markets

This section includes narrative discussion, case studies and trend data that demonstrate Austrade’s performance against Purpose 1, as set out in its 2017–18 corporate plan. It also demonstrates Austrade’s performance against its outcomes and programs as set out in the Portfolio Budget Statements 2017–18, specifically Outcome 1, Program 1.1, reported from page 32, and Program 1.2, reported from page 72. For a summary of results against Austrade’s performance criteria, see Austrade’s annual performance statement on pages 20–23.

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

Purpose 1 achievements

Austrade has met or exceeded its forecasts for Purpose 1, with examples highlighted below.

89% of all clients surveyed were satisfied with their dealings with Austrade during the past 12 months—above the 70 per cent forecast in the Portfolio Budget Statements (PBS) 2017–18.

Austrade started work on reinvigorating Australia’s nation brand on behalf of the Government.

85% of all surveyed clients indicated they achieved some form of commercial outcome within 12 months of working with Austrade, maintaining the high levels achieved in 2016–17.

87% of Landing Pad participants achieved or expected to achieve a commercial outcome within 90 days of commencing their residency in a Landing Pad.

71% 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 forecast in the PBS 2017–18.

88% of North Asia free trade agreement seminar attendees reported an increased understanding of how to use and benefit from North Asia free trade agreements—exceeding the 85 per cent forecast in the PBS 2017–18.
Purpose 1: Develop international markets
Program 1.1: Promotion of Australia’s export and other international economic interests

Austrade’s international network

Austrade provides information, advice and services to Australian businesses, education institutions, tourism operators, governments and citizens. Across its purposes, Austrade contributes to Australia’s economic prosperity through its trade promotion and investment attraction activities, promotion of Australia as an international study destination, and by connecting tourism attraction and tourism policy advice and advocacy with its wider spectrum of work.

At 30 June 2018, Austrade’s network comprised 122 physical locations, including 10 offices in major Australian centres, which are complemented by 28 TradeStart offices. Overseas, Austrade operates in 49 markets with 84 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.

As part of its organisational restructure during 2017–18, Austrade’s international network now consists of seven regional groupings: Americas, ASEAN and Pacific, Europe, Greater China, Middle East and Africa, North East Asia, and South Asia.

Americas

During the year, Austrade restructured its activities in the Americas, combining North and South American posts under a single leadership.

This ‘pole to pole’ approach has allowed skills and knowledge to be shared more easily across the region, while maintaining a focus on market diversity and specialisation, which remains critically important to individual markets. Posts in the United States, Canada, Mexico, Peru, Chile, Colombia, Argentina and Brazil now deliver a combined presence in the region that better reflects the activities of transnational clients, creating benefits for both trade and investment outcomes.

The combined economic strength of this region, which approaches one billion people, ranges from developing economies that offer significant inbound trade and education opportunities for Australia, to substantial foreign direct investment (FDI) initiatives in North America.

With the signing of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP-11) in Santiago in March 2018, Australia joins with Canada, Chile, Mexico and Peru in the Americas—alongside Asian partners and New Zealand—in continuing its support for free trade in the face of protectionist pressures.

In addition, the signing of the Peru–Australia Free Trade Agreement in February 2018, against the backdrop of Australia’s ongoing free trade agreement negotiations with the members of the Pacific Alliance (Chile, Colombia, Mexico and Peru), will provide Australian businesses with an opportunity to expand their trade with this emerging market.
Significant FDI outcomes in the North American market included Austrade assisting Medline, the world-leading manufacturer and distributor of medical supplies, to open a major distribution centre in Western Sydney, employing up to 500 people. Austrade also worked closely with Yamaha Motor Ventures in establishing a significant global venture capital fund managed out of Australia.

In Colombia, education outcomes were strong, with over 14,000 Colombian students enrolled in Australia in 2017, a 26 per cent year-on-year improvement.  

In Brazil, Austrade facilitated close cooperation between the Australian Digital Health Agency and the Brazilian Ministry of Health on advancing digital health.

With the release of its Defence Export Strategy, the Australian Government will provide additional funding from 2018–19 to achieve greater export success for Australian defence industries. Austrade intensified its efforts to identify and build relations with potential partners in the United States in the military and law enforcement, and in defence and dual-use technology companies, working closely with the Department of Defence and other Australian Government agencies.

**Business missions and exchanges**

In February 2018, Austrade once again partnered with Australian Cyber Security Growth Network Limited—AustCyber—to deliver a mission of some 65 participants from 44 Australian companies to the world-leading RSA cybersecurity conference in San Francisco.

Austrade New York successfully sponsored the Australian Blockchain Mission to the Consensus conference in May 2018 in partnership with the Australian Digital Commerce Association, CSIRO’s Data 61 and the NSW Government.

In March 2018, Austrade partnered with Tourism Australia and Sounds Australia, under the G’Day USA banner, to participate in the South by Southwest creative and digital technology conference in Austin, Texas.

Also in March 2018, Austrade led a 25-member agtech delegation to San Francisco and the mid-west, while the first-ever Australian business mission to Ecuador took place in November 2017.

With an improving business environment and a return to growth in Chile, Austrade successfully curated Australian participation at Chile’s international mining convention, Expomin 2018, with 41 companies in attendance.

In November 2017, Austrade—in partnership with the Argentinian and Chilean governments—announced the winners of the Agtech Passport exchange program and launched the METStech Passport exchange program. These startup programs are designed to fuel the commercialisation of technology and ideas between Australia and Latin America in agriculture and mining equipment, technology and services.

**ASEAN and Pacific**

In 2017, Australia’s trade with ASEAN countries grew by 9 per cent compared to 2016, reaching $105 billion.

During the year, Austrade provided advice and assistance to over 1,500 Australian companies across this diverse and complex region. Exports of food and agricultural products; education and training; and equipment, technology and services for the resources sector all grew strongly.

At present, 20.5 per cent of Australian food and agricultural exports go to ASEAN. These

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1 Department of Education and Training international student data.
Power Ledger and Thai partners launch energy trading trial in Bangkok

Perth-based blockchain developer Power Ledger has partnered with Thai renewable energy company BCPG and property developer Sansiri to launch an exciting new peer-to-peer renewable energy trading trial in Bangkok.

This first-of-its-kind project in an ASEAN country will see solar power being traded among four participating entities at Bangkok’s T77 precinct—a shopping centre, an international school, serviced apartments and a dental hospital. Rooftop solar systems with a capacity of 635 kilowatts and a co-located battery storage system are expected to provide 20 per cent of the community’s overall electricity needs.

As the world looks for cheaper, cleaner and more cost-effective sources of energy, the T77 precinct trial shows how renewable energy can be harnessed to benefit communities. End users won’t notice anything different about their power supply, but the advantages to them will be cheaper and more reliable electricity. The benefit to the environment is that the power generated will be 100 per cent carbon free.

The project was realised in collaboration with Thailand’s Metropolitan Electricity Authority, which allowed access to its network for the physical transaction of energy between participants. This initiative is not only aligned with Thailand’s Industry 4.0 ambitions, but will also position the country as a global leader in providing better, cleaner and more locally generated energy for communities.

BCPG was responsible for designing and installing the connections, meters and solar PV system, while Power Ledger provided its blockchain technology as the transactive layer across the 18 meter points to monitor energy transactions between participants, enable peer-to-peer trading, generate invoicing and evaluate the trading position of individual participants.

‘Austrade was instrumental in supporting Power Ledger’s efforts in Thailand by facilitating early-stage discussions with electricity generation and transmission authorities and through its export market development grants program,’ said David Martin, Power Ledger’s co-founder and managing director.

Power Ledger’s blockchain technology has enabled this environmentally friendly microgrid, peer-to-peer energy trading system to revolutionise the way we consume and share utilities.

On successful completion of the trial, Power Ledger and BCPG will be looking to deploy the solution across 31 new projects throughout Thailand, with total power generation capacity of 2 megawatts over a three-year period.

L–R: Bundit Sapianchai, President and Chief Executive Officer of BCPG; Uthai Uthaisangsuk, Chief Operating Officer of Sansiri; and David Martin, Managing Director and Founder of Power Ledger, in Bangkok.
are growing at around 7 per cent per annum, especially into large emerging middle-class markets in the region. In partnership with the Victorian Government, Horticulture Innovation Australia and industry peak bodies, Austrade has been expanding the channels to market for Australian citrus and grapes in the Philippines, not only through retail and food service, but also by organising fresh produce pop-ups at major Australian and international company sites in Manila.

Austrade works with services and technology companies to capture opportunities as markets develop in this resource-rich region. In Malaysia, the Global Value Chain program with the national oil company is opening doors for Australian exporters’ innovative solutions, services and technologies in the oil and gas sector. During 2017–18, Austrade supported Digatex, a digital asset engineering company, to connect with these opportunities. Through close Austrade engagement, Digatex undertook virtual meetings, culminating in a workshop to showcase its digital technologies, laying the groundwork for future commercial engagement.

Austrade runs programs that broaden and deepen Australia’s recruitment pool for international education. In Indonesia, Austrade ran a ‘Science Your Future’ campaign across key urban areas to increase interest in studying science, technology, engineering and mathematics (STEM) subjects in Australia. Partnering with the Australian Technology Network of universities, Qantas and BlueScope Steel, the campaign linked technical skills to Australian education expertise, aiming to increase recruitment into STEM courses in Australia.

In Singapore, Austrade supported more than 22 Australian scaleups through its Landing Pad initiative, including Anatomics and CEC Systems, who were able to finalise commercial agreements in Singapore during their three months in the program. Austrade’s Landing Pad also organised an agtech ‘boot camp’ for SproutX, Australia’s largest agtech accelerator and co-working space, in Singapore, Malaysia, Thailand and Vietnam. With this support, SproutX announced the formation of an Asia Pacific Agtech Alliance, based out of Singapore.

Austrade focuses on helping Australian businesses understand and capitalise on commercial opportunities in ASEAN. In December 2017, Austrade and the Department of Foreign Affairs and Trade launched the ASEAN Now report on key trends and opportunities in the region. This publication is part of Austrade’s commitment to share our commercial insights with Australian business, including small and medium-sized enterprises (SMEs), to help them successfully expand into new international markets.

In March 2018, the then Prime Minister, the Hon Malcolm Turnbull MP, hosted the first ever ASEAN–Australia Special Summit in Sydney. Austrade contributed to this major government priority by helping plan, support and deliver the summit’s business program. Austrade engaged with over 300 SME delegates and 120 leading ASEAN and Australian CEOs to ensure successful summit outcomes and enhanced business connections. ASEAN and Australian CEO leaders discussed regional challenges and opportunities across six important areas: agrifood supply chain logistics; advanced manufacturing and Industry 4.0; digital transformation in services; future energy supply chains; infrastructure; and aviation and tourism.

As the region develops, leading local businesses are increasingly looking to diversify through
investing outside their home markets. Austrade has a small specialist team targeting and facilitating investment from the region, with economic and tourism infrastructure, food and agriculture, and resources and energy sectors attracting most interest from ASEAN investors. In 2017, Austrade supported Dutch Mill, one of Thailand’s largest manufacturers and marketers of dairy products, through site visits and introductions to both Australian government and industry representatives. The company subsequently invested in the Edith Creek milk processing factory in Tasmania, saving the factory from closure and rescuing local jobs.

The Pacific continues to be a strong market for Australian exporters. Austrade is focused on identifying new opportunities emerging in the region, particularly in tropical infrastructure in the Pacific, and oil and gas opportunities within the resources sector in Papua New Guinea (PNG). In 2017–18, Austrade assisted Bunnings to develop a Pacific strategy to supply major infrastructure projects, and Saunders International to supply bulk storage tanks to large mining projects in PNG.

The internal restructure resulting in the creation of Austrade’s ASEAN and Pacific regional grouping has also enabled regionally coordinated initiatives for 2018–19. Activity will be directed towards promoting the emerging growth sectors: medtech and digital health; cybersecurity and fintech; and smart cities and infrastructure, in addition to continuing to support growing business opportunities in core sectors of food and agriculture, resources and energy, and education and training.

**Europe**

Austrade’s Europe group covers all the markets within the European Union (EU), as well as non-EU countries in Europe, Israel, and the Commonwealth of Independent States (including Russia).

Within this region, Austrade focuses on the delivery of services relating to a range of trade, investment and education programs across a total of 13 offices in Germany, the United Kingdom, France, Italy, Spain, Poland, Russia, Czech Republic, Israel, Switzerland and Sweden.

The European Union includes four of the world’s largest economies and, as a whole, accounts for 16.5 per cent of global trade. The already strong relationship between Australia and the European Union will be enhanced by the successful conclusion of free trade agreement negotiations, which began in June 2018.

The United Kingdom’s exit from the European Union is scheduled to take effect at the end of March 2019, with the process being completed at the end of 2020. While the future UK–EU trade relationship remains uncertain, the United Kingdom’s stated intention of leaving the EU customs union and single market will create new barriers for trade and investment between the European Union and the United Kingdom, which could give rise to shifts in commercial operations, presenting both opportunities and frictions for Australian companies.

Within the established markets of the European Union, Austrade’s principal focus of operations during 2017–18 was on the delivery of FDI flows into targeted areas of the Australian economy. During the year, a total of 49 inward investment projects were concluded, which will contribute more than $2.7 billion in FDI flows to the Australian economy, creating or safeguarding nearly 15,000 jobs.

Concluded projects involved FDI into a number of priority sectors, with the largest investment flows attracted into the agribusiness and food,
resources and energy, and major infrastructure sectors. The majority of ongoing FDI projects and new activities in 2018–19 will be focused on attraction and facilitation of digital and transformative technology–focused investment.

During the year, Austrade also continued to support Australian exporters by coordinating participation in major industry conferences and exhibitions, and through targeted engagement with major customer groups across a range of industries (see case study on this page).

The Government’s defence procurement and export strategies expanded the platform for continued engagement between European prime contractors and Australian industry during the year, through commercial linkages stimulated by the awarding of more than $130 billion in major long-term contracts to European companies, including Naval Group for the Future Submarine Program, BAE Systems for the Future Frigate Program, Lürssen for the Offshore Patrol Vessels project, and Rheinmetall for the delivery of the new Combat Reconnaissance Vehicle.

Barcelona Smart City Expo World Congress (SCEWC) is one of the peak global events for the smart city industry. More than 18,000 participants, 675 exhibitors, speakers, technical experts and political representatives from more than 700 cities and 120 countries attended this flagship industry event in 2017. The congress hosts world-leading innovative smart city thought leaders, and the Expo Area showcases projects and solutions to countries, cities, universities, investors and businesses from around the world.

The 2017 SCEWC was held from 14–16 November and offered Australian companies the opportunity to connect with global smart city leaders across governance, economy, society, sustainability, mobility, safety, and information and communications technology. Austrade led a mission of 26 Australian companies to the congress, and was acknowledged as a key event partner by the event organisers.

In addition to three-day access to the conference, the Austrade-led mission included exclusive networking opportunities throughout the week with major-market commercial leaders and smart city influencers, and an additional program of business activities in Barcelona.

A highlight was an event hosted by the City of Lyon, the City of Munich and Austrade and moderated by the Smart Cities Council Australia New Zealand.

L–R: Elizabeth Zealand, CEO, Spot Parking; Carolyn Abela, Austrade Paris; Johanna Pitman, Program Director of BlueChilli’s CityConnect; and Rick Wylie, CEO, KeyOptions, test the Keolis–Navya fully electric, autonomous shuttle in action during the 2017 SCEWC in Barcelona.
Austrade worked closely with the Department of Defence, state and territory representatives, and members of the Australian defence industry to identify and connect Australian defence capability and capacity with these and other major European prime contractors and defence suppliers.

This work will continue as Austrade’s European posts play a role in the ongoing rollout of the Government’s Defence Export Strategy, with posts in the United Kingdom, France and Germany enhancing their focus and resourcing to the sector.

Beyond these markets, Austrade is also active in supporting Australian defence exporters and is providing ongoing support to more than 20 Australian exporters as they pursue opportunities associated with the $45 billion Polish defence modernisation program.

**Greater China**

In 2017–18, Greater China continued to provide Australian businesses with significant commercial opportunities across trade, investment, international education and the tourism sector.

Australia’s bilateral trade with mainland China reached $183 billion in 2017, an increase of 16.1 per cent over the previous year.2

Now in its third year, the China–Australia Free Trade Agreement continues to deliver outcomes for Australian exporters, with some products experiencing significant growth in volumes to the China market. For example, Australian wine exports to China reached $1.12 billion in 2017–18, an increase of 55 per cent year on year.3

Austrade’s priority sectors in China include food and beverage, agribusiness, health and medical, financial services, education, and infrastructure.

Austrade is also enabling greater collaboration in innovation and entrepreneurship, assisting startup firms to understand the China market through a program of mentoring and market entry information via the Shanghai Landing Pad. Week-long intensive ‘boot camp’ programs are also being delivered to some of Australia’s best up-and-coming innovative firms.

In Hong Kong, Austrade is partnering with major corporates such as MTR on the Australia – Hong Kong Tech Bridge program, enabling Australian technology scaleups to embed teams into Hong Kong corporates to develop innovative solutions.

Services sector initiatives included inbound and outbound blockchain missions and the signing of cooperation agreements between Austrade and two key industry partners, the Australian Digital Commerce Association and the Blockchain Centre.


Austrade continues to support the presence of Australian health and medical companies in China, such as Cochlear and CSL. Cochlear laid the foundation stone at its new research and development and manufacturing hub in Chengdu in February 2018.

Education initiatives to support returned Chinese students included careers fairs in Beijing and Shanghai, an employability forum, and the launch of the Australia China Career Success campaign by the Hon Steven Ciobo MP, the then Minister for Trade, Tourism and Investment. The

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campaign leveraged China’s key social media vehicle WeChat to profile graduates of Australian institutions working in areas of future skills demand in China, such as e-commerce, data analytics and the creative industries.

Significant investment opportunities in northern Australia were showcased to 40 leading Chinese investor companies at the second Northern Australia Investment Forum in Cairns. Representatives from China made up the largest overseas delegation represented at the forum.

The signing of a landmark agreement between Austrade and the China Development Bank focused on financing infrastructure, agriculture, energy, tourism and innovation projects in northern Australia. The signing was witnessed by Mr Ciobo and China’s National Development and Reform Commission Vice Chairman Ning Jizhe.

Strong interest from the Taiwan banking sector saw Austrade assist seven Taiwanese banks to establish Australian operations. Austrade also partnered with Taiwan industry stakeholders to promote Australian vocational education and training expertise focused on tourism training.

Throughout Greater China, Austrade continued to support the Department of Foreign Affairs and Trade and other federal and state government departments with ministerial visits, including several visits by Mr Ciobo.

**Middle East and Africa**

Austrade has 12 points of presence across 67 countries in the Middle East and Africa region. Although each country has its own geopolitical and economic complexities, economic growth is relatively uniform, with both the Middle East and North Africa, and Sub-Saharan Africa, predicted to grow at 3.1 per cent in 2018, up from 1.8 per cent and 2.6 per cent respectively in 2017.

Key trends and developments in the region that are generating opportunities for Australian business include food security and safety; transnational education; economic diversification through creating new industries and reform of underperforming industry sectors to drive sustainable economic growth and employment; and government-led economic development plans and projects, such as Expo 2020 Dubai, Saudi Vision 2030, and New Kuwait 2035.

Geopolitical developments in the Middle East and North Africa are presenting particular challenges for Australian companies, mitigated by Austrade’s assistance in key markets. The dispute between Qatar and three other Gulf Cooperation Council countries—Saudi Arabia, the United Arab Emirates (UAE) and Bahrain—impacted on Australian companies servicing Qatar from the region, due to logistics and commercial constraints.

The US withdrawal in May 2018 from the Joint Comprehensive Plan of Action on Iran’s nuclear program, and its proposed sanctions on Iran, may affect Australian companies’ ability to transact with the market. Most of Australia’s trade relationship with Iran is in sectors that were not subject to previous US sanctions, such as health, education, agrifood and mining. The level of interest in this market from Australian firms and education institutions remains relatively strong, though many are seeking advice from Austrade on the potential impact of reintroduced US sanctions.

Sectoral engagement in the region is also critical to Australia’s success, with an emphasis on education, agrifood, mining, services, health and infrastructure.

The quality of Australian premium food and beverages is recognised across the region. Austrade supported Australian businesses at
events such as Gulfood, and hosted the first Gourmet Australia in Africa events in Mauritius, South Africa, Kenya and Tanzania.

Dubai is a globally significant logistics and air services hub and the key distribution hub for the broader Middle East and Africa region, which has enabled the development of the Australian premium food and beverage market in the UAE and facilitated re-export to the broader region, as well as the development of a significant Australian business presence. The importance of logistics to the UAE economy has stimulated collaboration between Australia and dnata, the world’s leading aviation ground services equipment operator. Austrade worked with dnata and an Australian consortium comprising CSIRO’s Data61, University of Technology Sydney, University of Melbourne and University of Sydney to stimulate research and development collaboration in vehicle automation and robotics, and to increase efficiencies in dnata’s operating systems and processes.

In addition to traditional international student recruitment, transnational education models such as offshore campus establishment, curriculum sharing and distance learning models are becoming increasingly important in the region. The Curtin University campus in Dubai commenced its degree programs in January 2018 and joined the existing University of Wollongong Dubai and Murdoch University campuses.

Austrade has been active in the lead-up to a number of key events to be held in 2020 that

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**Preeti Rekhari** Senior Investment Manager, Dubai

With over six years of experience in the role of Senior Investment Manager, Dubai, Preeti Rekhari has developed Austrade’s investment strategy for the Middle East and Africa region. Sovereign wealth funds and state-owned enterprises from the six Gulf Cooperation Council countries form the cornerstone of the strategy.

Besides building an informed narrative about these investors, which aids engagement at senior government levels, Preeti also works closely with the Middle East and Africa region’s General Manager, trade commissioners, and two investment managers on an expanded regional strategy for corporates, family offices and high-net-worth individuals eligible for Austrade services.

‘The most enjoyable aspect of my job is facilitating investor visits, as these showcase how Austrade works with state and territory governments, industry associations and businesses to win investment for Australia,’ Preeti said.

With a decade of experience in trade facilitation in food, ICT and financial services prior to taking on an investment role, over the past year Preeti has also spearheaded a multi-year initiative with colleagues to understand the UAE’s innovation agenda and identify opportunities for Australian clients in fintech, blockchain, agtech and medtech.

Preeti holds a Master of International Business from the University of Wollongong.
will place a spotlight on the region. The UAE is Australia’s largest trade and investment partner in the Middle East and it is investing more than US$9.4 billion to host the World Expo 2020 in Dubai, which will provide a platform to promote and showcase Australian expertise, goods and services to the world.

The Middle East is home to seven of the fifteen largest sovereign wealth funds in the world. Australia has seen a steady flow of investments into major infrastructure, hotels, resources and agriculture from sovereign wealth funds and state-owned enterprises from the UAE, Saudi Arabia, Kuwait and Qatar. Austrade works closely with the Department of Foreign Affairs and Trade, state and territory governments and other agencies to nurture and stimulate continued investment into Australia.

Austrade is working to capture the growing interest from Africa in Australia as a high-quality study destination. In April 2018, Austrade organised a Future Unlimited West Africa Education Exhibition in Lagos and Abuja in Nigeria, and Accra in Ghana. More than 20 Australian institutions were represented and engaged with over 1,000 prospective students and key stakeholders.

**North East Asia**

Austrade’s North East Asia regional grouping consists of Japan, Republic of Korea (Korea) and Mongolia. Japan and Korea represent Australia’s second- and third-largest export markets, while Japan is Australia’s second-largest investor. Both Japan and Korea are mature and dependable business partners, with a combined two-way bilateral trade value of $127 billion in 2017.4

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**Japan**

As Australia’s second-largest source of FDI, Japanese investment in Australia of over $219 billion continues to diversify from its traditional base of resources and energy. The majority of FDI outcomes were across the construction, infrastructure and agriculture sectors.

The Hydrogen Energy Supply Chain (HESC) project has gathered pace, with Kawasaki Heavy Industries moving to coal-to-liquid hydrogen conversion in Victoria. The HESC pilot phase will test and demonstrate how an integrated hydrogen supply chain could operate between Australia and Japan by 2021, with the potential commercial phase around 2030.

Export successes continued across the traditional areas of food and agriculture, including growing sales of table grapes and other horticulture products. New markets were identified during the year, with Australia’s Austal signing a contract with JR Kyushu Jet Ferry to design, manufacture and deliver a $68 million, 83-metre, high-speed trimaran ferry with a 500-passenger capacity. This demonstrated Australia’s reputation for quality and innovative shipbuilding using advanced technologies.

**South Korea**

Australia and South Korea have a highly complementary trade relationship, reflecting the successful implementation of the Korea–Australia Free Trade Agreement, which enjoys utilisation rates above 80 per cent (by value of trade) following five rounds of tariff cuts since entry into force in 2014.

In 2017–18, Austrade assisted Cortical Dynamics to secure an international distribution agreement
for its Brain Anaesthesia Response Monitor.

The agreement will see the device distributed to hospitals across Korea, where it will assist anaesthetists and intensive care staff to monitor patients under anaesthesia and to minimise the incidence of side effects.

With 90 per cent of bilateral trade being in goods, there is still plenty of scope to lift services trade. For example, during the year, Australian global fund manager IFM Investors formed a joint venture with Korean firm Samsung Asset Management to manage a global infrastructure debt fund worth $480 million. To further cultivate its Korean client base, IFM opened a Seoul office in November 2017.

The South Korean investment relationship also offers potential. While the stock of two-way investment has increased fourfold over the past decade to more than $40 billion, annual investment flows in both directions are low compared to the trading relationship. Highlights in the year included Samsung CT Corporation’s winning joint venture bid for the major M4–M5 motorway link in Sydney, due for completion in 2022. South Korean investment in new energy supply chains in Australia is set to make South Korea one of the world’s largest players in battery manufacturing and supply. POSCO, LG, Samsung and SK are also active in securing raw material supply, with POSCO taking the lead by making an $80 million direct investment in Pilbara Minerals to secure lithium. LG International and SK Innovation have closely followed, making strategic alliances with Australian mines to secure cobalt and nickel.

**Mongolia**

Austrade’s focus in Mongolia—an emerging economy dependent on resources—is on assisting Australian mining equipment, technology and services companies to provide services for the US$5.3 billion Oyu Tolgoi underground mine expansion. First production from the second stage is expected in 2020, and when fully operational the mine is expected to contribute even more to Mongolia’s GDP. Most of the 50 Australian companies with an active presence in Mongolia are contributing to the Oyu Tolgoi mine expansion through provision of professional and technical services and equipment.

**South Asia**

Austrade’s South Asia regional grouping covers India, Pakistan, Bangladesh and Sri Lanka. Already Australia’s fourth-largest export destination, the trade and investment relationship with South Asia continues to grow and expand.

**India**

Within South Asia, India’s sheer size, growth trajectory, positive demographics, rising middle class and significant economic potential position it as the future market for Australian businesses.

In 2017–18, Austrade’s initiatives and activities in-market were focused around navigating trade headwinds, providing critical market insights, and successfully capturing commercial opportunities and outcomes for Australian businesses.

Austrade focused its work in India on the key sectors of agribusiness; education and training; innovation and technology infrastructure, especially in transport, rail and smart cities; and mining and resources, including mining equipment, technology and services. Austrade works to increase Australia’s global share of foreign direct investment from India through a focus on large Indian corporates and resource and innovation opportunities.
Some of Austrade’s key initiatives and activities in India during the year included Australia Business Week in India in 2017; the Australian Cyber Security Mission to India; Group of Eight Australian universities’ engagement with Indian universities and corporates for research collaborations; a digital schools video competition to profile Australian education; and creating linkages between the Indian dairy sector and Australian training, genetics and dairy service providers.

Austrade serviced Australian businesses through innovative delivery mechanisms that included webinars and virtual innovation showcases on the agrifood, health and renewable energy sectors to showcase the Indian market and its potential to Australian businesses, and to build engagements between Australian and Indian companies.

**Pakistan**

Pakistan, the second-largest economy in South Asia, has continued to grow as economic reform strengthens and the security situation improves. Australian commercial involvement has largely been in the commodity, agribusiness, dairy and education sectors.

Austrade focused on brand recognition and in-market delivery of education programs in Pakistan, as well as expanding exports of pulses to Pakistan and capacity development in Pakistan’s dairy sector through a dairy initiative.

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**Munish Sharma** Trade Commissioner, Chennai

Munish Sharma is based in Chennai, India, where he commenced his posting as Trade Commissioner for Southern India in January 2018.

Munish has held numerous positions with Austrade over the past 20 years, both in Australia and internationally. Prior to taking up his posting in India, he was manager of the Advisory Services and Consumer sector in Sydney. He was also the national manager for Infrastructure and ICT teams in Australia. Munish started his Austrade career in 1998 as a locally engaged Business Development Manager in Chennai, soon after we expanded our presence to Southern India.

Munish is also responsible for Austrade’s business development initiatives in smart infrastructure in South Asia, focusing on urban development and transport. Urbanisation in India, which has the world's largest rural population, brings enormous challenges and opportunities. The Indian Government has allocated US$20 billion to improve basic services, such as water, sewerage, sanitation and housing, in 100 chosen cities. Similarly, private and public investment is being made in developing roads, airports, ports and heavy haul transport. The majority of this work will be carried out by locals firms, but significant consulting opportunities exist for Australian specialists.

Munish holds a Bachelor of Business from the University of South Australia and a Master of Business Administration from the Australian Graduate School of Management (UNSW). He is fluent in Hindi.
**Bangladesh and Sri Lanka**

In Bangladesh, Austrade’s activities and initiatives during the year focused on education, food and beverages (particularly grains and processed food), agribusiness, and commodities such as cotton.

Sri Lanka is growing in economic importance in the South Asia region. The Sri Lankan Government’s Vision 2025 economic strategy, which aims to raise Sri Lanka’s per capita income to US$5,000 by 2025, is expected to be a key driver of growth. Sri Lanka is already the largest market for Australian wines in South Asia and also a significant market for premium foods and education. Austrade’s activities and initiatives in Sri Lanka have been focused on higher education, premium food and beverages, dairy, and resources.

**Promoting Australian trade internationally**

**Overview**

As the national trade and investment promotion agency, Austrade helps exporters identify and assess appropriate markets, overcome market challenges and develop their international presence. Austrade’s 2017–18 trade activity responded to, or was shaped by:

- significant demand generated by global demographic and technological trends
- economic, political and/or regional factors providing new market opportunities
- Australian businesses’ competitive advantages and their capability, capacity and preparedness to internationalise.

Austrade’s global footprint, networks and connections facilitate a clear understanding of current and emerging regional and market opportunities. They allow the organisation to provide on-the-ground and strategic support to Australian businesses in responding to global trends, capturing commercial opportunities and undertaking long-term market development.

**Global trade environment**

After several challenging years for world trade, recent results have been more positive. Although volumes of world trade in goods and services grew by just 2.2 per cent in 2016 in what was the weakest outcome since the global financial crisis, a synchronised recovery in global economic growth contributed to a rebound in trade volumes, with growth picking up to a much stronger 5.1 per cent rate in 2017. As of July 2018, the International Monetary Fund was forecasting 4.8 per cent growth for goods and services trade volumes in 2018, followed by a predicted modest slowdown to 4.5 per cent in 2019.\(^5\)

Looking further ahead, the outlook for international trade reflects a familiar mix of challenges and opportunities. On the challenging side of the ledger is what continues to be a problematic international political and policy environment for trade policy, some of which has taken the form of a trend rise in the prevalence of non-tariff barriers to trade, and some of which has shown up in an apparent decline in the international appetite for further trade liberalisation. More worryingly, at the time of writing, a series of high-profile trade disputes had also started to unfold. As well as representing an important headwind for global trade growth, these developments

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\(^5\) All trade data taken from International Monetary Fund, *World Economic Outlook: Update*, July 2018.
entail several significant risks, including an adverse demonstration effect (the danger that they encourage other economies to turn to protectionism), the possibility of existing measures triggering cascading trade disputes that would be large enough to upset world growth, and the prospect of damaging interactions within the geopolitical environment.

Another headwind for international trade is that the expansion of global value chains, previously a major driver of global trade growth, has shown signs of stalling in recent years. Many commentators see the current political environment as hostile to businesses continuing to pursue this model, while the outlook for global value chains is also being influenced by technological change that may be reducing the relative importance of international labour cost arbitrage, as well as by structural changes in the Chinese economy.

More optimistically, the decline in trade costs triggered by technological innovation continues to lower the barriers to access international markets for small and medium-sized enterprises in particular, and at the same time innovation has also helped encourage the growing importance of cross-border trade in services and data. Both trends should provide important support for trade growth in the medium term, although the latter in particular raises some important measurement issues around the ability of our current trade statistics to accurately capture new modes of international exchange.

Another important stimulus to trade flows is the continued expansion of an emerging global middle class, representing a rise in global prosperity that creates an important ongoing opportunity for new market growth, particularly in emerging Asia.

Australia’s exporter community

According to the Australian Bureau of Statistics (ABS), there were 51,992 goods exporters in Australia in 2016–17.\(^6\) The 2016–17 figures showed a modest rise of 700 in the number of exporters, following three consecutive years of increases running in the thousands. Those three years had marked a significant break with previous experience: for the seven years between 2006–07 and 2012–13, the overall exporter count had remained relatively stable (although this had disguised quite a lot of churn at the smaller end of the exporter size distribution), but the latest result suggests the surge in numbers has slowed.

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. The composition of exporters within this group is relatively stable, with modest numbers of entries and exits from year to year. In 2016–17, this group comprised just 437 goods exporters, which together accounted for more than 88 per cent of the value of all goods exports that year.

- **Small to medium-sized exporters (or SMEx)** generate individual export revenues between $250,000 and $50 million. This group comprised 10,462 goods exporters in 2016–17. As with large exporters, the composition of this group is relatively stable across each year, although there is more churn than in the mega-exporter category. The SMEx category accounted for about 11 per cent of goods export value in 2016–17.

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 2016–17, for example, this category accounted for about 79 per cent of goods exporters (or more than 41,000 individual businesses), but generated less than 1 per cent of goods exports by value.

Australia's exports, by composition and direction
International trade continues to make a significant contribution to the Australian economy. As of March 2018, trade in goods and services was equivalent to more than 44 per cent of nominal GDP, while the ratio of exports of goods and services to GDP stood at 22.7 per cent.7

The better global backdrop in 2017 described above was also reflected in our national trade results, as Australia saw the total value of our exports of goods and services jump by almost 15 per cent last year, reaching a total of $386.7 billion.8

Total export growth in 2017 was boosted by stronger commodity prices and higher volumes of resource exports, with exports of iron ore (up more than 17 per cent in dollar terms), coal (up 35 per cent), aluminium ores (up more than 30 per cent) and natural gas (jumping by 43 per cent) all enjoying marked increases last year.

After a good 2016, the services sector, especially the education sector, put in another decent performance in 2017, with the value of services exports up by almost 9 per cent. The value of education-related travel services rose by more than 17 per cent over the year, although personal travel services (excluding education) were almost flat, growing by just 0.4 per cent. Exports of telecommunications, computer and information services also posted another year of healthy growth in 2017, expanding by more than 11 per cent, while exports of financial services rose by more than 17 per cent.

The overall value of manufacturing exports rose by almost 3 per cent last year, while the value of exports of rural goods rebounded, growing by nearly 14 per cent.

By market, China continued to be the most important destination for Australian exports in 2017, accounting for 30 per cent of total exports, and experiencing an increase in export values of more than 21 per cent. Other key markets to see large export growth included Japan (our second-largest export market with a 12 per cent share, and with exports up nearly 23 per cent in dollar terms), India (up almost 33 per cent), Hong Kong (up 17 per cent) and Korea (up more than 14 per cent). Exports to ASEAN were up by almost 14 per cent in value terms, with very rapid growth to Thailand and Vietnam in particular.

After dramatic growth in 2016 (when exports surged thanks to a strong increase in the value of gold exports), exports to the United Kingdom dropped by more than 25 per cent last year, which in turn contributed to a drop in overall exports to the European Union by 9 per cent.

**Figure 8:** Australia’s top 15 exports of goods and services, 2017

- Iron ores and concentrates
- Coal
- Education-related travel services\(^{a}\)
- Natural gas
- Personal travel (excl. education) services
- Gold
- Aluminium ores and concentrates
- Beef\(^{b}\)
- Wheat
- Crude petroleum
- Professional services
- Copper ores and concentrates
- Meat (excl. beef)\(^{b}\)
- Financial services
- Technical and other business services

\(^{a}\) Includes student expenditure on tuition fees and living expenses.
\(^{b}\) Fresh, chilled or frozen.

Source: DFAT and Austrade.

**Figure 9:** Australia’s top 15 export destinations for goods and services, 2017

Source: DFAT and Austrade.
Australia's internationally active businesses

Australia's International Business Survey (AIBS) is the largest undertaking of its kind in Australia, capturing current conditions and future outlooks of internationally engaged businesses in Australia. The survey is conducted by the Export Council of Australia with the support of Austrade and the Export Finance and Insurance Corporation.

This year’s survey was implemented by market research company AMR between April and May 2018, and it captured responses from 629 internationally active businesses drawn from 19 industry sectors operating across more than 92 international markets.

Consistent with the results of previous surveys, AIBS 2018 presents a diversified and well-experienced business community involved in a diverse range of international activities (Figure 10). Eighty-two per cent of respondents earned international revenue from more than one country, with 30 per cent earning revenue from more than 11 countries. The top markets for international revenue for respondents were the United States, China, New Zealand, the United Kingdom and Singapore.

Respondents had a very positive outlook for their businesses going forward (66 per cent said their future outlook was better than the previous two years), with 72 per cent planning to increase employee headcount by an average of 41 per cent.

AIBS 2018 captures the views of internationally experienced small and medium-sized enterprises. About 74 per cent of survey respondents had fewer than 40 employees, while 46 per cent have been earning international revenues for a decade or longer.

AIBS 2018 also surveyed companies not currently engaged in international activities. The main reasons for not engaging in international activities were a focus on domestic scalability (36 per cent), followed by lack of international leads or contacts (32 per cent).

More information about AIBS 2018 is available from the Austrade website at austrade.gov.au.

**Figure 10:** International activities of AIBS 2018 respondents
How Austrade works with Australian businesses

Connecting Australian exporters and opportunities

Austrade provides exporters with relevant and commercially useful information and advice, and access to its in-market networks, including decision-makers, international customers and relevant contacts. These services help exporters deal with the language, culture, business practice and regulatory barriers to international expansion, reducing the time, cost and risk of doing business overseas. Clients are supported by onshore and offshore teams and through partnerships with stakeholders.

In 2017–18, Austrade provided 12,017 general and tailored services to 4,803 Australian organisations to help them access opportunities overseas. Austrade also provides quality referrals to third-party professionals and business service providers when they are better placed to assist Australian organisations with a specific need. In 2017–18, Austrade provided 596 referrals to 466 Australian organisations.

Austrade’s First-Tier Services team triages enquiries, 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 2017–18, the team delivered export advice through 10,177 emails and 3,760 phone calls. This led to 210 new client organisations.

Challenge: Strengthen export pathways and identify alternative markets

The international business landscape continues to change rapidly, driven by global megatrends. This provides opportunities for Australia to strengthen export pathways and identify alternative markets, including trade in services.

A growing and ageing global population is delivering healthcare opportunities in established markets. The Austrade-led Australian Life Sciences Mission to the United States in June 2018 connected Australian data analytics and clinical research capability, pharmaceutical and surgical technologies expertise, and broader medtech innovation to the US healthcare and biotech ecosystems in Boston, Philadelphia and Houston.

Growing global emphasis on environmental protection and social licence to operate, particularly in the mining community, provided Australian businesses with opportunities to showcase their world-class environmental technologies and standards, and education and training capabilities. Austrade has delivered to Colombia’s largest mine, Cerrejón Mine, productivity and operational efficiency gains through Australian technology solutions that include assisting with better utilisation and maintenance of its mining equipment. The mine has also drawn on Australian expertise in blasting improvement technologies, water and dust management equipment, and road resurfacing programs.

Austrade’s advice and in-market support in a changing economic landscape has never been more valuable.
contacts and 340 internal referrals for further assistance to Austrade’s global network.

**Linking Australian and international ecosystems**

Austrade sees significant opportunities to further develop strong innovation connections at many levels that link the Australian innovation ecosystem with other ecosystems to deliver long-term, sustainable and high-value results for the Australian economy.

Austrade’s Landing Pad program presence in five global innovation hub locations provides a cost-effective in-market option for high-potential startups and scaleups.

In March 2018, Austrade led a trade and investment mission to the World Agri-Tech Innovation Summit in San Francisco, followed by a side visit to Chicago. The five-day mission showcased Australia’s agtech ecosystem and solutions to increase the productivity, sustainability and value of agricultural production. A broad range of engagements and activities included a CSIRO-sponsored Australian innovation breakfast, which brought together Australian businesses and an audience of potential investors, strategic partners and customers.

**Achieving outcomes in global value chains**

The January 2018 release of the Australian Government’s Defence Export Strategy presents substantial opportunities for Australian companies to enter international global value chains. The strategy will drive a more globally competitive, innovative and productive Australian defence industry and aims for Australia to become a top-tier defence exporting nation within the next decade.

Austrade contributed significantly to the strategy development and will continue to assist the growth of the Australian defence industry export sector, in accordance with Australia’s stringent export control requirements.

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**Gavin Loo** ASEAN Trade and Investment Analyst, Singapore

Gavin Loo, in his role as ASEAN Trade and Investment Analyst based in Singapore, contributes to Austrade’s trade and investment efforts in the region by preparing research and analysis reports. He has worked on various publications, such as *ASEAN Now* and other insight reports.

Gavin has been with Austrade since the beginning of 2016, joining the Singapore post as an ASEAN investment analyst. Since then, his role has expanded to include trade as well.

He has over six years of investment banking and corporate finance experience across Europe and Asia with PwC, EY and ING Bank. Prior to joining Austrade, he was at a family office helping to source and execute investments for a venture capital fund. In addition, he was also running the research for an in-house global macro hedge fund.

Gavin holds a Bachelor of Banking, Finance and Management from Loughborough University in the United Kingdom.
Optimising the client experience

In March 2018, the Client Experience team was established to deliver Austrade’s transformation priorities focused on strengthening client service delivery. The new team adopted agile and human-centred design techniques to deliver two priorities identified in Austrade’s transformation plan.

The team began mapping Austrade’s existing services and identified the major client groups that used these services: Australian businesses that export or seek to export, foreign businesses that buy or seek to buy goods or services from Australia, and foreign businesses that invest or seek to invest in Australia.

Over the course of several workshops, the team identified four major drivers that clients appeared to value most when growing their business internationally: networks, information, finance and advice. The team then collected and analysed service and client satisfaction data from across the organisation to support this hypothesis.

Austrade seeks to understand what clients value so it can design and implement services that maximise Austrade’s value-add and optimise clients’ experiences. In June 2018, the design team conducted its first wave of research with Australian exporters, comprising both clients and non-clients. Findings from the research were used to develop exporter ‘personas’ and ‘journey maps’ that identified ‘pain points’ and opportunities for exporters as they internationalise their business.

The first tranche of offshore research will take place in the United States and Malaysia in August 2018.

Based on the findings from the above projects, a roadmap will be developed to improve current services and design new offerings, helping to set the course for the next 18 months.
The signing of a memorandum of understanding with the Department of Defence in May 2018 formalises Austrade’s partnership responsibilities, including:

- supporting Defence’s procurement programs, Team Defence Australia activities and the global supply chain programs
- sourcing commercial opportunities for Australian defence businesses across more diverse geographies and end-use industries
- supporting the identification of capabilities from non-defence sectors, which may provide fundamental input to sovereign defence capability
- supporting the efforts of prime contractors and their major suppliers to invest in Australia and establish operations, which will allow these investors to support key defence contracts, and other related commercial sectors
- funding and collaborative staff arrangements to support these activities.

Delivering Austrade’s component of the agreement, including the appointment of defence business development managers in some Austrade posts, will be a key focus of 2018–19 export activity for the Advanced Manufacturing and Defence team.

In February 2018, Austrade led a delegation of 37 Australian aerospace and defence exporters to the Singapore Airshow, Asia’s largest aerospace and defence exhibition. The three-day program connected global aerospace buyers and sellers with key commercial, government and military delegations from more than 20 countries.

A networking reception introduced Australian businesses with 130 aviation and defence industry representatives from the region. Delegates met with Frost & Sullivan, ST Engineering, the Association of Aerospace Industries, and representatives from Lockheed Martin, and visited Hawker Pacific’s aviation and logistics facility.

The mission enhanced the strong relationship between Australia and the region’s aviation and defence sectors, continued to build business connections, and showcased Australian expertise to potential clients in the region.

**Facilitating business missions and events**

Austrade develops targeted trade missions and uses ministerial overseas engagements to promote Australia’s capabilities, and introduce and match Australian companies where market opportunities align.

During 2017–18, Austrade extended its activity to a number of emerging opportunities and subsectors.

Austrade’s Australian Cyber Security Mission to India took place in November 2017. The five-day mission showcased Australian cybersecurity capability, profiling eight Australian organisations to large Indian multinational technology integrators and finance customers. The mission, led by Austrade, was the second to profile Australian capabilities in this emerging space.

In November 2017, Austrade organised the inaugural Beauty Products Mission to coincide with the region’s leading cosmetics show, Cosmoprof Asia.

Australia had one of the largest country pavilions with over 50 Australian exhibitors at Asia’s annual leading beauty trade show in Hong Kong. Austrade organised a number of activities for Australian skincare, cosmetic and beauty brands, and for visitors and regional buyers.
Maximising attendance at the event, Austrade hosted the first Australian Beauty Product Showcase, which enabled business engagement between 12 Australian exporters and approximately 70 buyers from across Asia. Austrade also facilitated one-on-one meetings between participating clients and buyers. Through rigorous client profiling and onshore and offshore collaboration, Austrade successfully delivered a program where Australian business solutions were matched with international beauty product demand.

In June 2018, the inaugural Austrade Fintech Masterclass—managed by Austrade’s Services and Technology team—saw Austrade and NSW Trade & Investment colleagues meet in Sydney to learn about Australia’s vibrant and rapidly expanding financial services and fintech ecosystem.

The masterclass provided participants with fintech insights, and information on key trends and forecasts, as well as introductions to Sydney’s key fintech entities through meetings, site visits and presentations at the Sydney Startup Hub.

In support of the masterclass, an ‘office hours’ session took place at independent fintech hub, Stone & Chalk, which provided opportunities for offshore colleagues to meet companies interested in internationalising. The masterclass learnings, coupled with engagement and exposure to important sector contacts, will assist with promoting Australian fintech capability offshore in the future.

**Highlighting Australia’s export capabilities**

To promote expertise and capability to identified prospective overseas buyers, Austrade has developed industry capability reports (ICRs) that highlight Australia’s core strengths in priority industry sectors and subsectors.

Informed by trends observed in other markets, such as growing tourism numbers to Japan,

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**Jack Lu**  
E-Commerce Trade Advisor, Sydney

Jack Lu has over five years of experience in China cross-border e-commerce since China’s first free trade zone in Shanghai was established.

Jack has been working on the development of Austrade’s global e-commerce strategy. He played a major part in the development of Austrade’s guide to online exporting, which provides Australian exporters an overview of the ecosystem of cross-border e-commerce.

Jack also works with Austrade’s offshore network in Japan, Malaysia, Indonesia and South Korea to facilitate market entry through e-commerce. He has a passion for helping Australian companies get started in exporting, and assisting brands of all sizes to use online channels to reach overseas customers who they may not be able to reach through a traditional ‘bricks and mortar’ presence.

Jack holds a Bachelor of Commerce and Master of Finance from the University of Melbourne.
and in response to more countries investing in tourism infrastructure, Austrade prepared an ICR outlining Australian expertise in developing tourism destinations. The ICR identified a sophisticated cluster of Australian businesses with world-leading expertise in tourism destinations planning, and delivering tourism-related products and training services. These entities are well positioned to actively deliver all aspects of destination management and development planning around the world.

The Australian Future and Mobility Transport Report, produced in collaboration with the Department of Infrastructure, Regional Development and Cities and industry associations, provides an overview of Australia’s future transport and mobility industry, focusing on intelligent transport systems, continuous and autonomous vehicles, and the mobility-as-a-service subsector.

Examples of other reports developed and launched during 2017–18 include:

› an Australian disruptive technologies ICR, identifying Australian export capability and technology solutions in additive manufacturing, artificial intelligence, automation, big data and analytics, blockchain, cloud and cybersecurity

› an education technology (edtech) ICR, identifying Australia as a highly regarded supplier of edtech and innovative solutions, with Australian companies offering education delivery via alternative user interfaces and teaching platforms

› a clinical trials ICR that highlights Australia as a leading destination for clinical research of new therapeutic products and medical devices.

Connecting Australia through e-commerce

To supplement overseas market–focused e-commerce guides, Austrade launched its Guide to Online Exporting to help exporters understand the business models available to use e-commerce as a market entry channel. The guide is delivered on Austrade’s website and is regularly updated with new information as the rapidly changing online environment evolves.

Austrade also conducted ongoing research and produced written guides for a range of markets in Asia. In 2017–18, as part of Austrade’s strategic collaboration agreement, Alibaba launched a dedicated channel on their youku.com video-sharing platform to promote Australian products. In addition to developing relationships with major online platforms in China, Austrade began discussions with platforms in other markets, with a focus on Southeast Asia, to understand their operating models and educate Australian exporters on opportunities and direct-to-consumer supply chains.

Project approvals under section 23AF of the Income Tax Assessment Act 1936

Supporting the work of the Australian Taxation Office, Austrade has the delegation to determine 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.
ECO’s e-commerce strategy delivers export success

Based on the Gold Coast, Queensland, ECO. Modern Essentials is a wellbeing brand with a multi-strategy approach. The health and wellness company produces a wide range of oil-based aromatherapy products. According to founder and chief executive Claire Mitchell, a mixed e-commerce export strategy has been part of the company’s growth plan from day one.

‘We export to 14 countries in North America, Europe, the Middle East and Asia,’ said Claire. ‘We have just 20 full-time employees so this is a major achievement. Our export success is due to flexibility: sometimes we use distributors; sometimes we sell direct to the consumer online. We pick the e-commerce strategy to suit the market.’

But one market proved not so straightforward. In 2016, ECO. exhibited in the Australian pavilion at Cosmoprof Asia in Hong Kong. Claire saw that being Australian-made was a potential source of competitive advantage in China, but there were big barriers.

‘To succeed in China, we needed a partner—distributor who understood our brand, industry and product registrations,’ she said. ‘But to find a partner, we had to show we were serious. For us, this meant building an online presence in China and learning to connect with customers. Our strategy was to engage with multiple online and e-commerce platforms until we found the ideal partner.’

The breakthrough came in November 2017. Claire attended an e-commerce trade show in Melbourne hosted by Alibaba and met three distributors. One of the distributors is proving instrumental in gaining access to the Chinese e-commerce site, Tmall, which along with Taobao is part of the Alibaba Group.

For Claire, the partner–distributor route to market is essential because of the highly complicated way that cross-border e-commerce in China works. Today, this distributor markets ECO. products, purchases the stock and monitors the click-throughs. The partner also targets niche apps, and direct marketing companies, which are growing ECO’s sales.

Claire says the key to ECO’s export growth is the flexibility to adapt to each market, and the willingness to use e-commerce analytics to build customer connections.

‘The help we get from TradeStart and Austrade is phenomenal,’ she said. ‘TradeStart and Austrade experts have great contacts in e-commerce who have helped us find the best e-commerce platforms for our business. We always benefit from their excellent tradeshow pavilions. Their help has been crucial to our success.’
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 2017–18, Austrade granted 37 new approvals in response to 57 applications from 18 applicants (20 applications were under assessment as at 30 June). This compares to 82 approvals, 83 applications and 21 applicants in 2016–17.

Approved projects were located in the following regions:

- Middle East—10 (17 per cent)
- Indo-Pacific—16 (28 per cent)
- Africa—7 (12 per cent)
- Americas—1 (2 per cent)
- Central Asia—3 (5 per cent).

In 2017–18, 13 approved projects (35 per cent) were commercially funded, while the remaining 24 (65 per cent) were funded by international development agencies.

**Austrade’s TradeStart network**

With a focus on regional Australia, Austrade’s network of 28 TradeStart offices broadens the reach of the agency’s trade promotion services. The network is jointly delivered by state, territory and local governments, industry associations and chambers of commerce, with each partner carefully selected through a tender process. The planned tender process for 2017–18 was moved...
to 2018–19 in order to ensure TradeStart aligns with any changes resulting from Austrade’s transformation process.

In addition to delivering Austrade services via a local adviser who can help exporters navigate overseas markets, and provide direct access to Austrade’s overseas network, each TradeStart partner organisation offers complementary assistance for exporters. TradeStart exemplifies the partnering model Austrade is currently embracing.

Delivering valued service

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 11 shows clients’ ratings of Austrade’s services over the past five years.

In 2017–18, Austrade’s Service Improvement Study found that 89 per cent of its clients were satisfied with their recent dealings with Austrade, consistent with 2016–17. Austrade’s net promoter score is +43, up from +40 in 2016–17. 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:

› 87 per cent of all clients said they expected to achieve a commercial outcome as a result of working with Austrade.

Figure 11: Client ratings of Austrade’s services, 2013–14 to 2017–18

Note: Due to rounding, totals may not add up to 100 per cent. Figures for the Service Improvement Study are collected quarterly over the financial year and released annually.

In Austrade’s 2015–16 and 2016–17 annual reports, the figures for the sample size (n) for 2013–14 and 2014–15 were erroneously provided as 1,380 and 1,012, respectively.
› 85 per cent of all clients confirmed commercial outcomes were achieved within 12 months of working with Austrade (the figure was 84 per cent for the subgroup of exporting clients).

› 77 per cent of all clients rated the contribution that Austrade made to their international business activities over the past 12 months as either positive, significant or critical (the figure was 75 per cent for the subgroup of exporting clients).

› 88 per cent of clients said engaging the services of Austrade was a very big, big, or of some advantage for their business.

› 76 per cent of all 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 2017–18, Austrade received nine formal complaints about its services (compared to 17 in 2016–17). A complaints handling procedure ensures all complaints are addressed by the relevant area or raised with senior management in Australia for timely resolution.

A capability training program highlighting advanced features of Austrade’s client management system has resulted in efficiency gains and is expected to improve data quality. This has enabled improved insight into our engagement with clients, in turn allowing Austrade to provide more strategic services.

In response to an internal audit review of Austrade’s eligibility processes for client services in 2017–18, training and guidance was provided to staff to reinforce business processes and increase consistency.

Austrade’s Service Charter can be found on austrade.gov.au and also at Appendix B.
Promoting Australia through online channels, media and marketing

Austrade promotes Australian capability to international customers and the attractiveness of Australia as a destination for international study, foreign investment and tourism through a number of marketing, online and media channels. This work underpins Austrade’s value to Australian businesses, international investors, and the education and tourism sectors.

Austrade online

Austrade uses two primary websites, austrade.gov.au and studyinaustralia.gov.au, to meet our various audience content and service needs.

Austrade’s corporate website, austrade.gov.au, is primarily for international business audiences. These audiences include Australian exporters and businesses looking to export (including those within the education and tourism sectors), offshore organisations looking to buy Australian products and services, or businesses seeking inward investment opportunities in Australia.

In 2017–18, there were 2,107,973 visits to austrade.gov.au, resulting in 5,605,759 page views.

Approximately 40 per cent of traffic to the Austrade website came from overseas users seeking information about Australian organisations, their products and services, or inward investment opportunities. Of the overseas users, most visits are from the United States, Japan, India and China. The majority (70 per cent) of visits to austrade.gov.au come via organic search, with an increasing amount of traffic referred by electronic direct mail and social media activity.

During 2017–18, 73 per cent of user sessions on the Austrade website were via desktop, 20 per cent via mobile devices, and 7 per cent via tablet devices. The segment of users accessing the website via mobile and tablet devices increased by 2 per cent compared to 2016–17.

The Study in Australia website, studyinaustralia.gov.au, is the official Australian Government source of information for international students. The website received over 2.5 million visits in 2017–18, with around 79 per cent visiting from countries outside of Australia. The largest overseas audiences to the website were from Indonesia, India, Indonesia, the United States and Thailand. Forty-eight per cent of all traffic to the website was from a mobile or tablet device, with the remaining via desktop.

Consistent with the Digital Transformation Agency’s standard, all of Austrade’s major online design and architecture projects are designing for ‘mobile first’.

Media

Austrade’s media team provides media materials, advice and services to the agency’s executives, Australian and international networks and government ministers. Its output includes media releases, insights from experts, speeches and other writing, as well as issues management.

In 2017–18, Austrade provided media support for international visits by the Hon Steven Ciobo MP, the then Minister for Trade, Tourism and Investment, and other ministers. It prepared speeches, remarks and media releases for business missions such as Australia Business Week in India, the Australian Cyber Security Mission to the United States, and the blockchain industry delegation to Consensus 2018 in New York.
Austrade’s media team also provided support to the free trade agreement outreach program, Tourism Research Australia, Landing Pads, the Australian Export Awards, the Trade and Investment Ministers Meeting, and the Tourism Ministers Meeting.

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 by sharing images, key messages and market information, both in Australia and internationally.

In 2017–18, social media content was delivered via 16 Twitter accounts, two LinkedIn company pages, four Facebook pages, three YouTube channels, and two Weibo and two WeChat accounts.

These Austrade-owned channels garnered a social media following of over 544,124 followers, up 12 per cent from the previous year. Collectively, these accounts generated 7,464 posts, amassing 89,950,199 impressions, 289,692 engagements and 45,941 link clicks.

Brand Australia program

Launched in 2010 as Australia’s nation brand, Australia Unlimited has evolved to become a coordinated, content-led approach to promoting Australia’s competitiveness internationally. Australia Unlimited presents a confident, contemporary and consistent representation of Australia’s strong capabilities across eight areas: business, culture, design, environment, food, science, society and technology.

In 2017–18, 80 new stories profiling Australians and Australian achievements were published under a Creative Commons licence on a number of digital platforms, including both the Australia Unlimited website (australiaunlimited.com) and Austrade website (austrade.gov.au), as well as Austrade’s social media accounts on Facebook, LinkedIn and Twitter. Australia Unlimited content is also used by a number of government agencies active in promoting Australia.
internationally, including the Department of Foreign Affairs and Trade; Tourism Australia; the Department of Industry, Innovation and Science; and CSIRO.

Feature article highlights included CSIRO researcher Dr Dong Han Seo, who has invented a water filter made from graphene that transforms contaminated water into safe drinking water; world-leading ‘techno-anthropologist’ Genevieve Bell, who is creating an entirely new academic discipline to guide us through this age of data and technology; and designer Brodie Neill, who makes award-winning furniture using millions of fragments of ocean plastic waste.

Total sessions on the Australia Unlimited website over 2017–18 were 364,726, up 90 per cent from the previous year. Much of this increase was due to paid and organic social media activity in overseas markets such as China, Japan, South Korea, the United Kingdom, France, Germany, Spain and the United States. These campaigns also attributed to a 15 per cent increase in social media followers to a total of 27,433.

One of the most successful campaigns in 2017–18, running from late January to early February 2018, profiled Australian diaspora in India and Indonesia. The articles were promoted on Twitter, LinkedIn and through a paid Facebook campaign which increased monthly visitors to the Australia Unlimited website by 1,800 per cent.

Reinvigorating 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, Mr Ciobo 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 council will lead the strategic direction of Australia’s nation brand, helping forge a stronger and more unified image of Australia overseas.

Representatives from a wide range of industries were invited to have their say about how the nation can improve its global brand via a series of industry forums in all capital cities and online via a digital engagement platform.
The development of Australia’s nation brand will continue in 2018–19 with the appointment of a creative agency and domestic and international market research.

The anticipated launch date is early 2019.

Members of the Nation Brand Advisory Council. L–R (back): Michael O’Keeffe, CEO, Aesop; Bob East, Chairman, Tourism Australia; and Mike Cannon-Brookes, co-founder and co-CEO, Atlassian. L–R (front): Glenn Cooper, Chairman, Coopers Brewery; Wesley Enoch, Sydney Festival Artistic Director; Stephanie Fahey, CEO, Austrade; Andrew Forrest AO, non-executive Chairman, Fortescue Metals Group; Alan Joyce, CEO, Qantas; and Christine Holgate, CEO, Australia Post. Absent: Jayne Hrdlicka, CEO, a2 Milk Company; Rod Jones, former Group CEO, Navitas; and Edwina McCann, Board Director, Australian Fashion Council, and Editor in Chief, Vogue Australia.

Ego Pharmaceuticals, a family-owned dermatological products maker, was selected from the 12 national category winners to be named the Australian Exporter of the Year. NEC Australia was also recognised for its contribution to the Australian economy, receiving the Minister for Trade, Tourism and Investment’s Investment Award.

Preceding the ceremony, the national finalists participated in a morning masterclass, where Dr Michael Rosemann, Executive Director of Corporate Engagement at Queensland University of Technology, delivered a presentation on developing a digital mindset and how disruptive technologies will change the way Australian exporters do business. Tarah Barzanji, Principal, AlphaBeta; Gavin Smith, President, Robert Bosch (Australia); and John Stanton, Chair, IoT Alliance Australia, joined Dr Rosemann in a panel discussion facilitated by ThinkPlace’s Chief Innovation Officer, David Ireland.

The 55th Australian Export Awards program was presented by Austrade and the Australian Chamber of Commerce and Industry. We thank our sponsors for their support and 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

Australian Export Awards

The 55th Australian Export Awards, held in Canberra at Parliament House in December 2017, were attended by 450 industry and government representatives.

The Hon Steven Ciobo MP, the then Minister for Trade, Tourism and Investment, hosted the awards ceremony, where 77 finalists 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 $3.9 billion in export sales in 2016–17 and provided employment for more than 31,000 staff.
The 55th Australian Export Awards winners

**Australian Exporter of the Year Award**  
Ego Pharmaceuticals (VIC)

**Minister for Trade, Tourism and Investment’s Investment Award**  
NEC Australia (VIC)

**Agribusiness Award**  
Yumbah Aquaculture (VIC)

**Business Services Award**  
Linear Clinical Research (WA)

**Creative Industries Award**  
Envato (VIC)

**Digital Technologies Award**  
Opmantek Software (QLD)

**eCommerce Award**  
aussieBum (NSW)

**Education and Training Award**  
Deakin University (VIC)

**Environmental Solutions Award**  
SRA Information Technology (NT)

**Health and Biotechnology Award**  
Leica Biosystems (VIC)

**Manufacturing Award**  
Ego Pharmaceuticals (VIC)

**Minerals, Energy and Related Services Award**  
Blast Movement Technologies (QLD)

**Regional Exporter Award**  
Premium Fresh Tasmania (TAS)

**Small Business Award**  
Tooletries (QLD)

Award winners on stage with the Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment, at the 55th Australian Export Awards in Canberra, December 2017.

L–R: Dr Jane Oppenheim and Alan Oppenheim of Ego Pharmaceuticals, winner of the 2017 Australian Exporter of the Year award; and Mr Ciobo at the 55th Australian Export Awards.

› Premier of Queensland 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 Trade Victoria

› Western Australian Industry and Export Awards—delivered by the Export Council of Australia on behalf of the Western Australian Government.
Working across government and with partners

Austrade provides a global and commercial perspective in its policy advice to government by using intelligence and insights gained from its network and interactions with investors, exporters and other stakeholders to inform and contribute to Australian Government policymaking. In particular, Austrade works across government to coordinate and provide input into domestic policy reforms to make the Australian tourism industry and education sector more competitive, while feedback from its clients and large offshore network enables Austrade to help shape Australia’s export and investment agendas.

Austrade operates in an environment increasingly affected by rapid geopolitical and technological change. Technology is creating higher expectations of accountability, interconnectivity, responsiveness, and effective service delivery. Within a resource-constrained operating environment, faced with significant, fast-paced and ongoing change and an increasingly complex geopolitical climate, Austrade recognises it cannot deliver on its broad remit alone.

A strong theme of the organisational capability assessment, conducted in 2017, was the importance of delivering increased value for our clients by:

- further harnessing of Austrade’s unique understanding of international markets and the commercial interests of its clients to proactively inform and influence policy
- expanding Austrade’s reach to collaborate with more partners to co-design and deliver seamless export and investment services that make the most of collective strengths and resources.

Austrade continues to work collaboratively with other organisations to help increase its reach into the business community.

Austrade has a longstanding working relationship with the Export Finance and Insurance Corporation (Efic). Austrade and Efic share a common objective—assisting Australian small and medium-sized enterprises to expand into international markets. Austrade and Efic cross-refer clients and co-host events to promote export opportunities, and a number of Efic staff members are co-located in Austrade’s state offices, including two staff based in Adelaide, two in Brisbane, three in Melbourne and three in Perth. Efic is closely involved in Austrade’s minister-led business missions, was a platinum sponsor of the Australian Export Awards in 2017–18, and is a contributor to Austrade’s free trade agreement seminar series.

Together with Efic, Austrade also partners with the Export Council of Australia to conduct its annual Australia’s International Business Survey, which is one of the largest and most in-depth surveys of its kind. For more information on the survey, see page 48.

Austrade also works closely with industry bodies to further trade and investment relationships in overseas markets. Throughout 2017–18, Austrade partnered with Australian Cyber Security Growth Network Limited—AustCyber—to prioritise international markets of focus for the sector and progress work on Australian cybersecurity capability mapping. Austrade and AustCyber collaborated on events such as SINET61, Australian British FinTech Cyber Catalyst and the Australian Information Security Association (AISA) National Conference 2017, and collaborated internationally to deliver the first, industry-specific Landing Pad cohort and
the Australian Cyber Security Mission to the United States in April 2018.

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

Austrade provides advice to government directly through the Minister for Trade, Tourism and Investment, and through officials-level forums with a broad range of Australian Government and state and territory government departments responsible for, or with an interest in, trade, tourism, investment and international education.

During 2017–18, Austrade continued to support the Trade and Investment Ministers Meeting and the Tourism Ministers Meeting (both chaired by the Minister for Trade, Tourism and Investment, and attended by the Minister’s state and territory counterparts), as well as the Tourism Access Working Group.

The Trade and Investment Ministers Meeting took place once in 2017–18, and the Tourism Ministers Meeting took place twice in 2017–18. Topics discussed at the meetings included the implementation of the Tourism 2020 strategy and beyond; tourism data needs; the global trade and investment outlook; and trade negotiations.

The Tourism Access Working Group is co-chaired by the Minister for Trade, Tourism and Investment and the Deputy Prime Minister and continues to provide an avenue for senior tourism and aviation industry representatives to raise important issues affecting the industry. The Tourism Access Working Group met once in 2017–18.

The Senior Officials Trade and Investment Group (SOTIG) and the Australian Standing Committee on Tourism (ASCOT) meet biannually and support the high-level ministerial meetings.

Co-chaired by the Deputy CEO from Austrade and deputy secretaries from the Department of Foreign Affairs and Trade, and attended by state and territory counterparts, both SOTIG and ASCOT met twice in 2017–18. These meetings focused on giving effect to the outcomes and decisions arising from the Trade and Investment Ministers Meeting and the Tourism Ministers Meeting, coordinating trade, tourism and investment policy and promotion, and sharing best practice among jurisdictions.

These ministerial meetings and senior officials groups also provide strategic direction to the operationally focused National Trade Working Group, the National Investment Advisory Board, and the Tourism and Hospitality Labour and Skills Roundtable. Chaired by Austrade, these forums provide opportunities for Commonwealth, state and territory practitioners to collaborate on trade, tourism and investment policy and promotional activities at an operational level, and improve access throughout the tourism sector through aviation policy, visa reform and visitor experience. All of these forums met twice in 2017–18.

Austrade continued to chair the International Education Marketing Forum with states and territories. The forum met three times in 2017–18. The forum’s objective is to coordinate and maximise efforts across jurisdictions to market and promote Australian education internationally—a key theme arising from the Australian International Education 2025 strategy.

**Supporting new policy initiatives**

In November 2017, the Hon Malcolm Turnbull MP, the then Prime Minister of Australia, together with the Hon Julie Bishop MP, the then Minister for Foreign Affairs, and the Hon Steven Ciobo MP, the then Minister for Trade,
Tourism and Investment, launched the Foreign Policy White Paper to chart a clear course for Australia’s international engagement over the coming decade. In the white paper, the Government committed to a stronger nation brand to market Australia’s commercial, educational and cultural credentials. As part of this initiative, $10.1 million over four years was allocated to Austrade to develop the stronger brand to support the export of Australian products and services, and promote Australian interests, in markets across the world (see pages 61–62).

Austrade seconded two officers to a taskforce in the Department of the Prime Minister of Cabinet to assist with delivery of the ASEAN–Australia Special Summit, which took place in Sydney in March 2018. Austrade, with the Department of Foreign Affairs and Trade, also updated the popular Why ASEAN and Why Now publication for the business summit, one of the key lead-in events.

As part of a $16.6 million funding package provided in 2016–17, Austrade continued to deliver seminars to promote awareness of the business opportunities created by Australia’s free trade agreements, including new agreements such as the Peru–Australia Free Trade Agreement and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP-11). Austrade also continued to administer the Free Trade Agreement Training Provider Grant program to provide targeted, sector-specific information to help exporters understand how they can take advantage of Australia’s free trade agreements (see page 83).

Austrade assisted Innovation and Science Australia (ISA) in the development of ISA’s strategic plan for Australia’s innovation, science and research system. Austrade seconded an officer to the taskforce that worked with ISA to develop the plan—the officer provided insights from an export and investment perspective, including the innovation benefits that can flow from foreign direct investment activity. ISA’s plan—titled Australia 2030: Prosperity through Innovation—was released in January 2018.

Austrade provided advice to the Department of Home Affairs (previously the Department of Immigration and Border Protection) as part of the department’s review of visa policy settings in relation to the competitiveness of Australia’s tourism and education sectors and the attraction of high-value foreign direct investment, including through the investor visa frameworks.

Organising minister-led business missions

Minister-led business missions continue to play an important role in promoting Australian export capabilities and investment opportunities. Austrade plays a central role in coordinating Commonwealth and state and territory government participation in the development and implementation of business programs to showcase Australian capability in key international markets.

During 2017–18, Austrade coordinated four minister-led business missions and a significant Australia Week promotion in India in August–September 2017. This brings the total number of minister-led business missions organised by Austrade since March 2014 to 39 (see Table 1). The number of companies registered on Austrade’s online minister-led business missions register increased to 875 in 2017–18, up from 780 in 2016–17.

While these large-scale events have been successful in promoting Australia’s interests and delivering market insights to large numbers of delegates, delegate research has shown that
smaller scale, sector-specific missions can better focus on driving commercial outcomes through tailored business matching opportunities.

**Singapore**

In August 2017, the Hon Steven Ciobo MP, the then Minister for Trade, Tourism and Investment, and Senator the Hon Marise Payne, the then Minister for Defence, led a business mission to Singapore. The mission underlined the Australian Government’s vision to expand the trade and economic relationship with Singapore under the Australia–Singapore Comprehensive Strategic Partnership, and to highlight the benefits arising from amendments to the Singapore–Australia Free Trade Agreement (the amendments entered into force in December 2017).

The visit highlighted the collaboration opportunities for Australian businesses in cybersecurity and the construction sector that harness the Singapore Government’s Smart Nation and development initiatives. Ms Payne led a delegation of 22 business and local government entities focused on the Australia–Singapore Military Training Initiative in Northern Queensland under the Comprehensive Strategic Partnership. She was also joined by Senator the Hon Ian Macdonald, Senator for Queensland, and the Hon Michelle Landry MP, Member for Capricornia.

### Table 1: Number of minister-led business missions, March 2014 to June 2018

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</thead>
<tbody>
<tr>
<td>Minister-led business missions</td>
<td>7</td>
<td>14</td>
<td>7</td>
<td>7</td>
<td>4</td>
<td>39</td>
</tr>
<tr>
<td>Companies represented</td>
<td>644</td>
<td>532</td>
<td>1,213</td>
<td>176</td>
<td>185</td>
<td>2,750</td>
</tr>
<tr>
<td>Delegates who attended</td>
<td>859</td>
<td>674</td>
<td>1,658</td>
<td>196</td>
<td>225</td>
<td>3,612</td>
</tr>
<tr>
<td>Companies registered on Austrade’s online business missions register(a)</td>
<td>429</td>
<td>538</td>
<td>695</td>
<td>780</td>
<td>875</td>
<td>875</td>
</tr>
</tbody>
</table>

(a) Data in this row represents cumulative totals year-on-year.

Note: During 2016–17, Austrade revised its methodology for counting the number of delegates participating in minister-led business missions, and now reports the number of delegates who attended the missions rather than those who registered to attend. In line with this change, figures for preceding years were adjusted and reported in last year’s annual report.
Australia Business Week in India

In August–September 2017, the Hon Steven Ciobo MP, the then Minister for Trade, Tourism and Investment, led a major trade mission of 157 Australian business delegates to India for Australia Business Week in India (ABWI). The program featured 75 events delivered across six locations—Delhi, Mumbai, Bangalore, Kolkata, Hyderabad and Bhopal. The program focused on industry sectors where Australian expertise is well matched to commercial potential in India, namely higher education, smart infrastructure, life sciences and digital health, agribusiness and food (grains and pulses), and mining equipment, technology and services. A number of other Australian Government and state government ministers also participated in ABWI, which attracted participation by 500 Indian customers.

ABWI was officially opened by a gala dinner, which was attended by 338 guests, including ABWI delegates and Australia–India CEO Forum participants. Mr Ciobo presented the keynote speech at the dinner. A plenary session at the start of the ABWI program provided delegates with a briefing on market conditions, economic dynamics, and political trends in India, and allowed them to hear directly from Indian market thought leaders.

With annual GDP growth above 7 per cent, India is the world’s fastest growing major economy. ABWI 2017 highlighted that Australian businesses have the resources and expertise to make a meaningful contribution to the Indian economy. For example, Australian institutions are helping to train and educate India’s youthful population, with more than 60,000 Indian students studying in Australian institutions in 2016. Australia’s world-class skills training system is helping India to meet its ambition to train 400 million people.

Saudi Arabia

In September 2017, the Hon Keith Pitt MP, the then Assistant Minister for Trade, Tourism and Investment, led a business mission to Saudi Arabia. The visit included bilateral meetings and a number of business-focused events around the mining and related services sectors. The delegation helped reinforce Australia’s commitment to deepen the trade relationship with Saudi Arabia. The visit also confirmed that opportunities exist for Australian companies, particularly in the mining sector.

Mexico

In October 2017, Mr Ciobo led a business mission to Mexico for a targeted program covering resources and energy, education, infrastructure, financial services, and premium food and agribusiness. The visit included
by 2022. ABWI 2017 also offered an important opportunity to explore opportunities for new collaboration and strengthen Australia’s growing trade and investment ties with India.

Australia Week events continue to prove their effectiveness, with 98 per cent of surveyed respondents saying their participation in ABWI had delivered an advantage to their organisation; 72 per cent reporting that most or all of their objectives for participation in ABWI had been met; and 64 per cent indicating they achieved or expected to achieve a new business relationship in the next three months.

With a smaller and more focused approach to the program for each sector, more opportunities for delegates to network with Indian customers were created. This revised approach has been successful in previous Australia Week events such as Indonesia Australia Business Week 2017, where delegates reported a high degree of satisfaction through an online survey conducted at the conclusion of the program.

sector-specialist panel discussions, briefings with Mexican decision-makers from industry and government, site visits to leading facilities, and networking opportunities.

**Supporting visits by foreign government officials**

As well as providing support for overseas visits by Australian ministers, Austrade continued to support visits to Australia by a diverse range of foreign government officials throughout the year. These visits included:

› His Excellency Emmanuel Macron, President of France, attended the Prime Minister’s dinner at the Sydney Opera House along with Austrade CEO, Dr Stephanie Fahey, in addition to the launch of the Maritime Connection Days accelerator program during a visit to Garden Island.

› His Excellency Rick Houenipwela MP, Prime Minister of the Solomon Islands, attended an Austrade-hosted tourism delegation roundtable in Australia.

› His Excellency Sultan Saeed Al-Mansouri, the United Arab Emirates’ Minister of Economy, attended the Joint Economic Committee chaired by the then Minister for Trade, Tourism and Investment, the Hon Steven Ciobo MP.

The Hon Steven Ciobo MP, Minister for Trade, Tourism and Investment (left), with Mr Sudhir Suri of Suri Agro Fresh at Agricultural Produce Marketing Committee New Fruit Market, Delhi, during Australia Business Week in India 2017.
Mr Youssef Amrani, Moroccan Minister-Delegate for Foreign Affairs and Cooperation, attended a business roundtable with Austrade on trade and investment opportunities in Morocco.

Mr Ning Jizhe, Vice Chairman of China’s National Development and Reform Commission, attended the Northern Australia Investment Forum in Cairns and witnessed the signing of the Austrade – China Development Bank Strategic Collaboration.

A delegation of Cambodian officials from the Ministry of Commerce and Ministry of Economy and Finance attended a presentation by Austrade on trade and investment promotion and bilateral business opportunities.

**Parliamentary inquiries and briefings**

During the year, Austrade appeared before, or provided submissions to, the following parliamentary committees’ inquiries:

- Joint Standing Committee on Northern Australia inquiry into opportunities and methods for stimulating the tourism industry in Northern Australia—Austrade appeared before the Joint Standing Committee in October 2017.
- Joint Standing Committee on Trade and Investment Growth’s inquiry into the trade system and the digital economy—Austrade provided a submission in December 2017.
- Joint Standing Committee on Foreign Affairs, Defence and Trade References Committee inquiry into Australia’s trade and investment relationships with the countries of Africa—Austrade contributed to a Foreign Affairs and Trade portfolio submission and appeared before the Joint Standing Committee in May 2018.
- Joint Standing Committee on Foreign Affairs, Defence and Trade inquiry into access to free trade agreements by small and medium-sized enterprises—Austrade contributed to a Foreign Affairs and Trade portfolio submission and appeared before the Joint Standing Committee in June 2018.

**Attached agency agreements**

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:

- Department of Foreign Affairs and Trade—Bogota (ceased February 2018), Houston (active), Istanbul (ceased September 2017) and Ulaanbaatar (ceased June 2018)
- Department of Home Affairs—Auckland (active), Dubai (active) and Istanbul (ceased September 2017)
- Department of Agriculture and Water Resources—Dubai (active)
- Australian Federal Police—Dubai (active).

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<tr>
<th>4</th>
<th>185</th>
<th>225</th>
<th>875</th>
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<tbody>
<tr>
<td>minister-led business missions organised by Austrade in 2017–18</td>
<td>companies represented on the missions</td>
<td>delegates attended the missions</td>
<td>companies registered on Austrade’s online minister-led business missions register</td>
</tr>
</tbody>
</table>
Austrade also employed staff on behalf of a number of state or territory governments to deliver mutually agreed business plans that support each state or territory’s trade, investment and education promotion activities in specific overseas markets. These included agreements with:

- New South Wales Department of Industry in Jakarta, Kuala Lumpur, London, Seoul, Singapore and Tokyo
- South Australian Department of Trade, Tourism and Investment in Bangkok, Hong Kong, Jakarta, Kuala Lumpur, Mumbai, Shanghai and Singapore
- Tasmanian Department of State Growth in Shanghai
- Victorian Department of Economic Development, Jobs, Transport and Resources in Bogota (ceased December 2017)
- Northern Territory Department of Trade, Business and Innovation in Jakarta and Singapore.

Austrade delivers services to, and works with, these agencies and departments overseas to ensure Australian, state and territory government activities are coordinated.
Purpose 1: Develop international markets

Program 1.2: Programs to promote Australia’s export and other international economic interests

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 all business models and industries.

EMDG scheme performance

The number of EMDG applications received in 2017–18 increased by 7 per cent, with 3,771 grant applicants compared to 3,539 applicants in 2016–17. Of this number, 1,433 were first-year applicants, which represents an increase of 14 per cent on the previous year. Seventy-one per cent of these first-year applicants were from the services sector.

Table 2 shows a total of 3,706 grants, worth $131.6 million, were paid to EMDG recipients in 2017–18, an increase of 17 per cent in grant numbers but approximately the same total value of grant payments compared to 2016–17. This outcome follows an increase of 3.5 per cent in grant numbers and no change in grant payments in 2016–17.

A total of 90 grants, worth $4.4 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.

In 2017–18, 71 per cent of surveyed EMDG recipients reported the receipt of a grant encouraged them to increase their export promotion activities. Ninety per cent rated their

Table 2: Payments to EMDG recipients, 2013–14 to 2017–18

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</tr>
</thead>
<tbody>
<tr>
<td>Total grant recipients</td>
<td>2,445</td>
<td>3,137</td>
<td>3,059</td>
<td>3,166</td>
<td>3,706&lt;sup&gt;(a)&lt;/sup&gt;</td>
<td>+17</td>
</tr>
<tr>
<td>Value of grants ($ million)</td>
<td>113.6</td>
<td>140.8</td>
<td>131.4</td>
<td>131.4</td>
<td>131.6&lt;sup&gt;(b)&lt;/sup&gt;</td>
<td>+0.1</td>
</tr>
</tbody>
</table>

(a) Includes 3,383 recipients for the 2016–17 grant year and 323 recipients carried over from previous grant years.

(b) Includes the value of grants for the 2016–17 grant year of $115.3 million plus the value of 323 grants from previous years and supplementary payments to grant recipients from previous years. A total of $131.6 million was paid from the 2017–18 budget.
engagement with the scheme as good, very good or extremely good, and 95 per cent said the scheme enabled them to become more sustainable exporters.

Under the EMDG scheme, a ‘grant year’ is the financial year in which a grant applicant’s export promotion expenditure actually occurred. 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 3 provides a profile of grants that were paid in 2017–18 to the 2016–17 grant year applicants only. A comparison to previous years is also provided.

The average grant paid in 2017–18 to 2016–17 grant year recipients was $34,086 (down 17 per cent) and the median grant was $32,804 (up 2 per cent). The scheme continued to provide strong support to regional and rural Australia, with 582 grants (up 20 per cent) paid to businesses in those areas. While the EMDG scheme supports a range of business types, companies are the dominant category. In the 2016–17 grant year, 91 per cent of EMDG recipients were in that category (Table 4).

### Table 3: Profile of EMDG applicants and recipients, by grant year, 2012–13 to 2016–17

<table>
<thead>
<tr>
<th>Grant Year</th>
<th>2012–13 Grant Year</th>
<th>2013–14 Grant Year</th>
<th>2014–15 Grant Year</th>
<th>2015–16 Grant Year</th>
<th>2016–17 Grant Year</th>
<th>Variance 2015–16 to 2016–17 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Grant Applicants</td>
<td>2,715</td>
<td>3,195</td>
<td>3,321</td>
<td>3,539</td>
<td>3,771</td>
<td>+7</td>
</tr>
<tr>
<td>Assessed Eligible Grant Demand ($ million)</td>
<td>106.6</td>
<td>143.6</td>
<td>142.2</td>
<td>143.1</td>
<td>160.7</td>
<td>+12</td>
</tr>
<tr>
<td>First-Time Grant Applicants</td>
<td>842</td>
<td>971</td>
<td>1,192</td>
<td>1,260</td>
<td>1,433</td>
<td>+14</td>
</tr>
<tr>
<td>Total Grant Recipients</td>
<td>2,332</td>
<td>2,943</td>
<td>2,969</td>
<td>2,999</td>
<td>3,383</td>
<td>+13</td>
</tr>
<tr>
<td>First-Time Grant Recipients</td>
<td>632</td>
<td>793</td>
<td>912</td>
<td>891</td>
<td>1,119</td>
<td>+26</td>
</tr>
<tr>
<td>Value of Grants ($ million)</td>
<td>106.6</td>
<td>130.3</td>
<td>126.5</td>
<td>122.7</td>
<td>115.3</td>
<td>−6</td>
</tr>
<tr>
<td>Average Grant ($)</td>
<td>45,708</td>
<td>44,270</td>
<td>42,607</td>
<td>40,921</td>
<td>34,086</td>
<td>−17</td>
</tr>
<tr>
<td>Median Grant ($)</td>
<td>30,862</td>
<td>33,499</td>
<td>32,560</td>
<td>32,202</td>
<td>32,804</td>
<td>+2</td>
</tr>
<tr>
<td>Recipients from Rural and Regional Areas(a)</td>
<td>478</td>
<td>441</td>
<td>515</td>
<td>485</td>
<td>582</td>
<td>+20</td>
</tr>
<tr>
<td>Value of Exports Generated by Grant Recipients ($ billion)</td>
<td>2.8</td>
<td>3.9</td>
<td>3.6</td>
<td>3.8</td>
<td>3.8</td>
<td>0</td>
</tr>
<tr>
<td>Employees of Recipients</td>
<td>59,227</td>
<td>62,931</td>
<td>59,790</td>
<td>57,183</td>
<td>66,498</td>
<td>+16</td>
</tr>
</tbody>
</table>

(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 4: EMDG recipients by business type, 2016–17 grant year

<table>
<thead>
<tr>
<th>Business type</th>
<th>Number of recipients</th>
<th>Percentage</th>
<th>Total grants paid ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company incorporated in Australia</td>
<td>3,086</td>
<td>91.2</td>
<td>107.4</td>
</tr>
<tr>
<td>Individual</td>
<td>123</td>
<td>3.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Partnership existing under Australian law</td>
<td>74</td>
<td>2.2</td>
<td>1.7</td>
</tr>
<tr>
<td>Approved body</td>
<td>71</td>
<td>2.1</td>
<td>3.2</td>
</tr>
<tr>
<td>Cooperative/association</td>
<td>14</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Body corporate for public purpose</td>
<td>11</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Approved joint venture</td>
<td>4</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,383</strong></td>
<td><strong>100.0</strong></td>
<td><strong>115.3</strong></td>
</tr>
</tbody>
</table>

Small exporters continue to be the largest category of EMDG recipients, with 75.8 per cent of 2016–17 grant year recipients reporting an annual income of $5 million or less (Figure 12), 76.3 per cent reporting fewer than 20 employees (Figure 13), and 77.2 per cent reporting export earnings of $1 million or less (Figure 14). A breakdown of EMDG recipients by state and territory is shown in Figure 15 and Table 5.

Figure 12: EMDG recipients by annual income, 2016–17 grant year

Figure 13: EMDG recipients by number of employees, 2016–17 grant year

Note: Percentages do not add to 100 due to rounding.
By broad industry classification, the majority of EMDG recipients (66 per cent) in the 2016–17 grant year were in service industries, with a further 29 per cent in manufacturing and 4 per cent in the primary sector (Figure 16).

Companies offering ICT, tourism, and professional, scientific and technical services dominated among services recipients. The principal market targeted by EMDG recipients continued to be the United States, with 59 per cent of all recipients paid grants for...
promotion activities to this market. Other high-ranking markets were the United Kingdom, mainland China, Singapore, Hong Kong and Germany (Figure 17).

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

**Figure 16**: EMDG recipients by industry, 2016–17 grant year

Note: Percentages in pie chart do not add to 100 due to rounding.
Figure 17: Top six markets targeted by EMDG recipients, 2016–17 grant year

![Chart showing top six markets targeted by EMDG recipients, 2016–17 grant year. The United States with 59.4%, United Kingdom with 30.2%, China with 28.3%, Singapore with 16.3%, Hong Kong with 14.3%, and Germany with 12.4% of recipients.]

Note: Recipients may promote to more than one market.

Figure 18: EMDG recipients by expenditure category, 2016–17 grant year

![Chart showing EMDG recipients by expenditure category, 2016–17 grant year. Advertising with 32.4%, Marketing visits with 25.7%, Overseas representatives with 20.6%, Promotional events with 10.9%, Marketing consultants with 5.4%, IP registration with 3.4%, Product samples with 1.5%, and Overseas buyers with 0.2% of recipients.]

Note: Percentages do not add to 100 due to rounding.

EMDG scheme funding

The EMDG scheme’s appropriation for 2017–18 was $137.9 million. For the 2016–17 grant year, 1,976 businesses (58 per cent of all recipients) received their full grant entitlements up to the initial payment ceiling of $40,000 and 1,407 businesses received more than the initial payment ceiling, of which their second-tranche payment above that ceiling was paid at 29.2 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 2017–18 was $137.9 million with $6.3 million, or 4.6 per cent of the appropriation, spent on administration.
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 EMDG grants under this determination.

There are currently 58 eligible EMDG consultants approved as participants in the Quality Incentive Program and listed on the Austrade website. In 2017–18, 11 were removed for failing to meet the requirements of the program. Quality Incentive Program consultants demonstrated lower adjustment rates (4.5 per cent) in 2017–18 than other consultants (12.7 per cent) or self-lodged applications (14.0 per cent).

Communication and promotional activity

During 2017–18, 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 its 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 3,568 (95 per cent) of 2016–17 grant year applications within the 2017–18 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 2017–18 were adjusted down by a total of $21.1 million (10.6 per cent) as a result of Austrade’s assessment activities during the year.
› One person was convicted of fraud against the EMDG scheme during the year. At 30 June 2018, there were no persons 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 2017–18, 84 requests for an internal Austrade review of the initial grant assessment were received, down from 111 in the previous year. This appeal rate was 2.2 per cent of applications processed.

Details of appeals made by EMDG applicants to the Administrative Appeals Tribunal are shown in Table 6.

Two applicants were denied a grant in 2017–18 under the ‘not fit and proper’ provisions in section 87AA of the EMDG Act, and six cases were completed with no ‘not fit and proper’ findings. No appeals against a ‘not fit and proper’ determination were lodged, and no applicants had section 73 of the EMDG Act applied for failing to respond to Austrade’s request for information. At 30 June 2018, five applicants were under review under section 87AA.
Table 6: Appeals to the Administrative Appeals Tribunal under the EMDG Act in 2017–18

<table>
<thead>
<tr>
<th>Appeals under the EMDG Act in 2017–18</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of appeals in progress at 1 July 2017</td>
<td>4</td>
</tr>
<tr>
<td>Number of appeals received from 1 July 2017 to 30 June 2018</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11</strong></td>
</tr>
<tr>
<td>Appeals withdrawn, finalised or settled prior to hearing</td>
<td>4</td>
</tr>
<tr>
<td>Decisions handed down by the Administrative Appeals Tribunal</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6</strong></td>
</tr>
<tr>
<td>Number of appeals in progress at 30 June 2018</td>
<td>5</td>
</tr>
</tbody>
</table>

Helping Freelancer.com take its online marketplace to the world

Freelancer.com is often described as ‘eBay for jobs’—through the online marketplace, employers can hire freelancers in more than 1,000 different professional disciplines. It offers everything from direct freelancing with individual users, to hiring freelancers by the hour, engaging teams for more complex projects, and crowdsourcing to many talented freelancers with design contests.

Small businesses can benefit by interacting with freelancers more easily and in more effective ways, while also being able to tap into the world’s largest talent pool of its kind—more than 29 million users.

Additionally, Australia’s free trade agreements (FTAs) with countries where Freelancer.com users live—such as the United States, Thailand, Malaysia and China—help ease the flow of these services across international boundaries. Thanks to these FTAs, many of the talented professionals using Freelancer.com can offer their services far and wide.

Austrade has directly assisted Freelancer.com with networking events and introductions to potential overseas service providers to assist the company in establishing operations in other markets.

The Sydney-based company has been a seven-time recipient of Export Market Development Grants, which have assisted in establishing offices in Buenos Aires, San Francisco, Vancouver, Manila, London and Jakarta, with a current workforce of about 520 employees.

Freelancer.com has set a goal of beneficially influencing a billion people’s lives by giving them jobs through the platform, and is assisting professionals from emerging markets with access to education and digital income opportunities, with partnerships in Malaysia and the Philippines to empower communities with skills training and access to online employment.

‘Today, when the Freelancer.com team hears stories from its community of users of how the company’s services and global community has helped to change their lives, it is always the most rewarding part of the business and a validation of its mission,’ said Director of Communications Leon Spencer.
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.

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 2018, Australia had 10 FTAs in place, with three 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 Korea, Japan and China. The program has been 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 training at the conclusion of 2017–18.

The FTA program has expanded to include insights relating to the anticipated benefits for SMEs of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP-11) and the Peru–Australia Free Trade Agreement (PAFTA), and will continue to take a tailored approach as other FTAs are concluded.

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

Business engagement with SMEs

Austrade supports SMEs through delivery of a national FTA seminar series, active promotion of SME success and FTA outcomes, and a tailored SME training program.

Since March 2015, the Free Trade Agreements seminar series has reached almost 4,000 businesses and other organisational attendees. In 2017–18, 756 participants attended 22 seminars held across Australia, including regional areas. Presentations included opportunities created by the North Asia FTAs with China, Japan and Korea, as well as anticipated benefits from the newly signed PAFTA and TPP-11.

Free Trade Agreement seminar survey analysis continues to report positive results, particularly in achieving an increase in awareness and understanding among seminar participants (88 per cent reported an increased understanding).

A desire to learn more about the FTAs and understand how they benefit businesses underpins objectives for audiences attending the seminar.

Analysis from FTA seminar attendees drives improvements in delivery of practical whole-of-government information and next-step actions for attending SMEs, to help them with their businesses.
Austrade helps Queensland broccoli growers break into the Korean market

In late 2017, Lockyer Valley Growers, working with project partners Bundaberg Fruit and Vegetable Growers and Bowen Gumlu Growers Association, and supported by Austrade and the Queensland Department of Agriculture and Fisheries, used the Free Trade Agreement Training Provider grant to build FTA technical knowledge and successfully achieved Australia’s first access for broccoli to Korea.

Lockyer Valley Growers implemented a project focused on the Korea–Australia Free Trade Agreement (KAFTA), and it was the first time the three vegetable grower groups in Queensland worked collaboratively to implement a project.

‘South Korea provides enormous opportunities for vegetable producers, particularly now that market access has been confirmed for broccoli, spinach and other leafy green vegetables,’ said Michael Sippel, President of Lockyer Valley Growers.

‘Furthermore, the reduction in tariffs under KAFTA levels the playing field with our competitors. The project has successfully delivered workshops and individual on-farm assessments throughout Queensland, and initiated business relationships between the two countries.’

Bundaberg Fruit and Vegetable Growers delegation at Garak Market in Seoul. Standing (L–R): Garak Market tour guide; Allan Mahoney, President, Bundaberg Fruit and Vegetable Growers; Cherry Emerick, Bowen Gumlu Growers Association; Dong Kim, President, Myungil Nonsan; Desley Jackwitz, Imperial Produce; Seoul Agrofisheries and Food Corporation representative; Kees Versteeg, Qualipac Produce; Trevor Pezet, Wavertree Farms; Clem Hodgman, Barden Produce; Monica Lee, Austrade interpreter; and Charley Hyun, Trade & Investment Queensland. Kneeling (L–R): Bron Ford and Clinton McGrath, both of Queensland Department of Agriculture and Fisheries.
Analysis of seminar survey respondents showed that:

- 30 per cent were current exporters to North Asia
- 14 per cent were current exporters, but not to North Asia
- 24 per cent were not currently exporting, but considering exporting
- 6 per cent were not currently exporting and not considering exporting
- 10 per cent were from a business network organisation
- 16 per cent were from a government organisation (excluding organisers).

Regional outreach is a key focus for the seminar series and in 2017–18, 19 seminars were delivered in regional locations across Australia, including Parkes, Ballarat, Mount Gambier, Albany and the Gold Coast, where the Hon Steven Ciobo MP, the then Minister for Trade, Tourism and Investment, hosted the 100th seminar to an audience of 120 SMEs and other organisational representatives.

**Showcasing SME success**

Australian SMEs 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 practically access FTA benefits.

In 2017–18, almost 30 local SME heroes were profiled and their business insights shared. SMEs across all industries have been profiled, covering agriculture, aquaculture, food and
beverages, viticulture, food technology, advanced manufacturing, animal biotechnology (bovine genetics) and mining. Senior managers from these industries were generous in sharing their stories, including valuable insights, their challenges and how they accessed benefits from the FTAs.

Case study videos, FTA guides and fact sheets are developed regularly and made available online via Austrade’s FTA Toolkit (toolkit.fta.gov.au), which complements the Department of Foreign Affairs and Trade’s FTA Portal (ftaportal.dfat.gov.au).

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, particularly Twitter and LinkedIn.

**Free Trade Agreement Training Provider Grant**

Austrade administers the Free Trade Agreement Training Provider Grant program to assist Australian member-based business organisations and education institutions to deliver targeted training to help SMEs and stakeholders understand how to use and access Australia’s FTAs with Korea, Japan and China.

Twenty-six organisations across Australia have received grant funding totalling $2.1 million under the program to date, with all remaining projects due for completion in 2018. Outreach to SMEs through the grant has resulted in over 140 direct FTA training sessions and approximately 4,000 podcasts.

No new grant rounds were conducted in 2017–18, with $500,000 in funding rolled over to support further FTA outreach across 2018–19 and 2019–20 as new FTAs are signed.

Information on grants awarded by Austrade under this and other programs is available at austrade.gov.au.

**National Innovation and Science Agenda – Global Innovation Strategy**

The Australian Government’s National Innovation and Science Agenda, launched in December 2015, provides a comprehensive plan for a more skilled, innovative and entrepreneurial Australia that will transform the economy. It sets out a vision for Australia’s innovation and science ecosystems, with initiatives focused on the four pillars of culture and capital, collaboration, talent and skills, and government as an exemplar.

As part of its Global Innovation Strategy, the Government provided Austrade with $13.6 million over four years to establish five Landing Pads, which provide market-ready Australian startups with a short-term operational base in global innovation hotspots.

More than 130 startups and scaleups have participated in the up to 90-day and boot camp programs.

Austrade has partnered with a number of startup stakeholders to deliver boot camps at the Landing Pads. These include an agtech mission to Tel Aviv with Advance Queensland and Startup Catalyst, and an artificial intelligence and machine learning boot camp to Tel Aviv with the New South Wales Government. Boot camps are typically industry-focused, one- to two-week programs that are aligned to a major conference in the Landing Pad location. They are designed to help Australian startups to interact with domain experts from a leading ecosystem, refine business models and network with relevant partners.
A number of participants in the Landing Pads program have achieved notable outcomes:

› VideoMyJob and Verrency were selected to participate in the renowned Plug and Play startup accelerator
› SIEMonster was selected to join the Platinum New York City Techstars accelerator in July 2018
› Data Republic opened a Singapore office as part of the organisation’s expansion into the Asia–Pacific region
› FlexeGRAPH was selected to join the Startup Autobahn accelerator in Stuttgart, increasing its access to the supply chains of German vehicle makers.

In a survey of Landing Pad participants who undertook the program in the first 2018 cohort:

› 87 per cent of respondents expect to or have achieved a commercial outcome within 90 days of commencing their residency in a Landing Pad
› 69 per cent rated Austrade as either very good or extremely good when thinking about their participation in the program
› 81 per cent rated the quality of market insights provided by Austrade and the quality of business networks and connections introduced by Austrade as either good, very good or excellent.

Sprint to Landing Pads workshops

Sprint to Landing Pads workshops commenced nationwide in May 2018. Over 450 registrations were received for the workshops in Brisbane, Sydney, Melbourne, Adelaide and Perth, validating the demand for information on support for startups and scaleups with international expansion ambitions. The workshop presenters provided advice on what startups need to consider before entering new international markets. Some of the themes covered included:

› Setting yourself up for international expansion
› Business and tax structuring for success
› Building teams in international markets
› Raising capital
› Hacking the Landing Pads.

Startup founders as well as Landing Pad alumni from the five locations, including Meeco, VAXXIN8, VideoMyJob, Liquid State, FlexeGRAPH, BAI Games and Petri Exchange, discussed their global expansion journey.

Speakers included key representatives from the startup ecosystem, including venture capital firms such as Blackbird, Right Click Capital and Westpac’s Reinventure, accelerators such as muru-D and Startmate, and successful founders from 99designs, simPRO and others.

The Landing Pad managers from San Francisco and Shanghai provided an overview of their respective startup ecosystems and the services the Landing Pads provide.

The Sprint to Landing Pad workshops positioned the Landing Pads as a key platform to support Australian startups and scaleups to grow their business in global markets.

Global FoodTech Innovation

In addition to the Landing Pads initiative, which Austrade delivers under the National Innovation and Science Agenda’s Global Innovation Strategy, Austrade also delivers inbound forums showcasing Australia’s innovation expertise to potential investors and customers.

In April 2018, Austrade hosted the Global FoodTech Innovation Mission, showcasing
Australia’s cybersecurity capabilities in the global spotlight

In early 2018, Austrade advanced the Government’s strategic priority to enhance Australia’s cybersecurity industry through trade and investment.

From January to April 2018, Austrade partnered with the Australian Cyber Security Growth Network—AustCyber—to send an inaugural cybersecurity cohort to Austrade’s Landing Pad in San Francisco. During a 90-day residency, the Landing Pad provided five startups with tailored business development support and access to industry leaders like Microsoft, Symantec and Silicon Valley Bank.

The Landing Pad cohort was timed to conclude with the Australian Cyber Security Mission to the United States, which was led by the Hon Angus Taylor MP, the then Minister for Law Enforcement and Cyber Security. Mission delegates pitched to government security agencies and defence prime contractors like Northrop Grumman in Washington, DC, before returning to San Francisco for the RSA Conference, the world’s largest cybersecurity conference.

In San Francisco, the mission’s 44 cyber companies connected with industry heavyweights at Austrade’s pop-up Australia House. At the mission ‘demo day’, select startups pitched their technologies to a room overflowing with potential customers, partners and venture capital investors.

Austrade’s Landing Pad and Cyber Security Mission left an impression at the RSA Conference and advanced the commercial interests of participating companies. During their residency, two Landing Pad companies, SIEMONster and Cog Systems, developed a novel microappliance, ‘Redback’, that secures consumer internet of things devices. Redback was named one of the ten hottest new products at RSA by CSO Online.

Feedback from mission delegates reported that 87 per cent expect to achieve commercial outcomes, such as export sales and key strategic partnerships, with 26 per cent anticipating outcomes valued above $1.5 million. Over 90 per cent of mission delegates rated Austrade’s performance as very good or extremely good and said they met all or most of their objectives. Momentum from the 2018 Landing Pad cybersecurity cohort and Cyber Security Mission will continue to drive the industry forward.

Austrade’s pop-up Australia House at the RSA Conference in San Francisco, April 2018.

Australian foodtech capabilities to global companies looking to invest and partner in innovation.

Austrade was supported by key leaders in Australia’s foodtech ecosystem, including Food Innovation Australia Limited, the Australian Institute of Food Science and Technology, Australian Food and Grocery Council, Australian Private Equity and Venture Capital Association Limited, CSIRO, Australian universities, and recently established food-related Cooperative Research Centres. The Queensland, New South Wales, Victorian and South Australian governments also provided support for visits to each of their jurisdictions during the week-long program.

Twelve international investor organisations with 25 representatives participated in the mission, ranging from mature markets (United States and Europe) to developing markets (Asia). The inbound delegation met almost 200 research, business and government representatives. Fifteen structured events were delivered, including a Foodtech Innovation forum, insight briefings, roundtables, pitch sessions, site visits and business matching.
Purpose 2: Promote international education

This section includes narrative discussion, a case study and trend data that demonstrate Austrade’s performance against Purpose 2 as set out in its 2017–18 corporate plan. It also demonstrates Austrade’s performance against its outcomes and programs as set out in the Portfolio Budget Statements 2017–18, specifically Outcome 1, Program 1.1. For a summary of results against Austrade’s performance criteria, see Austrade’s annual performance statement on pages 23–24.

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

Purpose 2 achievements

Austrade has met or exceeded its forecasts for Purpose 2, with examples highlighted below.

86% of Australian education institutions indicated Austrade made a positive contribution to their international business activities, maintaining the high levels achieved in 2016–17.

Austrade worked with other agencies and providers to improve Australia’s global competitiveness in international education and training, with activity focused on the themes identified in Australian International Education 2025.

86% of Australian education institutions indicated they achieved some form of commercial outcome within 12 months of working with Austrade, maintaining the high levels achieved in 2016–17.
Purpose 2: Promote international education

Program 1.1: Promotion of Australia’s export and other international economic interests

Promoting Australian education and training internationally

Austrade seeks to enable the sustainable growth of the international education sector as part of a coordinated approach across Commonwealth, state and territory, and local governments. It supports Australia’s international education sector by:

› promoting Australia as a high-quality provider of education, training and research
› providing market insights, intelligence and opportunities to the sector
› providing tailored services to Australian international education and training providers, research centres, and edtech clients to internationalise their business
› contributing to an enabling environment for the sector’s ongoing growth.

Sector performance

Identified as one of the five sectors that can drive the next wave of Australia’s economic prosperity, international education continues to demonstrate strong growth. The sector has seen a 13 per cent increase in the number of international students studying in Australia in 2017 compared to 2016. This equates to a record 623,257 international students in Australia in 2017.

Enrolments and commencements experienced double-digit growth of 13 and 10 per cent respectively during 2017, resulting in a high of 797,150 international student enrolments.

International education activity in 2017 contributed $30.3 billion to the economy, a 35 per cent increase on earnings recorded in 2016 (see Figure 19).

Figure 19: Australia’s education exports and international enrolments, 2007 to 2017

Note: An individual student can be enrolled in multiple courses of study.
Delivering education and skills to meet the needs of the world’s learners

Australian International Education 2025 (AIE2025) is a market development roadmap to support the international education sector’s long-term growth. During 2017–18, Austrade led on a range of projects supporting AIE2025’s game-changing themes. AIE2025 complements the National Strategy for International Education 2025, led by the Department of Education and Training.

Sharpening market focus

Austrade uses its extensive offshore network to identify opportunities and develop market intelligence to help Australian education and training providers expand their business.

International education and training data, market intelligence, and opportunities are delivered through Austrade’s online subscriber service, the Market Information Package (MIP). In 2017–18, 380 organisations held subscriptions to the MIP service, with over 3,200 individual MIP members.

The MIP consistently receives high user satisfaction rates (86 per cent in 2017, 81 per cent in 2014 and 78 per cent in 2011). Value-for-money ratings at high or very high have also improved over time, from 38 per cent in 2011, to 41 per cent in 2015, and 75 per cent in 2017.

In 2017–18, there were over 440 articles published in the MIP, including 232 opportunities, and 88 market updates and reports.

Challenge: Diving deep into technology and lifelong learning

Austrade worked with key players in the Australian education and technology sectors by co-hosting a series of ‘Deep Dives’ on collaboration in education and lifelong learning.

The first Deep Dive, held in Melbourne in November 2017, explored collaboration in higher education and lifelong learning in an Australian context and was co-hosted with CPDlive and DeakinCo.

Education sector and industry representatives discussed the challenges linked to the exponential nature, scale and speed of change across the world and the disruption to the most stable of careers, organisations and industries. The second Deep Dive was co-hosted by General Assembly Sydney in December 2017 and took the discussion to a global level. In her keynote speech, Austrade’s CEO Dr Stephanie Fahey highlighted edtech companies as representing over 15 per cent of all Australian startups, second only to fintech. She added that learning management systems, conferencing, virtual reality, MOOCs (massive open online courses), big data and artificial intelligence were all transforming the way students learn and teachers teach.

Dr Fahey also challenged the audience to embrace borderless learning as the traditional concept of ‘student’ is being eroded. To assist the industry to meet with the challenge of an increasingly competitive environment and the need to form a consortium approach for large-scale opportunities, Austrade commissioned the Consortia report and toolkit and ran seminars in the major capital cities in May and June 2018.
Throughout the year, Austrade continued to run events promoting Australian education and training to overseas students and customers, with education providers taking part. Austrade also delivered 451 tailored services and 977 general services to Australian education and training providers.

In March 2018, Austrade released a new data-enabled online advisory tool to clients—‘Where to Compete?’ The tool provides insights on market opportunities and trends to Australian providers to consider the appropriateness of markets where opportunities exist and where relevant to their business. The increasingly competitive market and rapidly changing nature of demand requires providers to understand their unique strengths and where they best align with opportunities in-market.

The tool is now available to MIP subscribers and is hosted on the Austrade website. Insights will be updated regularly to reflect changes in market conditions and new opportunities.

Austrade is also undertaking ‘Market Action Plans’, a project funded under the Enabling Growth and Innovation Fund, in order to steward a collective view of market priorities and trial more effective collaboration across government and the sector in three key markets—Indonesia, Vietnam and Mexico. In 2017, English Australia and the International Education Association of Australia were commissioned to consult with the sector and develop insights to inform the Indonesia and Vietnam plans. Consultations with the sector on priorities for Indonesia and Vietnam were completed via surveys distributed through the MIP, as well as cross-sector consultation workshops. Work on the Mexico market action plan will commence in the second half of 2018 and complement the development of an Australian Government Latin American education and research strategy.

Maintaining an Australian edge

Austrade contributes to building Australia’s reputation and attractiveness as a provider of international education and training through marketing and promotion campaigns, activities and events. Austrade also maintains the Future Unlimited brand for promoting Australia’s international education and training sector. As at 30 June 2018, there were 534 Future Unlimited brand licensees.

The Study in Australia website, studyinaustralia.gov.au, managed by Austrade, is the official Australian Government source of information for international students. The website received over 2.5 million visits in 2017–18, with around 78 per cent visiting from countries outside of Australia. Almost 50 per cent of all traffic to the website is from a mobile or tablet device. The largest overseas audiences to the website were from Indonesia, India, the United States and Thailand.

Austrade’s Study in Australia digital channels—Facebook, Twitter, YouTube and Weibo—are used to engage prospective students in priority markets, providing news, events and content about the quality of Australia’s education and training sector. The Study in Australia Facebook page has over 300,000 followers, with the three largest markets of followers from Indonesia, Bangladesh and India. The Study in Australia Twitter channel has grown to 17,500 followers and there were 1.27 million lifetime views on the Study in Australia YouTube channel.

Austrade’s #GoBeyond education campaign, which ran on social media from April to June 2018, targeted prospective students in Indonesia, Malaysia, Colombia, Brazil and the Philippines, and reached 12.8 million people.
Austrade is developing a strategic messaging framework that will see nationally consistent marketing messages that underpin Australia’s education and research strengths. In 2017–18, Austrade led workshops with international students, Australian education peak bodies and providers, and recruitment agents (onshore and offshore). Australian Government and state and territory agencies were also consulted. Feedback has been very positive in response to the Government developing shared resources for use by the sector.

**Competing at scale**

When Austrade launched the Australian International Education 2025 (AIE2025) market development roadmap in 2016, borderless and offshore education were identified as key drivers of growth for the Australian education sector.

Competing at scale was recognised as one of six game changers for the industry, with the potential to give Australia’s international education sector a key competitive advantage. However, competing at scale is one of the leading challenges facing Australian small and medium-sized enterprises in the vocational education and training, English language training, and education technology (edtech) subsectors.

Assisting the Australian education and training industry to capture a greater share of growing offshore opportunities is the focus of the Consortia report and toolkit, prepared by EY-Parthenon for Austrade, and launched during a series of seminars across Australia in May and June 2018. Working as part of a consortium provides a means to deliver on a larger scale, and also an opportunity to partner with other providers with unique strengths to form a world-leading offering targeted to the needs of the market. It has the potential to propel Australian providers and companies into much broader and lucrative markets.

To date, working in consortiums has been used successfully in only a few cases by Australian education and training companies to respond to international opportunities. However, the research has found forming consortiums allows members to address challenges of scale, breadth of capability, and manage risks and share costs associated with market entry. The research findings in the report include the challenges and opportunities, success stories, models and approaches to forming a consortium. The toolkit illustrates the seven stages of working in consortiums—the consortium continuum. Austrade is encouraging the education and training sector to use the toolkit, hosted on austrade.gov.au.

**Embracing borderless learning 24/7**

The nature and scale of the opportunity for borderless delivery through online, in-market and blended learning is significant. By 2025, the number of learners potentially seeking a borderless learning experience is forecast to be in excess of one billion.9

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While there is strong forecast demand for ongoing delivery of education in Australia, the greatest emerging opportunities will be in-market, online and blended delivery enabled by edtech and micro-credentials. Growing connectivity and urbanisation across developed and developing countries is boosting participation in formal and non-formal education and the demand for good leadership is growing rapidly. Continuous development of leadership talent is a priority for corporations around the world and they are increasingly turning to high-quality executive education programs to meet their needs. To showcase Australia’s dynamic executive education sector and its capabilities of providing innovative and customer-oriented management and leadership development programs to meet the global demand for knowledge and behaviour change needed to develop business in an increasingly mobile and cross-cultural commercial environment, Austrade developed an industry capability report on Australian executive education. The report features some of the many Australian institutions with specialist expertise and case studies on both onshore and offshore and blended delivery of executive education programs by Australian business schools, industry bodies and associations. The report is available on Austrade’s website.

**Unleashing technology**

To showcase Australian capability in scalable education delivery models and technology, Austrade developed and released, via the MIP, the first Australian education technology capability statement. Austrade also delivered a new list of clients to assist its overseas offices to identify education clients with the capability, capacity and appetite to engage in borderless delivery in food safety, mine safety and aged care training.

Austrade’s Australian Education Technology microsite, austrade.gov.au/edtech, was launched in July 2017 to promote Australian edtech for both trade and investment. Australia has more than 350 edtech companies servicing the entire education ecosystem. In its most recent analysis of the industry, Frost & Sullivan found that the Australian edtech market is expected to grow to $1.7 billion by 2022.\(^\text{10}\) The market is expected to grow significantly amid increasing student demand for education services and technology innovation, competition among institutions and decreasing acquisition costs.

**Attracting global capital**

A key challenge for the international education and training sector to ensure sustainable growth is attracting ongoing investment.

Austrade is working with providers to help them secure investment in education technology, infrastructure that supports student experience, such as purpose-built student accommodation, and research collaboration and commercialisation. Austrade is also helping to progress investment leads identified in-market.

\(^{10}\) Frost & Sullivan, *Australian Edutech Market: Key Trends, Technologies, and Opportunities, Forecast to 2022.*
Purpose 3: Win productive foreign direct investment

This section includes narrative discussion, a case study and trend data that demonstrate Austrade’s performance against Purpose 3 as set out in its 2017–18 corporate plan. It also demonstrates Austrade’s performance against its outcomes and programs as set out in the Portfolio Budget Statements 2017–18, specifically Outcome 1, Program 1.1, reported from page 94, and Program 1.2, reported from page 102. For a summary of results against Austrade’s performance criteria, see Austrade’s annual performance statement on pages 25–27.

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

Purpose 3 achievements

Austrade has partially met, met or exceeded its forecasts for Purpose 3, with examples highlighted below.

<table>
<thead>
<tr>
<th>Austrade contributed to 113 investment outcomes, with recorded investment value of almost $4.8 billion, matching the figure achieved in 2016–17.</th>
<th>Austrade received 490 information requests, project requests, visitation requests and stakeholder introductions from potential investors. Demand for Austrade’s services has been sustained over four years.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>27,588</strong> jobs created or retained as a result of investment outcomes facilitated.</td>
<td></td>
</tr>
</tbody>
</table>
Purpose 3: Win productive foreign direct investment

Program 1.1: Promotion of Australia’s export and other international economic interests

Attracting productive foreign direct investment to Australia

Australia has clear advantages as an investment destination, such as economic stability, continuous economic growth, high-quality assets, a skilled workforce, first-class education institutions, high incomes, and interconnectedness with key Asian markets. However, investment attraction is a competitive and crowded global market, with most major economies actively courting investment.

Austrade works in collaboration with states and territories to attract productive foreign direct investment (FDI), with particular attention to projects that will create and retain Australian jobs, develop new industries and infrastructure, introduce new technologies and skills, encourage innovation and competition, raise productivity, and strengthen Australia’s overall trade and economic links with global markets.

Austrade’s respected government position contributes to this objective by assisting with introductions to major influencers and investment decision-makers in both the private and public sectors.

Australia’s investment environment

Australia’s inward FDI stock reached $849 billion in 2017, an increase of 7 per cent on the previous year and more than 50 per cent above 2011, according to the latest data released by the Australian Bureau of Statistics.11

Australia’s economic resilience, together with its strategic location, increased global trade and investment ties, and business-friendly environment, continues to position Australia as an attractive investment destination within the Asia-Pacific region.

Australia moved up one spot to eighth place in the 2018 A.T. Kearney Foreign Direct Investment Confidence Index, continuing its impressive ranking in the top 10 for the eighth year in a row. The economy expanded by 2.3 per cent in 2017, marking almost 27 years without a recession—a global record. The International Monetary Fund (IMF) recently upgraded its forecasts for Australia’s growth to 3 per cent this year, up from the 2.9 per cent rate predicted early this year. The IMF is now projecting that Australia’s real GDP will grow by an average of 2.8 per cent a year between 2019 and 2023—the highest among major advanced economies, and up from an average growth rate of 2.6 per cent between 2014 and 2018.12

As a percentage of GDP, Australia’s inward FDI stock was 47 per cent in 2017, up from 37 per cent six years ago. Traditional sources of FDI continue to perform well: the United States and the European Union remain dominant sources with total stock values of $190 billion and $189 billion respectively. The value of FDI from the United States declined slightly by 2 per cent, while the European Union continued to rise, up 9 per cent in 2017.

Japan remains Australia’s second-largest direct country investor with total FDI stock levels of $93 billion in 2017, rising by 2 per cent and accounting for 11 per cent of total FDI stock in Australia. Canada has also been an important investor in Australia in recent years. After a strong rise of 14 per cent in 2016, inward FDI from Canada surged again by 25 per cent to $35 billion in 2017.

In recent years, there has been a solid increase in capital inflows from Asia, a trend reflecting Australia’s close ties to those economies in a fast-growing region. China remains Australia’s fifth-largest direct investor with a total stock value of $41 billion. Chinese FDI grew 5.1 per cent in 2017 and experienced an average growth rate of 19 per cent each year since 2011. Other Asian economies are also emerging as fast-growing sources of FDI (in compound annual growth rate measures), with ASEAN rising by 7 per cent to $42 billion, and Singapore by 5 per cent and Hong Kong by 23 per cent to $26 billion each.

By industry, the mining sector received the highest value of FDI with $315 billion, accounting for 37 per cent of the total FDI stock value in Australia. This was followed by the manufacturing sector at $98 billion, real estate at $91 billion and financial services at $75 billion. Together, these three sectors accounted for just under a third of total FDI stock value (11.5 per cent, 10.7 per cent and 8.8 per cent respectively). Other industries with strong direct investor activities in 2017 were utilities (up 39 per cent to $22 billion) and construction (up 23 per cent to $25 billion). Human health and social work activities rose sharply over the past two years, up by an average of over 60 per cent a year to $4.6 billion, albeit from a low base.

Delivering investment outcomes

Austrade, along with its key partners in state and territory governments, contributed to 113 investment outcomes during 2017–18, with recorded investment value of almost $4.8 billion and the creation or retention of an estimated 27,588 jobs.

Western Europe (including the United Kingdom and Israel) was the largest source of investment outcomes with 43 per cent of the total. This was followed by North America (United States and Canada) with 28 per cent. Greater China (including Hong Kong and Taiwan) comprised 12 per cent. Figure 20 shows the source market distribution of investment outcomes assisted by Austrade in 2017–18.

Among the agreed investment priority sectors:

› 56 advanced manufacturing, services and technology outcomes accounted for 49 per cent of total outcomes
› 18 agribusiness and food outcomes accounted for 16 per cent
› 17 resources and energy outcomes accounted for 17 per cent
› 15 major infrastructure outcomes accounted for 13 per cent
› 3 tourism infrastructure outcomes accounted for 3 per cent.

A further 2 per cent of Austrade-assisted investment outcomes were in non-priority sectors.
Figure 21 shows the industry sector distribution of investment outcomes assisted by Austrade. Activities to support investors are undertaken with state and territory partners and are demonstrated through investor requests. During 2017–18, Austrade serviced 490 investor requests, including facilitating 134 site visits by investors. Austrade also had 100 significant engagements with agreed investor targets, including in the areas of reinvestment and aftercare.

The traditional FDI markets of North America and Western Europe continued to dominate the investment pipeline, although investor interest from Japan and China was also strong. From an industry perspective, 95 per cent of qualified investor leads were within the investment priority industries:

- 37 per cent in advanced manufacturing, services and technology
- 21 per cent in agribusiness and food
- 18 per cent in resources and energy
- 13 per cent in major infrastructure
- 7 per cent in tourism infrastructure.

**Figure 20**: Austrade-assisted investment outcomes by source market, 2017–18

**Figure 21**: Austrade-assisted investment outcomes by priority sector, 2017–18
Achieving priority milestones

Recognising the long-term nature of investment decision-making, Austrade also tracks investment priority milestones. During 2017–18, Austrade recorded 31 priority milestones. These tangible demonstrations of commitment to the Australian market are an important indicator of Austrade’s long-term success in promoting Australia as an investment destination.

Promoting investment in Australia

A key mechanism for Austrade to showcase opportunities to potential investors and raise Australia’s profile as an investment destination is through targeted investor outreach, site visits, forums and events.

Regional tourism infrastructure investor familiarisation

In May 2018, Austrade, in collaboration with Tourism Australia and the South Australian Tourism Commission, co-hosted an investor familiarisation visit program with four investors from Taiwan and Hong Kong, to identify regional investment opportunities in the tourism infrastructure sector in South Australia.

The investors met with the South Australian Minister for Trade, Tourism and Investment, and were shown a range of potential investment projects located in Kangaroo Island, McLaren Vale and Adelaide focused on tourism accommodation assets and ecotourism projects.

The familiarisation visit provided valuable feedback to Austrade, local government councils and owners about investor appetite and the risk profile of regional tourism projects, and raised Austrade’s profile in facilitating productive FDI in the tourism sector.

Blockchain mission to New York

Austrade, in collaboration with Data61 and the New South Wales Government, led a delegation of 50 Australian blockchain companies and experts to Consensus 2018 in New York, an event that attracts over 8,000 attendees from leading industry startups, investors, financial institutions and enterprise tech leaders.

The mission showcased partnership and investment opportunities in Australia’s world-class research, development capability, digital currencies and payments, and its blockchain innovation, with participants proposing new and unique ways for businesses to operate and trade.

Austrade connected export-ready Australian businesses with leading innovative banks, including HSBC and the World Bank Group, raising collaboration opportunities to develop technology solutions to address global challenges.

Investment Award

In 2016, the Minister for Trade, Tourism and Investment introduced the Investment Award, acknowledging significant and enduring contributions to the Australian economy by an international company or joint venture.

The most recent award was presented to NEC Australia, recognising its role in cultivating innovation, and developing new industry capability and broader benefits, such as job creation resulting from investing in Australia. The award was presented at the 55th Australian Export Awards (see pages 62–63).
In September 2017, GFG Alliance (GFG) completed the acquisition of ex-Arrium assets, following one of the largest and longest administrations in Australian history. GFG could see the potential of building a new business, resistant to business cycles and with attractive growth prospects. In Australia, the company also saw fundamental competitive advantages: the resilience of the Australian economy, now in its 27th consecutive year of growth, the country’s resource reserves, renewable energy advantages, strong domestic steel demand and an educated workforce.

The acquisition breathed new life into South Australia’s iconic Whyalla Steelworks, as well as Arrium’s other mining, manufacturing, recycling and distribution businesses. With GFG’s policy of ‘no hard redundancies’, the deal secured the future of more than 6,000 workers and their communities.

Austrade’s London office has been in contact with Liberty House Group—a GFG Alliance member—since September 2016, and provided introductions to representatives of the South Australian Government. Austrade also facilitated meetings with the then Minister for Trade, Tourism and Investment, the Hon Steven Ciobo MP, and more recently, the then Prime Minister, the Hon Malcolm Turnbull MP, on a visit to the United Kingdom.

Within 100 days of completing the acquisition, GFG undertook a far-reaching plan to restructure the existing organisation and operations, realign strategy to bring it into line with wider GFG goals, and agree on a structured program of investment to complete the turnaround and support growth.

‘As we now focus on our plans for investment and growth, we have every reason to be confident that this business will increase its already significant role in supporting the construction of Australia’s future,’ said GFG executive chairman Sanjeev Gupta.

‘We also expect the Australian businesses to benefit greatly from their integration with the group’s global reach. We were very pleased with the level of interest and support from the Australian federal and state governments, including Austrade, during the process,’ said Mr Gupta.
Whole-of-government communication and policy input

Austrade leverages the deep commercial knowledge and relationships of our international and domestic networks to provide a unique perspective to government policy discussions. This includes advocacy to inform and influence policy that affects our clients, such as resolving investment impediments, and achieving positive trade and investment outcomes for Australia.

Austrade is a consultation partner to the Foreign Investment Review Board in its consultations on proposed foreign investment transactions. During 2017–18, Austrade provided input on 307 consultation requests.

Austrade worked closely with the Department of Foreign Affairs and Trade, the Treasury, the Attorney-General’s Department, the Department of Home Affairs, and other federal, state and territory government agencies on matters affecting investment attraction. This included important policy development on streamlining Foreign Investment Review Board processes, handling sensitive investment cases, critical infrastructure, stamp duties on commercial real estate, the research and development tax incentive, stapled securities, changes to the skilled migration program, and communicating the importance and benefits of FDI.

Significant Investor Visa and Premium Investor Visa programs

Since 1 July 2015, Austrade has had three areas of responsibility under the Significant Investor Visa (SIV) and Premium Investor Visa (PIV) programs:

› to nominate potential SIV applicants (along with state and territory governments)
› to oversee policy aspects of the complying investment framework.

The Department of Home Affairs is responsible for the administration of the SIV and PIV programs, including visa processing and grants, compliance and promotion.

To support dynamic and innovative areas of the Australian economy, the SIV requires a mandatory investment of at least $500,000 in venture capital and growth private equity; $1.5 million into small and emerging companies; and a balancing investment of up to $3 million in complying investment. The PIV requires a $15 million complying investment. The programs are designed to deliver on the Government’s objective of attracting new foreign investment that promotes innovation and commercialisation.

The total number of SIV applications made under the enhanced complying investment framework remained strong in 2017–18. In total, there were 461 expressions of interest lodged, 402 nominations (of which five were issued by Austrade), 341 applications lodged, and 174 primary visas granted. This resulted in $870 million made in complying investments during the year, including $87 million committed to venture capital and $261 million invested in small and emerging Australian companies.

Austrade continues to see examples of how SIV investment, particularly the venture capital and growth private equity component, is supporting the growth of innovative, emerging Australian companies. These include investments in:

› fintech company Avoka, which has developed a secure cloud-based software platform that manages the digital interface between organisations and clients
Clinical Genomics, a healthcare diagnostics company that has developed a DNA-based test for screening and monitoring colorectal cancer

IR Exchange, which has developed a grocery distribution platform that efficiently matches retailers directly to manufacturers, enabling cheaper and faster delivery of goods.

In 2017–18, Austrade also conducted a review of the SIV complying investment framework as part of the Department of Home Affairs’ broader review of business, investment and talent visas.

**Developing capability**

Continuous development of Austrade’s and its partners’ investment capability continues to be a key element of Austrade’s strategic approach.

In 2017–18, Austrade delivered two ‘Winning Investment for Australia’ training courses as a key platform for delivering a nationally coordinated approach to investment promotion, attraction and facilitation.

Internal capability building is also an important element of Austrade’s strategic direction as a centralised networking hub for all involved in international trade and investment, helping deliver seamless services and making the most of collective knowledge and resources. To support these goals, Austrade delivered a series of internal ‘Investment Labs’ across the globe to ensure staff maintain best practice skills in investment, both onshore and offshore, to meet the needs of Austrade’s clients.

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**Annika Barton** Services and Technology Advisor, Sydney

With a focus on cybersecurity and artificial intelligence—and a role that also includes a number of smaller, emerging technology sectors—Annika Barton is working across the Austrade global network on new and flexible ways to provide opportunities for Australian companies and foreign investors.

Over the past year, Annika was involved in the negotiation of the UK–Australia Fintech Bridge, the delivery of the largest ever cybersecurity trade mission to the United States, and the development of the Australia–Hong Kong Tech Bridge pilot program.

Since joining Austrade in 2016, Annika has transitioned from the Investor Visa Unit to a role as digital technology lead under the former Advanced Manufacturing, Services and Technology Investment team, and is now in a role focused on progressing both trade and investment efforts in services and technology.

Annika has extensive public sector experience, with a particular focus on the intersection between government and industry, having come to Austrade from a position within the NSW Department of Industry. She holds a Bachelor of International Relations and a Bachelor of Languages, and speaks Spanish, French and Italian.
**Foreign investment challenges**

Austrade’s work to attract FDI includes promoting Australia as a promising place to invest, targeting and attracting investors to specific projects, coordinating investment facilitation activities for all levels of government, and maintaining relationships to encourage reinvestment by investors with existing Australian portfolios.

Investor feedback to Austrade’s onshore and overseas networks has identified two areas for improvement:

- greater regulatory efficiencies and harmonisation
- minimising activity that may increase the perception of sovereign risk.

While regulatory requirements reflect important policy objectives, regulatory efficiency such as reducing duplication, and speeding up processing and decision-making, provides investors with greater certainty. This is an important consideration to maintain Australia’s investment attractiveness while ensuring investment is in the national interest.

Although not unique to Australia, investors also cite a perception of political or policy uncertainty across the three levels of government as an impediment to investment in major infrastructure. Investors advise that their perception of risk increases with unexpected changes to, for example, taxation policy impacting foreign investors, or uncertainty surrounding construction timetables and the commencement of major infrastructure projects.
Purpose 3: Win productive foreign direct investment

Program 1.2: Programs to promote Australia’s export and other international economic interests

Developing northern Australia

Under the White Paper on Developing Northern Australia, Austrade’s primary role as the government’s trade and investment arm is to use its international networks and business and industry insights to facilitate investor interest in opportunities being developed in the north.

Northern Australia Investment Forum

Austrade organised and ran the second Northern Australia Investment Forum in Cairns in November 2017 to raise awareness of the north among high-end international investors.

The Hon Steven Ciobo MP, the then Minister for Trade, Tourism and Investment, and Senator the Hon Matt Canavan, Minister for Resources and Northern Australia, co-hosted the forum, which was developed in close collaboration with the governments of Queensland, the Northern Territory and Western Australia, with the support of the Office of Northern Australia and the Northern Australia Infrastructure Facility. A total of 179 investor delegates attended the forum, representing 101 companies from 24 countries.

The forum attracted the most interest from China and Hong Kong, with 32 and 12 companies attending respectively. Japan, Indonesia, Singapore, the United States, India and Taiwan were also strongly represented.

Investors were able to refine opportunities through plenary presentations, projects presented via a ‘marketplace’ run by the states and the Northern Territory, networking with experts, proponents and other investors, and industry-specific roundtables. The roundtables covered opportunities and challenge management for the three key investment areas of agriculture and food; resources and energy; and tourism infrastructure. An Indigenous perspective was integrated into every level of the forum through direct involvement of Indigenous community representatives.

Engagement with traditional owners

Another area of focus for Austrade has been engagement with traditional owners and educating investors on Australia’s land tenure arrangements.

Many investment opportunities in northern Australia have a native title implication and Austrade has approached this in three ways.

First, Austrade encourages connections between investors and traditional owners at the start of the investment process, not the end, and promotes a partnership approach throughout. Austrade is also encouraging traditional owners to look at developing projects on their own land, and then Austrade helps with the investor connections.

Second, Austrade provided investors with access to detailed, specific information about a range of important aspects of investing in the north, including land tenure and native title, through the creation of an investor-friendly interactive online map of northern Australia.
Finally, Austrade showcased successful case studies to explain some of the different pathways to partnerships between traditional owners, project proponents and investors. The case studies cover successful long-term agreements; negotiating land access agreements, partnership agreements, research and commercialisation agreements, memorandums of understanding and joint ventures; Aboriginal and Torres Strait Islander groups’ approaches to seeking investment partners and becoming project proponents; and approaches by traditional owners to developing new industries in northern Australia.

**Australian Tropical Medicine Commercialisation grants program**

Another role for Austrade as set out in the white paper is to help Australian businesses and researchers to develop pathways to commercialise Australian tropical medicine research in partnership with international organisations.

Austrade, in partnership with AusIndustry, uses the Government’s $7.17 million in funding under the Australian Tropical Medicine Commercialisation grants program to attract matched foreign direct investment contributions. Nine investors from the global health sector have matched government funding to build partnerships with Australian research institutes to commercialise approaches to curing tropical diseases like tuberculosis, malaria, schistosomiasis, rheumatic fever, leishmaniasis, scabies, rotavirus and dengue fever.

The program continues to build connections between Australian research institutes and the global health sector, including international pharmaceutical companies and philanthropic organisations. It has also demonstrated the strength of Australia’s global health research and development to the global pharmaceutical value chain.
Purpose 4: Strengthen Australia’s tourism industry

This section includes narrative discussion, case studies and trend data that demonstrate Austrade’s performance against Purpose 4 as set out in its 2017–18 corporate plan. It also demonstrates Austrade’s performance against its outcomes and programs as set out in the Portfolio Budget Statements 2017–18, specifically Outcome 1, Program 1.1, reported from page 105, and Program 1.2, reported from page 113. For a summary of results against Austrade’s performance criteria, see Austrade’s annual performance statement on pages 27–29.

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

Purpose 4 achievements

Austrade has partially met, met or exceeded its forecasts for Purpose 4, with examples highlighted below.

$107.4b in overnight visitor expenditure in the 12 months to March 2018, up 5.7 per cent compared to the 12 months to March 2017, and continuing to track above the Tourism 2020 lower-bound target of $115 billion.

Austrade progressed priorities and outputs of the Tourism 2020 Implementation Plan, including the negotiation of air services agreements, and stakeholder engagement.

$43.1m committed over the three-year life of the Tourism Demand- Driver Infrastructure program, which finished on 30 June 2018.
Purpose 4: Strengthen Australia’s tourism industry

Program 1.1: Promotion of Australia’s export and other international economic interests

Strengthening Australia’s tourism industry

Tourism sector performance

Tourism has been identified as one of five super-growth sectors that will drive new jobs and growth in the economy over the next decade. In 2016–17 (the latest year for which data is available), direct tourism GDP\textsuperscript{13} grew 6.1 per cent and reached a record $55.3 billion—the second year in a row that tourism growth has exceeded the national rate of economic growth.\textsuperscript{14} In 2016–17, tourism employed 598,200 people, equivalent to 4.9 per cent of Australia’s workforce, larger than the mining, agriculture and utility services industries. Tourism is the largest export earner among the services industries, with export earnings of $37.2 billion in 2016–17.

Tourism Research Australia’s visitor surveys reported growth in both the international and national tourism sectors.

International Visitor Survey

Strong growth was reported across the majority of Australia’s major international tourism markets in the 12 months to March 2018. Asia led the way, with visitor numbers from Asian nations up 10.5 per cent and now accounting for almost half of all visitors to Australia. Overall, 18 of Australia’s 20 key markets had record visitor numbers during the year, including New Zealand, the United States, Canada, China, Singapore, Hong Kong, Indonesia, India, Thailand, Korea, Taiwan, Scandinavia, Switzerland, Germany, Malaysia and France.

The top five contributors to spend in Australia were China, the United States, the United Kingdom, New Zealand and Japan, with these countries contributing just over half (53 per cent, or $22.5 billion) of the total spend for the 12 months to March 2018 (see Table 7). These markets also accounted for just over half (53 per cent, or 4.8 million) of all international visitor arrivals.

Austrade is not yet able to provide total visitor expenditure to June 2018 because the release of the full International Visitor Survey results was delayed. This is because there were some concerns with the data on the characteristics of international arrivals collected by the Department of Home Affairs and used in the International Visitor Survey. At the time of publication, work was in progress to resolve these issues.

The growth in international visitor numbers is set to continue, with Austrade’s Tourism Research Australia forecasting that by 2020–21, Australia will receive 10.8 million international visitors.

A breakdown by state and territory of international visitors and spend is provided in Figure 23.

\textsuperscript{13} Direct tourism GDP relates only to instances where there is a direct physical and economic relationship between a tourist and the producer of a good or service. For example, when a tourist purchases goods, only the retail margin will be counted as a direct effect. All value added that is generated in the supply chain prior to the purchase will be treated as ‘indirect’ effects of tourism.

National Visitor Survey

Overall, there was a 6.6 million boost in overnight trips across 2017–18 to 100.3 million. Domestic overnight visitor expenditure increased 7.9 per cent to $67.5 billion.

There were new records set for Australians holidaying at home. The number of overnight holiday visitors grew 7.4 per cent to 40.6 million, while their spending increased 5.7 per cent to $33.3 billion, and domestic day-trip spend increased 9 per cent to $21.4 billion (Figure 22).

Travel to visit friends and relatives saw solid growth, with a 5.1 per cent gain in visitors to 33.8 million and spend up 10.3 per cent to $13.9 billion.

Business travel performed strongly, with visitor numbers increasing 10.8 per cent to 22 million and spend up 10.5 per cent to $17.2 billion.

In a boost for the nation’s health and wellbeing, a growing number of Australians are getting active outside as part of their domestic travel. Bushwalking was enjoyed by 12.4 million domestic overnight visitors, up 14 per cent, and a further 12.0 million day visitors, up 18 per cent. Our national and state parks were visited by 11.8 million domestic overnight visitors, up 12 per cent, and a further 12.7 million day visitors, up 14 per cent.

A breakdown by state and territory of domestic overnight trips and spend is provided in Figure 24.

Tourism 2020 targets

In the 12 months to March 2018, tourism overnight visitor expenditure increased 5.7 per cent to $107.4 billion, which continues to track above the lower-bound target of $115 billion in the 2020 Tourism Industry Potential growth scenario. Current Tourism Research Australia forecasts suggest that nominal overnight tourism spend is expected to reach approximately $131 billion by 2020, surpassing the Tourism 2020 lower-bound target of $115 billion.

Figure 22: Total domestic tourism expenditure, 2017–18

Table 7: Top five contributors to visitor spend in Australia, year ending March 2018

<table>
<thead>
<tr>
<th>Visitors ('000)</th>
<th>Nights (million)</th>
<th>Spend ($b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China(a)</td>
<td>1,401</td>
<td>54.8</td>
</tr>
<tr>
<td>United States</td>
<td>801</td>
<td>14.2</td>
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<tr>
<td>United Kingdom</td>
<td>745</td>
<td>23.0</td>
</tr>
<tr>
<td>New Zealand</td>
<td>1,369</td>
<td>12.8</td>
</tr>
<tr>
<td>Japan</td>
<td>435</td>
<td>10.9</td>
</tr>
<tr>
<td>Other countries</td>
<td>4,448</td>
<td>153.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9,021</strong></td>
<td><strong>269.2</strong></td>
</tr>
</tbody>
</table>

(a) Excludes Hong Kong, Macau and Taiwan.
Purpose 4: Strengthen Australia’s tourism industry

Program 1.1

Report on performance

Increasing tourism access

Austrade continued to play an active role in enhancing aviation access to key tourism markets during 2017–18. Austrade participated in the International Civil Aviation Organization Air Services Negotiation Event (ICAN) in December 2017, where the Australian delegation met representatives from a number of markets. At the ICAN event, new negotiated air services agreements included Morocco, Seychelles and Azerbaijan, and amendments were made to air services arrangements with Malaysia. New air services arrangements will help towards achieving the Tourism 2020 upper-bound target of $140 billion in overnight visitor expenditure by 2020.
In June 2018, Austrade contributed to important aviation outcomes as a member of the Australian Government delegation responsible for air services negotiations with India. Substantial outcomes included the negotiation of unlimited passenger services to six destinations in India (Mumbai, New Delhi, Kolkata, Chennai, Hyderabad and Bangalore) from any point in Australia, and unlimited services to six destinations in Australia (Brisbane, Sydney, Melbourne, Adelaide, Perth and another destination to be determined by India) from any point in India.

India is Australia’s second-largest international education market (worth $3.4 billion in 2017), seventh-largest visitor market ($1.5 billion in visitor spend for the 12 months to March 2018) and fifth-largest trading partner ($27.4 billion in two-way trade in 2017). As India is a rapidly growing market, the new air services arrangements will accommodate future growth in tourism, trade and international education opportunities. The new arrangements also complement the Australian Government’s India Economic Strategy, launched by the Hon Steven Ciobo MP, the then Minister for Trade, Tourism and Investment, in July 2018.

The negotiation of an open-capacity arrangement with our largest visitor market, China, in December 2016 has continued to provide gains for Australia, leading to an influx of new flights and visitors. In 2017, over 7,700 inbound flights were serviced by 10 domestic and Chinese airlines, directly connecting Australia to 13 destinations in China. During 2017, 1.25 million Chinese visitors travelled to Australia, spending an estimated $10.4 billion.

In addition to new air services arrangements, the Australian Government continued to support increased visitation to Australia through visas and improved border processes. Austrade engaged with the Department of Home Affairs on significant technology-based enhancements to Australian visitor visa and passenger facilitation products, including the complete rollout of online lodgement for visitor visas for all markets, and commencement of trials of second-generation ‘contactless’ SmartGate technology.

Austrade supported Mr Ciobo and the Hon Michael McCormack MP, Deputy Prime Minister and Minister for Transport and Infrastructure, in co-chairing a Tourism Access Working Group meeting in May 2018. The working group continues to provide an avenue for senior tourism and aviation industry representatives to raise important issues affecting the industry, such as air services agreements, visa reform, passenger facilitation and airport security. Attendees at the Tourism Access Working Group meeting included senior representatives from Qantas, Virgin Australia, Tourism Transport Forum, the Australian Airports Association and the Board of Airline Representatives of Australia.

In May 2016, Austrade commenced work with the NSW Government on cruise infrastructure constraints in Sydney. The Cruise Lines International Association estimates the cruise sector directly contributes $2.7 billion to the Australian economy, and continues to grow rapidly. The 2018–19 Budget allocated $250,000 towards identifying an appropriate solution to cruise infrastructure constraints in Sydney. The Australian Government (Austrade and the Department of Defence) will work in partnership with the NSW Government to investigate opportunities.

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15 Department of Foreign Affairs and Trade, India country fact sheet, June 2018.
18 Cruise Lines International Association, Cruise Tourism’s Contribution to the Australian Economy, 2016–17.
Attracting investment into tourism infrastructure

Austrade provides coordinated government assistance to attract and facilitate productive foreign direct investment into tourism infrastructure in Australia, partnering with Tourism Australia under the Australian Tourism Investment Attraction Partnership. The partnership sets out a whole-of-government approach to promote the Australian tourism industry as an attractive investment destination and coordinate relationships between investors and state and territory agencies responsible for facilitating investment.

Following record levels of foreign direct investment into Australia’s hotel sector, leading to the Tourism 2020 target of 20,000 new rooms in 10 major markets (eight capital cities, Gold Coast and Cairns) to be exceeded, the partnership has turned to the opportunities and challenges of investment into regional areas. The partnership has developed a Regional Tourism Infrastructure Investment Attraction Strategy, which targets tourism regions where the visitor economy is showing signs of growth but is constrained by supply-side issues. The purpose of the strategy is to attract foreign direct investment into regional tourism-related products to improve visitor access, attractions, experiences and accommodation, and increase regional Australia’s share of the social and economic benefits of the visitor economy.

As part of the strategy, state and territory governments have each nominated a region in their jurisdiction that will be the focus of a coordinated effort across three layers of government to reduce barriers to investment and promote the tourism opportunity to foreign investors (see Table 8).

The partnership seeks to capitalise on existing government programs and harness the knowledge of both government and industry experts to deliver on objectives. Effective engagement with state and territory governments, local councils and industry is critical to understanding and addressing barriers to investment in target regions. The strategy is implemented within existing budget and resources.

To support the Australian Government’s red tape reduction agenda, Austrade works across government to foster a supportive and streamlined regulatory environment for tourism investment. In 2018, Austrade coordinated the public release of the *Tourism Investment and*

Table 8: Pilot regions under the Regional Tourism Infrastructure Investment Attraction Strategy

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Pilot region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Capital Territory</td>
<td>Canberra Region</td>
</tr>
<tr>
<td>New South Wales</td>
<td>Snowy Region</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>Katherine Town and Surrounds</td>
</tr>
<tr>
<td>Queensland</td>
<td>Whitsundays</td>
</tr>
<tr>
<td>South Australia</td>
<td>Kangaroo Island</td>
</tr>
<tr>
<td>Tasmania</td>
<td>East Coast</td>
</tr>
<tr>
<td>Victoria</td>
<td>Great Ocean Road</td>
</tr>
<tr>
<td>Western Australia</td>
<td>Margaret River</td>
</tr>
</tbody>
</table>
Developing the China tourism market

The China–Australia Year of Tourism 2017 officially closed in Guangzhou on 13 December 2017, a fitting end to the year in which China became Australia’s number one source of international tourists. During the year, a range of events and activities were held by both countries, attracting considerable media attention and raising the profile of our tourism relations.

Events included a minister-led delegation of Australian tourism business CEOs; launch activation events for the Year of Tourism in Beijing and Shanghai; an AFL competition round match (Port Adelaide versus Gold Coast Suns) held in Shanghai; an Australian aquatic and coastal campaign run in China; a range of airline partnership campaign activities which ran throughout the year; and a meeting of Australian tourism ministers in Beijing, hosted by Mr Ciobo.

China also maintained its position as Australia’s most valuable tourism market, with total visitor spend reaching $10.9 billion in the 12 months to March 2018, up 12.9 per cent on the same period in the previous year.

The Approved Destination Status (ADS) scheme accounts for almost 20 per cent of visitor visas granted for China, with over 205,000 visas granted in 2017–18. This is an increase of 5 per cent on the previous year.

The 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.

There are over 90 inbound tour operators and over 2,200 tour guides 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 commenced in 2018. Recommendations from the review will be considered and any proposed changes subject to industry consultation. Implementation will take place in 2018–19.

Austrade partnered with TAFE NSW to deliver a business essentials training program for ADS tour guides, and with the Australian Tourism Export Council to develop the Excellence in Chinese Inbound Tour Guide Education program, both aimed to improve the quality of tour guides in Australia.

The ADS scheme, and the tourism relationship between Australia and China, are supported by an annual dialogue between Austrade and the Ministry of Tourism and Culture. The last meeting was held in Beijing in August 2017 with the then China National Tourism Administration. The
relationship is also strengthened by a research memorandum of understanding.

**Tourism Research Australia**

Tourism Research Australia (TRA) 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 industry with information to strengthen their 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 National Visitor Survey and the International Visitor Survey (see pages 105–106).

**Improving tourism data**

In 2017, Austrade engaged Data61 to investigate satisfaction with existing tourism data offerings and to review alternative data sources for measuring tourism activity. Examples of alternative data sources include data generated from credit card transactions, booking systems, social media feeds and mobile phone use.

Data61 found current statistical products were generally meeting the needs of users and set high standards in terms of accuracy, coverage, representativeness and coherence. However, there were gaps in tourism data, driven by increased expectations around timeliness and frequency of reporting, plus a need for information at finer geographic scales. These are areas where alternative data sources offer significant potential for tourism.

In response, a dual-path approach is being adopted where existing tourism products are provided alongside development of alternative data sources to allow continued delivery of key tourism metrics while the alternative data sources are assessed and mature. Key to this response is a roadmap, developed in consultation with Tourism Australia, providing a plan for the incorporation of alternative data sources as part of a larger tourism data framework.

Key elements of the roadmap include:

› piloting a small number of alternative data sources projects
› consultation on priority topics with industry and government
› development of funding models for provision of alternative data sources
› building the alternative data sources service
› standing up the alternative data sources service for use by data consumers
› an extensive education program for data users on alternative data sources
› a review of the alternative data sources service once two years of data are available
› ongoing adjustments and review of alternative data sources.
Challenge: Measuring Australia’s accommodation sector

In December 2017, global data analytics provider STR was chosen to run the Australian Accommodation Monitor (AAM) to replace the decommissioned Australian Bureau of Statistics’ Survey of Tourist Accommodation. This provided certainty to the industry, ensuring national accommodation activity can continue to be measured to inform policy and investment decisions.

While the AAM provides a range of measures similar to the Survey of Tourist Accommodation, it has a very different approach.

The AAM expands on the extensive information STR already collects for capital cities. STR has a strong track record in this area, with three-quarters of rooms in metropolitan Australia already captured by STR’s program.

Unlike the Survey of Tourist Accommodation, taking part in the AAM is voluntary. Therefore, STR is undertaking concerted efforts to engage with the industry to increase participation from smaller regional providers, starting with educating them on the benefits of participation. This also includes reaching out to regional tourism associations and industry bodies, and providing participants free access to STR products that will provide data insights for their local area.

The AAM is a private sector solution for provision of accommodation data. Therefore, the AAM offers free products plus a range of more detailed products at different price points. Because it is a private sector solution, Austrade’s financial support is focused on the development and rollout of the AAM, and will continue through to December 2019.

Results from the AAM can be found on the Tourism Research Australia website, tra.gov.au.
Purpose 4: Strengthen Australia’s tourism industry
Program 1.2: Programs to promote Australia’s export and other international economic interests

Tourism Demand-Driven Infrastructure program

The Tourism Demand-Driven Infrastructure (TDDI) program commenced in 2014–15 and terminated on 30 June 2018. Funding of $43.1 million was committed to the program, which was delivered through a National Partnership project agreement. Austrade directly administered the program. Funds were provided to state and territory governments, which were responsible for selecting projects that matched their regional tourism priorities. All eight states and territories were signatories to the TDDI National Partnership project agreement.

The TDDI program was designed to support the delivery of infrastructure projects, contributing to Tourism 2020 outcomes by driving demand, improving quality and increasing tourism expenditure. Through the TDDI program, the Australian Government sought to ensure the benefits of any government investment were multiplied across the tourism sector.

TDDI principles required state and territory governments to align projects to one or more of Tourism 2020’s strategic areas, demonstrate that each project would provide a return on the Government’s investment across the tourism supply chain, and ensure that Australian Government funding was at least matched by funding from other sources.

TDDI projects provided one or more of the following types of infrastructure:
- environmental—development or enhancement of natural assets in protected and recreational areas, and public spaces, such as beaches and parks, and walking trails
- built—mixed-use facilities, convention and events facilities, cultural institutions, entertainment and sporting facilities, city and town precincts and attractions
- transport—roads, rail networks, ports and airports
- enabling—development of tourism networks, plans and feasibility studies, programs to improve industry capability and capacity, and Indigenous tourism development.

In 2017–18, $18.8 million in TDDI funding was distributed. A total of 66 projects across Australia were approved for funding in 2017–18, as shown in Table 9. State and territory governments selected projects based on their tourism priorities and alignment with the program principles, and selected a range of processes to allocate TDDI funding. Some chose to administer competitive grants rounds or expression of interest processes, while others chose to focus on projects delivered in partnership with other state or territory departments.
Projects funded in 2017–18 included:

› infrastructure to support nature-based tourism, including walks and trails with interpretation, rail trails and bike tracks

› digital and technology-based products and experiences to improve visitor dispersal and engagement, including digital interpretation displays, multi-language electronic tour guide products, and free public wi-fi

› accommodation development and upgrades for hotels, luxury ecotourism accommodation, and a range of camping facilities

› service improvement training in regional areas, including industry capability training, and mentoring for tourism businesses

› construction of new, or improvements to existing, tourism attractions, including event venues, interpretation and visitor centres, an Indigenous art gallery, and infrastructure enabling accessible tourism.

Information on projects funded under the TDDI program is available at federalfinancialrelations.gov.au/content/npa/other.aspx.

Queensland Tourism Tropical Cyclone Debbie Recovery Package

Tropical Cyclone Debbie hit the Whitsundays region of Queensland in March 2017. In response to this natural disaster, a $10 million tourism recovery package was announced by the Hon Steven Ciobo MP, the then Minister for Trade, Tourism and Investment, along with the Hon Annastacia Palaszczuk MP, Premier of Queensland and the Hon Kate Jones MP, Queensland Minister for Innovation, Tourism Industry Development and the Commonwealth Games. The funding package included $7 million to support tourism projects and $3 million for marketing and promotion. Funding was matched across federal and state governments.

Austrade is responsible for delivering $3.5 million to support projects identified by the Queensland Government that will rebuild or add to the tourism infrastructure in the region. The projects are required to follow the same principles as the existing Tourism Demand-Driver Infrastructure (TDDI) program.

Table 9: Tourism Demand-Driver Infrastructure projects approved for commencement, 2014–15 to 2017–18

<table>
<thead>
<tr>
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<td>ACT</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>NSW</td>
<td>–</td>
<td>3</td>
<td>19</td>
<td>23</td>
<td>45</td>
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<tr>
<td>NT</td>
<td>10</td>
<td>8</td>
<td>8</td>
<td>7</td>
<td>33</td>
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<tr>
<td>QLD</td>
<td>3</td>
<td>12</td>
<td>13</td>
<td>9</td>
<td>37</td>
</tr>
<tr>
<td>SA</td>
<td>4</td>
<td>9</td>
<td>4</td>
<td>3</td>
<td>20</td>
</tr>
<tr>
<td>TAS</td>
<td>10</td>
<td>16</td>
<td>2</td>
<td>13</td>
<td>41</td>
</tr>
<tr>
<td>VIC</td>
<td>–</td>
<td>4</td>
<td>9</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>WA</td>
<td>2</td>
<td>8</td>
<td>4</td>
<td>5</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>33</strong></td>
<td><strong>63</strong></td>
<td><strong>64</strong></td>
<td><strong>66</strong></td>
<td><strong>226</strong></td>
</tr>
</tbody>
</table>

(a) In its 2016–17 annual report, Austrade reported 20 TDDI projects were approved for commencement in New South Wales in 2016–17. One project was withdrawn the following year, reducing the number to 19. The table above has been updated to reflect this change, with the total number of projects for 2016–17 also changing from 65 to 64.
Purpose 4: Strengthen Australia’s tourism industry

Program 1.2

Report on performance

Australian Age of Dinosaurs infrastructure projects drive tourism demand

The Australian Age of Dinosaurs Museum of Natural History successfully completed two projects with grant funding from the Tourism Demand-Driver Infrastructure (TDDI) program.

The iconic museum, based in Winton, Queensland, is home to the world’s largest collection of Australian dinosaur fossils. The museum is a non-profit organisation, drawing on both volunteer and sponsorship support to achieve success.

The first project involved the design and construction of a concrete sauropod skeleton and three life-size bronze dinosaurs, as well as infrastructure including shelter, amenities and a gravel road for access to the outdoor galleries, which are located at multiple sites across the museum’s rocky terrain.

The second project made the outdoor galleries fully accessible through the construction of a pathway, with seating and interpretive signs, connecting the reception area to the viewing areas of the Cretaceous Garden and the first of four outdoor galleries at the Dinosaur Canyon.

In 2017, during the pathway construction, the area received 109 millimetres of rain, which closed the dirt access road for 38 days. While this slowed progress, the museum’s hard work ensured that it was able to meet contract deadlines, and still receive over 32,000 visitors in 2017.

The Government’s TDDI investment of $546,500 was matched by private investment from the museum. Site improvements and infrastructure are ongoing, but after the completion of the two TDDI projects, the museum broke its attendance record in 2017, with 5,000 additional visitors compared to the previous year. One of the key outcomes of the development was to increase visitation to the region, with the flow-on effects benefiting the local area. The museum reported that it contributed over $500,000 directly to the local Winton and regional economy during 2017.

When the museum’s first tourist attraction opened in 2009, the museum operated seven days a week with four employees. In 2017, the museum employed 23 people during the high season, and retained 13 full-time staff members over summer.

‘The majority of our employees have come from outside the region and have stayed, bringing their families and buying houses,’ said David Elliott OAM, Executive Chairman, Australian Age of Dinosaurs Limited.

Under the terms of the TDDI project agreement, the Queensland Department of Innovation, Tourism Industry Development and the Commonwealth Games directly administered the grants. Austrade worked closely with the department to ensure all funding was allocated and paid.
Given its alignment with the TDDI program, the Queensland Tourism Tropical Cyclone Debbie Recovery Package is being delivered through a National Partnership project agreement between the Commonwealth and Queensland governments. Austrade is directly administering the recovery package and the Treasury is the appropriated entity. The National Partnership project agreement was signed by Commonwealth and Queensland tourism ministers in June 2017, with the funding made available to Queensland after the National Partnership project agreement was signed. Schedules allocating $3.25 million of available project funding were signed off by both tourism ministers in 2017–18. The remaining funding of $250,000 is expected to be allocated in 2018–19. The Queensland Government will provide regular update reports through to the conclusion of the final project.

The remaining $1.5 million of the Commonwealth contribution to the recovery package will be delivered by Tourism Australia.

**Tasmanian Tourism Growth Package**

In June 2016, the Australian Government announced funding of $5 million to support jobs and growth in the Tasmanian tourism industry through the Tasmanian Tourism Growth Package. The package includes funding for infrastructure, events and feasibility studies, with funding directed to six specific projects. Austrade was assigned responsibility for delivering three feasibility study projects with a value of $1.12 million. The remaining projects are being administered by the Department of Infrastructure, Regional Development and Cities and the Department of Communications and the Arts.

The three projects being administered by Austrade are:

- Cradle Mountain Master Plan—$1 million to engage a project director and complete a full business case and economic impact statement to progress the Cradle Mountain Master Plan to an investment-ready stage.
- Geeves Effect—$70,000 to complete a demand study into the Geeves Effect, a wilderness precinct development proposal for the Lake Geeves area.
- FermenTasmania—$50,000 to complete a full business case and scoping study for a world-class fermentation centre to help boost sustainable Tasmanian development in food manufacture, value-adding and tourism.

In line with Austrade’s existing tourism funding delivery method, the Tasmanian Tourism Growth Package is being delivered through a National Partnership project agreement between the Commonwealth and Tasmanian governments. Austrade directly administers the Tasmanian Tourism Growth Package and the Treasury is the appropriated entity. The National Partnership project agreement was signed by the Commonwealth and Tasmanian tourism ministers in February 2017.

Under the project agreement, the Tasmanian Government is responsible for delivering the three identified projects and will manage the delivery of these projects through contractual agreements with relevant recipients for the Geeves Effect and FermenTasmania projects. Delivery of the Cradle Mountain Master Plan funding is being managed by the Tasmanian Government through the Cradle Mountain Master Plan Steering Committee.

Funding was delivered to the Tasmanian Government in April 2017 in accordance with the project agreement.
The Geeves Effect and FermenTasmania projects were completed in 2017–18. The Cradle Mountain Master Plan project is expected to be completed in 2018–19. The Tasmanian Government will continue to provide regular reports through to the conclusion of each project. Final reporting includes advice on whether proposals will progress to the investment stage.
Purpose 5: Help Australians with consular and passport services

This section includes narrative discussion, a case study and trend data that demonstrate Austrade’s performance against Purpose 5 as set out in its 2017–18 corporate plan. It also demonstrates Austrade’s performance against its outcomes and programs as set out in the Portfolio Budget Statements 2017–18, specifically Outcome 2, Program 2.1. For a summary of results against Austrade’s performance criteria, see Austrade’s performance statement on pages 29–30.

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

Purpose 5 achievements

Austrade has met or exceeded its forecasts for Purpose 5, with examples highlighted below.

98.8% of the 15,576 passport applications received at Austrade consular offices during 2017–18 were scanned within 24 hours, well within the 3 per cent tolerance benchmark objective agreed with the Australian Passport Office.

Austrade processed its passport applications with an error rate of less than 2 per cent across all its posts, within the Australian Passport Office’s key performance indicator of 3 per cent.

1,158 applications for emergency travel documents were processed by Austrade. All were issued in a timely and responsive manner, as per the performance criterion from the Portfolio Budget Statements 2017–18 and Corporate Plan 2017–18.
**Austrade-managed consulates**

Austrade provides consular services in designated locations where the Department of Foreign Affairs and Trade does not have a presence. At 30 June 2018, Austrade operated consulates for the Australian Government in 14 overseas locations (see Table 10). In September 2017, consular and passport responsibilities for Istanbul, Turkey, were transferred to the Department of Foreign Affairs and Trade. Austrade provided assistance with the delivery of consular and passport services through the transition and continues to operate an office in Istanbul.

**Table 10:** Austrade-managed consulates, at 30 June 2018

<table>
<thead>
<tr>
<th>Austrade-managed consulates</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland</td>
<td>Prague&lt;sup&gt;(a)&lt;/sup&gt;</td>
</tr>
<tr>
<td>Dubai</td>
<td>San Francisco</td>
</tr>
<tr>
<td>Frankfurt</td>
<td>Sao Paulo</td>
</tr>
<tr>
<td>Fukuoka</td>
<td>Sapporo</td>
</tr>
<tr>
<td>Houston</td>
<td>Toronto</td>
</tr>
<tr>
<td>Milan</td>
<td>Vancouver&lt;sup&gt;(a)&lt;/sup&gt;</td>
</tr>
<tr>
<td>Osaka</td>
<td>Vladivostok&lt;sup&gt;(a)&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<sup>(a)</sup> Consulates managed by an honorary consul.

Through its network of consulates, Austrade provided support to Australians travelling, working and living overseas through effective delivery of consular and passport services.

Austrade consulates provide a range of services to Australians overseas, including notarial services; assistance with welfare issues, missing persons, whereabouts inquiries, arrest or detention matters, deaths and medical emergencies; support for victims of serious crime; processing new passport applications and replacing lost or stolen passports; and detecting attempted document or identity fraud.

In 2017–18, Austrade provided high-quality and responsive consular support to 821 Australians in difficulty overseas. This included assistance to 58 people imprisoned overseas, 99 people requiring medical assistance or hospitalisation, and support to the families of 93 people who died overseas.

The number of passport applications received by Austrade fell by 6 per cent, from 16,568 in 2016–17 to 15,576 in 2017–18, with 98.8 per cent of applications scanned within the required 24 hours. Austrade processed its passport applications with an error rate of less than 2 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 1,158 emergency travel documents overseas in 2017–18.

The number of notarial acts performed decreased by 12.2 per cent from 7,996 in 2016–17 to 7,017 in 2017–18.

Table 11 provides a summary of consular and passport services provided by Austrade consulates from 2013–14 to 2017–18.
Austrade Consulate-General, Houston—delivering services in a heightened risk environment

In the evening of 25 August 2017, the Austrade-managed Consulate-General in Houston operated in a heightened risk environment as Hurricane Harvey approached Texas as a category 4 storm (equivalent to Australian severe tropical cyclone 5). Harvey brought storm surges, tornadoes and severe flooding, dropping over 140 centimetres of rain over four days. Harvey was the most significant tropical cyclone rainfall event in United States history, both in scope and peak rainfall, since the 1880s when reliable records began.

Acting Consul-General and Senior Trade Commissioner, Patrick Hanlon, worked with the consular team to manage the crisis, maintain contact with staff and provide regular updates to the Australian Embassy in Washington, DC, Austrade and the Department of Foreign Affairs and Trade (DFAT) in Canberra.

The consulate remained inaccessible the following week due to widespread street flooding and staff worked from home. Patrick and his team provided assistance to the resident Australian community by issuing social media updates and monitoring affected Australian travellers.

Mandatory evacuations were issued for flood-prone areas, the city was placed under a curfew and authorities opened nine emergency shelters. Non-essential travel was restricted as collapsed roads, flooded underpasses and debris impacted driving conditions. Petrol supplies were limited and grocery stores were closed for days, with sales rationed when stores reopened.

The Houston consular team visited the evacuation shelter at George R Brown Convention Center in downtown Houston, searching for evacuated Australians requiring assistance. Patrick and the team located an Australian media contingent and expat volunteers, and were made aware of several Australians who had experienced flooding in their homes. Outreach was conducted at shelters in the surrounding area; however, no Australians were located.

Table 11: Consular and passport services provided by Austrade, 2013–14 to 2017–18

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Australians who received consular support from Austrade</td>
<td>808</td>
<td>891</td>
<td>829</td>
<td>822</td>
<td>821</td>
</tr>
<tr>
<td>No. of notarial acts performed by Austrade</td>
<td>14,342</td>
<td>12,558</td>
<td>12,861</td>
<td>7,996</td>
<td>7,017</td>
</tr>
<tr>
<td>No. of passport applications received by Austrade</td>
<td>11,571</td>
<td>13,486</td>
<td>14,726</td>
<td>16,568</td>
<td>15,576</td>
</tr>
</tbody>
</table>
The consulate reopened five days after Hurricane Harvey made landfall, once the office building was deemed operational and roadways were cleared.

Post hurricane, the welfare of staff, their families and resident Australians was an ongoing priority for the Houston consular team. Following are examples of conditions staff endured while ‘on call’:

- mandatory evacuation due to flooding around the family home
- tornadoes destroying buildings and powerlines less than a block from a home
- no power to home for 30–36 hours during the height of the hurricane and up to five days afterwards.

The Australian Embassy in Washington also despatched two consular officers to Dallas, who set up a temporary office to provide emergency consular assistance to displaced Australians evacuated north of Houston.

Dr Stephanie Fahey, Austrade CEO, commended all staff, especially Patrick, for their handling of the crisis, stating in her message that the team had demonstrated exemplary professionalism, judgement and commitment.

Austrade undertook practical contingency planning throughout the year and, through training and development, further strengthened its crisis response capabilities in locations overseas where it has consular management responsibilities. Austrade continued to work closely with Australian embassies, high commissions and the Department of Foreign Affairs and Trade consular operations and passport branches in Canberra.
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.

Governance committee structure

On 18 April 2018, the CEO formed a new governance committee structure to strengthen governance mechanisms to more effectively support agency-wide objectives and decision-making (see Figure 25).

In addition to the Executive Committee and Audit and Risk Committee, Austrade established the:
- People and Values Committee
- Resources Committee
- Digital, Data and Information Committee.

Prior to 18 April 2018, the structure included three governance committees that reported directly to the CEO: the Executive Committee, the Audit and Risk Committee, and the Ethics Committee. Additionally, there were three governance committees that reported to the Executive Committee: the Security Advisory Group, the Workplace Relations Committee, and the Capital Committee.

The Security Advisory Group has been retained as a management committee. It provides advice on the management of security issues, is chaired by the Chief Operating Officer, and met four times during 2017–18.

The Workplace Relations Committee provides advice and consults with staff and management on workplace relations and change management issues. The committee met three times in 2017–18 and is now a subcommittee of the new People and Values Committee.

The Capital Committee was reconstituted as the Resources Committee (with additional functions).

The Ethics Committee met once in 2017–18 and was chaired by independent member, Simon Longstaff.

Figure 25: Austrade’s governance committee structure, at 30 June 2018
Austrade’s committees at 30 June 18, and their roles and activities, are shown in Table 12.

**Austrade’s Executive Committee**

Austrade’s Executive Committee advises the CEO and oversees strategic priorities, corporate management, operational plans and service delivery. It met 43 times in 2017–18.

There were a number of executive staffing and structural changes throughout the year. Members of the committee for varying periods during the year included Michael Clifton, acting Executive Director, International Operations Group; Nils van Boxsel, Chief Information Officer; David Landers, General Manager, Global Markets; Nick Woodruff, Chief Information Officer; Maureen Dupree, Chief Human Resources Officer; Sally Deane, Chief Human Resources Officer; and Lynne Ashpole, Head of Executive Branch.

On 20 February 2018, a new Executive Committee was established, consistent with Austrade’s new organisational structure. The committee now includes the CEO’s three direct

**Table 12: Austrade governance committees, at 30 June 2018**

<table>
<thead>
<tr>
<th>Governance committee</th>
<th>Role and activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Committee</td>
<td>Provides a forum for strategic discussion and advice to the CEO on areas of organisational strategy, corporate governance, policy, and management and accountability, including financial management. The committee met 43 times in 2017–18. Biographies for the executive members of the committee are provided on pages 126–129.</td>
</tr>
<tr>
<td>Audit and Risk Committee</td>
<td>Provides independent assurance and advice to the CEO on Austrade’s risk, control, compliance and external accountability responsibilities under the PGPA Act and Rule. The committee was chaired by independent member, David Lawler, and includes an additional independent member, Jennifer Clark; an internal member, Dan Williams, until January 2018; and Deputy CEO David Hazlehurst since February 2018. It met five times in 2017–18.</td>
</tr>
<tr>
<td>Resources Committee</td>
<td>Oversees, monitors and advises on whole-of-agency strategic resourcing (including human resources, assets, capital and recurrent funding) and related strategies for meeting Austrade’s business goals. The committee was chaired by Deputy CEO David Hazlehurst and met three times in 2017–18. The former Capital Committee met eight times during the year.</td>
</tr>
<tr>
<td>Digital, Data and Information Committee</td>
<td>Provides governance and strategic oversight for digital, data and information initiatives, including cybersecurity. The committee was chaired by Deputy CEO David Hazlehurst and met once in 2017–18.</td>
</tr>
<tr>
<td>People and Values Committee</td>
<td>Prioritises and guides the development and implementation of strategies to enhance people and organisational effectiveness, and organisational values. The committee was chaired by Deputy CEO David Hazlehurst and met once in 2017–18.</td>
</tr>
</tbody>
</table>
reports (two deputy CEO positions, one of which was vacant during the reporting period, and the Chief Client Officer) and six general managers (including two international general managers).

The biographies of the Executive Committee members at 30 June 2018 are provided below.

**Stephanie Fahey—Chief Executive Officer**
*Responsible for the management of Austrade and reports directly to the Minister for Trade, Tourism and Investment.*

Stephanie Fahey has been Austrade’s CEO since 20 February 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).

**Kelly Ralston—Chief Client Officer**
*Responsible for driving innovation and excellence in Austrade’s client interactions, including client experience insights and capability, Austrade’s client contact centre and digital services, along with brand strategy, global communications and marketing, and programs such as the Free Trade Agreement Training Provider Grant and seminar programs.*

Kelly Ralston has held a number of corporate, strategy and business leadership roles across Austrade since 2001, most recently leading the international marketing and promotion of Australia’s education and training sectors. From 2011 to 2015, Kelly served as the Senior Trade Commissioner at the Australian Embassy in Washington, DC, and at the Australian Consulate-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 degree from the University of Tasmania.

**Nick Nichles—Chief Operating Officer**
*Responsible for national and international human resource management; finance; legal, procurement and fraud; security, consular and property; information and technology services; and client programs.*

Nick Nichles joined Austrade in 2012 as General Manager, Marketing, Online and Business Practice. Prior to joining Austrade, he was the
CEO of NSW Lotteries Corporation and has also held C-level commercial and marketing roles at McDonald's Australia and Foxtel. Nick holds a Bachelor of Business from Queensland University of Technology, a Graduate Diploma of Marketing from University of Technology Sydney, and is a graduate of the Australian Institute of Company Directors.

**Graham Putt—General Manager, Trade and Investment (acting)**

Responsible for eight industry teams and a State Operations unit that includes 38 offices in Australia. These teams develop national industry strategies focused on facilitating exports, and attracting productive foreign direct investment into Australia.

Graham Putt joined Austrade in 2015. He has held senior executive roles at the Commonwealth Bank of Australia and, prior to that, was Group Executive at Perpetual Trustees, CEO of Premium Investors, Chief Operating Officer of Treasury Group, and Managing Director of the Royal Bank of Canada’s securities services business for Asia. He is a Chartered Accountant and graduate of the Australian Institute of Company Directors.

**Rob Donelly—General Manager, Strategy and Business Transformation**

Responsible for strategy, digital and data, research and analysis, internal communications, and governance.

Rob Donelly joined Austrade in 2017, bringing an in-depth knowledge of Australia’s investment environment. He joined Austrade from the Treasury, where he was Head of the Foreign Investment and Trade Policy Division and the Executive Member of the Foreign Investment Review Board. He was previously the Treasury’s Chief Financial Officer. Rob holds degrees in Economics and Commerce from the Australian National University and is a Fellow of CPA Australia.
Daniel Boyer—General Manager, Government and Partnerships

Responsible for policy coordination and engagement, partnerships and collaboration, and Austrade’s relationship with portfolio ministers and the parliament.

Daniel Boyer joined Austrade in 2014. Before taking up his present role of General Manager, Government and Partnerships in February 2018, he led the organisational restructure of the agency as the General Manager of the ‘Positioning for our Future’ benchmarking and strengthening initiatives.

Before moving to Austrade, Daniel worked in a number of Australian Government agencies, most recently in the Department of Immigration and Border Protection. His positions in the department included Assistant Secretary, Humanitarian Branch (responsible for Australia’s Offshore Humanitarian Visa Program), and Regional Director, East Asia (responsible for visa operations across North Asia and the Mekong region), based in Beijing.

Daniel holds a Bachelor of Economics from the University of Tasmania.

Nicola Watkinson—Deputy Consul-General and Senior Trade and Investment Commissioner, New York, and General Manager, The Americas

Responsible for Austrade’s network of US offices in New York, Boston, Chicago, Houston, San Francisco and Washington, DC, as well as Toronto and Vancouver in Canada. In January 2018, these duties were expanded to include Latin America, responsible for teams across Chile, Argentina, Colombia, Mexico, Peru and Brazil.

Nicola Watkinson joined the Australian Government in 2003 following a career in the private sector in the United Kingdom and with the Victorian Government in Melbourne. Nicola has worked all around the world, with postings in Europe, South Asia, Australia and the United States. Her roles have included Consul-General in Frankfurt, Global Head of Investment, Senior Trade and Investment Commissioner for South Asia, and Senior Investment Commissioner for Europe, Middle East and Africa. She has also worked in North Asian markets, developing a knowledge of Japan, China and Korea.

Nicola has completed the International Company Directors Course at the Australian Institute of Company Directors. She holds a Bachelor of Arts (combined honours) and Master of Business Administration from the University of Melbourne.

Brett Cooper—Senior Trade and Investment Commissioner, Tokyo, and General Manager, North East Asia

Responsible for a network of six offices across North East Asia.

Brett Cooper joined Austrade in 2011 and was appointed as Senior Trade Commissioner, Korea 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.

**Risk management**

In compliance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and associated PGPA Rule, as well as the Commonwealth Risk Management Policy, the CEO has established an internal risk management policy. The Audit and Risk Committee provides independent advice and assurance on the risk management framework, ensuring risk management is effective and continues to support organisational performance. 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.

Throughout 2017–18, 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, Austrade’s risk management policy and procedure, risk appetite statement and the corporate governance framework.

Austrade’s 2017–18 agency risk management plan was prepared in accordance with the risk management standard ISO 31000:2009 and 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 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, all staff complete mandatory Austrade corporate policy refresher modules to keep staff informed and aware of current corporate policies and procedures.

**Internal audit**

Austrade’s internal audit function is undertaken independently from the business areas subject to 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 observed Austrade has a strong system of internal controls and operates within a mature control framework. The internal auditor did not identify any serious control breakdowns.

**Fraud control**

Austrade maintains fraud prevention, detection, investigation and reporting procedures that are compliant with the agency’s obligations under section 10 of the Public Governance, Performance and Accountability Rule 2014.

The last fraud risk assessment was completed by Austrade in May 2017 and the Fraud Control Plan 2017–19 was endorsed by the Audit and Risk Committee and approved by the delegate in June 2017.

Austrade’s corporate approach towards detected fraud is one of ‘zero tolerance’ and managing fraud risk to a level that is as low as reasonably practicable. This is consistent with the organisational risk tolerance guidance contained in Austrade’s corporate governance framework. The fraud control plan outlines how this will be achieved by ensuring that any potential fraud or instances of corruption against or within Austrade are minimised, rapidly detected, effectively investigated and appropriately managed, and any losses are recovered or mitigated.

In 2017–18, Austrade underwent an organisational capability assessment, with changes in reporting lines of programs and functions that may impact the way the agency complies with the Commonwealth Fraud Control Framework.

A full review of Austrade’s Fraud Control Plan 2017–19 will be undertaken in the second half of 2018 to ensure it aligns with and supports Austrade’s revised strategy and operations following the organisational capability assessment. The update will ensure the CEO and executive have clarity on the fraud risks, any changes to those identified risks, mitigation treatments and residual risks, noting that while the restructure has altered the reporting lines, the fraud risk profiles of the functions and programs remain the same.

The amended Fraud Control Plan will be provided to the Audit and Risk Committee for endorsement prior to seeking approval from the delegate in late 2018.
Anti-bribery activities

Austrade is at the forefront in advising 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, 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 March 2018, the Senate Economics References Committee tabled its report into measures governing the activities of Australian corporations, individuals and government entities with respect to foreign bribery. The report made 22 recommendations, seven of which are the subject of proposed legislation—the Crimes Legislation Amendment (Combatting Corporate Crime) Bill 2017. Two matters—the maintenance of the facilitation payments defence, and the introduction of laws criminalising a ‘failure to prevent’ bribery—will be of particular importance to Austrade’s commercial clients.

Austrade is currently reviewing all staff training on the planned new legal requirements and adapting its outreach program to provide clear, practical, accessible materials to business via the Austrade website. The law is evolving and business will require a more practical contemporary response to this form of corruption. Austrade is necessarily involved in supporting this response due to its direct contact with commercial clients 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 the agency provides maximum value to the Government, and to Australian businesses and institutions, while also ensuring the highest ethical standards. Figure 26 outlines Austrade’s key planning documents in 2017–18.

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 7 on page 18.
Market and business unit plans

Detailed plans to support Austrade’s key functional responsibilities for its major international markets, and for divisions in Australia, are prepared annually. These plans are also a major source of information for the development of the agency’s risk management plan.

Corporate performance reporting 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.

Corporate Plan 2017–18: explains the key strategies Austrade will pursue over the coming four years in order to achieve the outcomes and priorities set by the Government.

Portfolio Budget Statements 2017–18: provide information on the proposed resources allocated to Austrade in the reporting year to achieve the outcomes and priorities set by the Government.

Corporate Performance Reporting Framework 2017–18: links the key performance indicators in Austrade’s corporate plan with more detailed internal reporting measures.

Annual Report 2017–18: provides information about Austrade’s performance in relation to its purposes and outcomes as part of Austrade’s accountability to the Minister and the Parliament of Australia.

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 market plan and business plans 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 2017–18, staff received corporate messaging across 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 the transformation plan, including status of each of the various project 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 Service Act 1999—governs the establishment and operation of, and employment in, the Australian Public Service
- Public Governance, Performance and Accountability Act 2013—provides the framework for the proper management of public money and property.

Independent audits


ANAO better practice guidelines encourage agencies to consider relevant ANAO reports on other agencies to improve public administration across Australian Government agencies. During 2017–18, Austrade reviewed 49 ANAO reports (7 from 2016–17; 42 from 2017–18) tabled in Parliament by the Auditor-General and assessed the following 22 reports as relevant to Austrade’s operations:

- Replacement Antarctic Vessel (2016–17 audit report no. 45)
- myGov Digital Services (2016–17 audit report no. 59)
- Procurement of the National Cancer Screening Register (2016–17 audit report no. 61)
- Protecting Australia’s Missions and Staff Overseas: Follow-on (2017–18 audit report no. 5)
- The Management of Risk by Public Sector Entities (2017–18 audit report no. 6)
- Efficiency of the Australia Council’s Administration of Grants (2017–18 audit no. 7)
- Administration of the Freedom of Information Act 1982 (2017–18 audit report no. 8)
- Management of the Pre-construction Phase of the Inland Rail Programme (2017–18 audit report no. 9)
- Design and Monitoring of the National Innovation and Science Agenda (2017–18 audit report no. 10)
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 79.

Austrade was subject to one review by the Information Commissioner. This review is ongoing and not yet finalised.

Privacy

Austrade did not receive any complaints under the Privacy Act 1988 during 2017–18.

Austrade implemented requirements under the notifiable data breaches scheme, which commenced on 22 February 2018. This included putting a data breach response plan in place and annual policy refresher training for all Austrade staff.

Austrade considered the requirements under the European Union’s General Data Protection Regulation (GDPR). 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.

Austrade was a supporter for the Privacy Awareness Week 2018. Activities to mark the week included an all-staff communication to remind them of their privacy obligations; informing staff of privacy changes taking place in 2018; and highlighting to staff some of the privacy breaches by other entities that were reported in the media, and emphasising the need to be vigilant in handling personal information.

Austrade is preparing for the Australian Government Agencies Privacy Code, commencing on 1 July 2018. Austrade has already appointed a Privacy Officer and Privacy Champion.
Freedom of information

Agencies subject to the Freedom of Information Act 1982 (FOI Act) are required to publish information to the public 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 participated in the Information Publication Scheme agency survey administered by the Office of the Australian Information Commissioner.

Management of human resources

The organisational capability assessment undertaken in 2017–18 recommended Austrade review its suite of workforce management and capability development strategies to enable Austrade to build organisation-wide capability and capacity to deliver on its objectives. In responding to the assessment’s recommendations, Austrade’s Human Resources team is partnering with the Strategy and Business Transformation Office to focus on the following priority areas:

- **workforce and resourcing**—developing and implementing workforce planning strategies to ensure Austrade has a properly skilled workforce and is able to operate and deploy resources in an agile and timely manner in response to changing priorities
- **workplace and environment**—providing a safe, healthy and flexible workplace that is diverse and inclusive and supports high performance and engagement globally
- **capability and performance**—developing robust and consistent approaches to talent and career management, performance management and capability development to help bring out the best in Austrade’s people and grow their skills and capabilities.

Work in these areas is underpinned by a robust governance framework to ensure compliance with relevant workplace and employment legislative, regulatory and public sector governance requirements.

Austrade’s human resources highlights for 2017–18 included:

- supporting the transition to a new organisational structure to support the outcomes of the ‘Positioning for our Future’ work and the organisational capability assessment
- management of a high volume of recruitment activity globally, including a significant and innovative bulk talent acquisition exercise intended to source specific expertise and capability across five streams: design; digital; data and research; policy and strategy; and trade and investment
- development of a draft diversity and inclusion strategy, which will be implemented in 2018–19. The strategy will promote a culture where our people feel valued, respected, and are able to bring their full selves to work
- development of a strategy to support the negotiation of Austrade’s next enterprise agreement
- significant enhancement of Austrade’s workforce analytics and reporting capability as part of the development of a corporate reporting tool to inform decision-making and effective workforce management practice
development of enhancements to the performance management framework, which will be implemented in 2018–19. The changes are designed to better measure individual contribution towards the achievement of Austrade's business objectives, enable quality performance conversations, foster respectful and collegiate workplace behaviours, and support effective underperformance management.

- a broadscale human resources policy simplification program to adopt plain-English language, remove duplication and improve access to those policies, as well as understanding of them
- launch of a wellbeing page on Austrade's intranet, designed to provide employees with a one-stop destination for information on healthy living and wellbeing and Employee Assistance Program resources
- ongoing efficient and effective delivery of core transactional services, including payroll and conditions administration.

**Workforce and resourcing**

At 30 June 2018, Austrade employed 1,049 staff,\(^\text{19}\) 66 per cent of whom were employed in client-focused operations in Australia and overseas. Austrade staff are located across seven regions overseas and 10 offices in Australia (not including TradeStart). Austrade workforce demographics vary across market and business groups, with a mix of public and private sector experience from diverse cultural backgrounds.

The agency competes at a global level for skills and experience and continues to attract quality candidates for its onshore and offshore positions through the offer of interesting and meaningful work. A major focus for 2017–18 was the ‘Positioning for our Future’ program, intended to ensure the agency remains competitive in the global market, retains talent and maintains its highly engaged workforce. The program included a number of critical streams, including an organisational capability assessment and an Ideas Challenge, which has resulted in a transformation plan consisting of 14 key projects.

Staff turnover in 2017–18 was 10.9 per cent, compared with 11.3 per cent in 2016–17.

Tables 13–18 provide a snapshot of Austrade’s workforce at 30 June 2018, including statistics on classification level, employment status, gender, location, and the number of staff who identify as Indigenous.

Tables 19–21 provide a breakdown of Austrade’s Senior Executive Service (SES) gains and losses for the year, and SES employees by classification, gender and location.

\(^{19}\) Number based on headcount, including overseas-engaged employees.
### Table 13: Ongoing and non-ongoing employees, full-time and part-time, at 30 June 2018

<table>
<thead>
<tr>
<th>Ongoing employees</th>
<th>Non-ongoing employees</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>Part-time</td>
<td>Full-time</td>
<td>Part-time</td>
</tr>
<tr>
<td>454</td>
<td>57</td>
<td>43</td>
<td>9</td>
</tr>
</tbody>
</table>

Note: Excludes overseas-engaged employees. Includes staff on leave without pay and long-term leave. Includes CEO. Casual staff are included in the non-ongoing part-time figure.

### Table 14: Employees by classification, gender and location, at 30 June 2018

<table>
<thead>
<tr>
<th>Classification</th>
<th>Australia female</th>
<th>Australia male</th>
<th>Overseas female</th>
<th>Overseas male</th>
<th>Total 30 June 2018</th>
<th>Total 30 June 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>AOPL 1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>21</td>
<td>21</td>
<td>27</td>
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<tr>
<td>AOPL 2</td>
<td>0</td>
<td>0</td>
<td>47</td>
<td>15</td>
<td>62</td>
<td>64</td>
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<tr>
<td>AOPL 3</td>
<td>0</td>
<td>0</td>
<td>129</td>
<td>46</td>
<td>175</td>
<td>177</td>
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<tr>
<td>AOPL 4</td>
<td>0</td>
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<td>104</td>
<td>105</td>
<td>209</td>
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<tr>
<td>AOPL 5</td>
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<td>6</td>
<td>13</td>
<td>19</td>
<td>19</td>
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<tr>
<td>APL 1</td>
<td>28</td>
<td>10</td>
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<td>0</td>
<td>38</td>
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<td>APL 2</td>
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<td>APL 3</td>
<td>108</td>
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<td>2</td>
<td>2</td>
<td>191</td>
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<tr>
<td>APL 4</td>
<td>43</td>
<td>42</td>
<td>8</td>
<td>25</td>
<td>118</td>
<td>118</td>
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<tr>
<td>APL 5</td>
<td>8</td>
<td>10</td>
<td>4</td>
<td>8</td>
<td>30</td>
<td>37</td>
</tr>
<tr>
<td>SES 1</td>
<td>13</td>
<td>17</td>
<td>6</td>
<td>10</td>
<td>46</td>
<td>47</td>
</tr>
<tr>
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<td>15</td>
<td>19</td>
</tr>
<tr>
<td>SES 3</td>
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<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>CEO</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>285</strong></td>
<td><strong>205</strong></td>
<td><strong>310</strong></td>
<td><strong>249</strong></td>
<td><strong>1,049</strong></td>
<td><strong>1,095</strong></td>
</tr>
</tbody>
</table>

AOPL = Austrade overseas performance level  
APL = Austrade performance level  
SES = Senior Executive Service  
CEO = Chief Executive Officer

Note: Includes CEO and employees on leave without pay and long-term leave. Overseas figures include both Australia-based employees posted overseas and overseas-engaged employees and temporary staff, but exclude state specialists, interns, contractors and attached agency staff.
### Table 15: Ongoing and non-ongoing employees, full-time and part-time, who identify as Indigenous, at 30 June 2018

<table>
<thead>
<tr>
<th>Ongoing employees</th>
<th>Non-ongoing employees</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>Part-time</td>
<td>Full-time</td>
<td>Part-time</td>
</tr>
<tr>
<td>4</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Note: Excludes overseas-engaged employees. Includes staff on leave without pay and long-term leave. Includes CEO. Casual staff are included in the non-ongoing part-time figure.

### Table 16: Employees by category of employment, at 30 June 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>Female</th>
<th>Male</th>
<th>Total 30 June 2018</th>
<th>Total 30 June 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing</td>
<td>282</td>
<td>229</td>
<td>511</td>
<td>542</td>
</tr>
<tr>
<td>Non-ongoing</td>
<td>27</td>
<td>25</td>
<td>52</td>
<td>50</td>
</tr>
<tr>
<td>Overseas-engaged employees&lt;sup&gt;(a)&lt;/sup&gt;</td>
<td>286</td>
<td>200</td>
<td>486</td>
<td>503</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>595</strong></td>
<td><strong>454</strong></td>
<td><strong>1,049</strong></td>
<td><strong>1,095</strong></td>
</tr>
</tbody>
</table>

<sup>(a)</sup> Includes temporary staff.

Note: Includes staff on leave without pay and long-term leave. Includes CEO.
### Table 17: Employees by location and gender, at 30 June 2018

<table>
<thead>
<tr>
<th>Location</th>
<th>Australia-based female</th>
<th>Australia-based male</th>
<th>Australia-based total</th>
<th>OEE female</th>
<th>OEE male</th>
<th>OEE total</th>
<th>Total 30 June 2018</th>
<th>Total 30 June 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overseas</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td>5</td>
<td>8</td>
<td>13</td>
<td>49</td>
<td>35</td>
<td>84</td>
<td>97</td>
<td>(a)</td>
</tr>
<tr>
<td>ASEAN and Pacific</td>
<td>6</td>
<td>10</td>
<td>16</td>
<td>70</td>
<td>28</td>
<td>98</td>
<td>114</td>
<td>(a)</td>
</tr>
<tr>
<td>Europe</td>
<td>3</td>
<td>5</td>
<td>8</td>
<td>31</td>
<td>29</td>
<td>60</td>
<td>68</td>
<td>(a)</td>
</tr>
<tr>
<td>Greater China</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>67</td>
<td>30</td>
<td>97</td>
<td>112</td>
<td>(a)</td>
</tr>
<tr>
<td>Middle East and Africa</td>
<td>2</td>
<td>6</td>
<td>8</td>
<td>21</td>
<td>23</td>
<td>44</td>
<td>52</td>
<td>(a)</td>
</tr>
<tr>
<td>North East Asia</td>
<td>2</td>
<td>6</td>
<td>8</td>
<td>37</td>
<td>15</td>
<td>52</td>
<td>60</td>
<td>(a)</td>
</tr>
<tr>
<td>South Asia</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>11</td>
<td>40</td>
<td>51</td>
<td>56</td>
<td>(a)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>24</td>
<td>49</td>
<td>73</td>
<td>286</td>
<td>200</td>
<td>486</td>
<td>559</td>
<td>582</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACT</td>
<td>134</td>
<td>95</td>
<td>229</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>229</td>
<td>238</td>
</tr>
<tr>
<td>NSW</td>
<td>104</td>
<td>71</td>
<td>175</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>175</td>
<td>186</td>
</tr>
<tr>
<td>NT</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>QLD</td>
<td>15</td>
<td>11</td>
<td>26</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>26</td>
<td>23</td>
</tr>
<tr>
<td>SA</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>TAS</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>VIC</td>
<td>24</td>
<td>22</td>
<td>46</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>46</td>
<td>52</td>
</tr>
<tr>
<td>WA</td>
<td>6</td>
<td>0</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>285</td>
<td>205</td>
<td>490</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>490</td>
<td>513</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>309</td>
<td>254</td>
<td>563</td>
<td>286</td>
<td>200</td>
<td>486</td>
<td>1,049</td>
<td>1,095</td>
</tr>
</tbody>
</table>

OEE = overseas-engaged employee

(a) Austrade’s market groupings changed in February 2018 from two market groupings (Asia; and Americas, Europe, Middle East and Africa) to seven market groupings—Americas, ASEAN and Pacific, Europe, Greater China, Middle East and Africa, North East Asia and South Asia. As a result, no comparative figures for the new market groupings are available from the previous year.

Note: Includes CEO, temporary staff, and staff on leave without pay and long-term leave. Excludes attached agency staff, trade consultants, state specialists, contractors and TradeStart employees.

At 30 June 2018, there were 73 attached agency staff within Austrade.
Table 18: Employees by group or division, at 30 June 2018

<table>
<thead>
<tr>
<th>Group/division</th>
<th>Australia-based employees</th>
<th>Overseas-engaged employees</th>
<th>Total staff 30 June 2018</th>
<th>Total staff 30 June 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>13</td>
<td>82</td>
<td>95</td>
<td>— (a)</td>
</tr>
<tr>
<td>ASEAN and Pacific</td>
<td>16</td>
<td>98</td>
<td>114</td>
<td>— (a)</td>
</tr>
<tr>
<td>Europe</td>
<td>8</td>
<td>58</td>
<td>66</td>
<td>— (a)</td>
</tr>
<tr>
<td>Greater China</td>
<td>15</td>
<td>94</td>
<td>109</td>
<td>— (a)</td>
</tr>
<tr>
<td>Middle East and Africa</td>
<td>8</td>
<td>44</td>
<td>52</td>
<td>— (a)</td>
</tr>
<tr>
<td>North East Asia</td>
<td>8</td>
<td>50</td>
<td>58</td>
<td>— (a)</td>
</tr>
<tr>
<td>South Asia</td>
<td>5</td>
<td>51</td>
<td>56</td>
<td>— (a)</td>
</tr>
<tr>
<td>Business, Partnerships and Support</td>
<td>272</td>
<td>0</td>
<td>272</td>
<td>— (b)</td>
</tr>
<tr>
<td>Client Group</td>
<td>69</td>
<td>0</td>
<td>69</td>
<td>— (b)</td>
</tr>
<tr>
<td>Global Markets and Industry Engagement</td>
<td>106</td>
<td>0</td>
<td>106</td>
<td>— (b)</td>
</tr>
<tr>
<td>Office of the CEO</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>29</td>
</tr>
<tr>
<td>Inoperative</td>
<td>40</td>
<td>9</td>
<td>49</td>
<td>36</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>563</strong></td>
<td><strong>486</strong></td>
<td><strong>1,049</strong></td>
<td><strong>1,095</strong></td>
</tr>
</tbody>
</table>

(a) Austrade’s market groupings changed in February 2018 from two market groupings (Asia; and Americas, Europe, Middle East and Africa) to seven market groupings—Americas, ASEAN and Pacific, Europe, Greater China, Middle East and Africa, North East Asia and South Asia. As a result, no comparative figures for the new market groupings are available from the previous year.

(b) Austrade’s divisions in Australia changed in February 2018. As a result, no comparative figures for the new divisions are available from the previous year.

Note: Includes CEO, temporary staff, and staff on leave without pay and long-term leave. Excludes attached agency staff, trade consultants, state specialists, contractors and TradeStart employees. International staff with a corporate focus are counted in their corporate division.

Table 19: Senior Executive Service gains and losses during 2017–18

<table>
<thead>
<tr>
<th></th>
<th>2017–18</th>
<th>2016–17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gains</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Losses</td>
<td>20</td>
<td>7</td>
</tr>
</tbody>
</table>

Note: Gains include existing employees promoted to SES and SES commencements. Losses include SES employees who ceased employment with Austrade.
Workplace and environment

Austrade is committed to providing a safe working environment that optimises diversity and inclusion. Austrade’s employment framework provides flexible and responsive people management policies, practices and conditions globally.

During 2017–18, Austrade’s Workplace Relations Committee and, from 18 April 2018, People and Values Committee (see page 124) facilitated formal consultation between management and Australia-based employees. The Workplace Relations Committee met three times during the year, and the People and Values Committee met once during the year since its inception in April.

Employment framework

Austrade’s terms and conditions of employment for non-Senior Executive Service (SES) employees based in Australia, and the agency’s Australia-based non-SES employees located overseas, are set out in the Austrade Enterprise Agreement 2015–2018. In specific circumstances, enterprise agreement employees’ terms and conditions are supplemented by individual terms set out under an individual flexibility arrangement. At 30 June 2018, there were 17 enterprise agreement employees with individual flexibility arrangements in place.

During 2017–18, employees engaged under the enterprise agreement received a 1.5 per cent salary increase, effective 14 January 2018. This was the final of three increases prescribed by the current enterprise agreement.

Austrade SES remuneration is reviewed annually at the discretion of the CEO. In 2017–18, SES salaries were increased by 1.5 per cent in line with Austrade employees engaged under the enterprise agreement. The quantum of Austrade’s onshore taxable SES allowance remained unchanged.

Details of Austrade’s workplace agreements and salary ranges are set out in Table 22.

Austrade provided its Australia-based employees with a range of non-monetary benefits, including salary packaging, study assistance, healthy living reimbursements, purchased leave and short-term development assignments, including overseas assignments.

Austrade also supports its employees in achieving work–life balance through access to flexible working arrangements, including access

Table 22: Austrade’s workplace agreements and salary ranges, at 30 June 2018

<table>
<thead>
<tr>
<th>Classification</th>
<th>Enterprise agreement</th>
<th>Common law contract</th>
<th>Section 24(1) determination(a)</th>
<th>Individual flexibility arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Salary range ($)</td>
<td>No.</td>
<td>Salary range ($)</td>
<td>No.</td>
</tr>
<tr>
<td>Cadet</td>
<td>n.a.</td>
<td>0</td>
<td>n.a.</td>
<td>0</td>
</tr>
<tr>
<td>APS 1–4 (APL 1)</td>
<td>50,205–71,790</td>
<td>38</td>
<td>n.a.</td>
<td>0</td>
</tr>
<tr>
<td>APS 5–6 (APL 2)</td>
<td>74,662–91,490</td>
<td>122</td>
<td>n.a.</td>
<td>0</td>
</tr>
<tr>
<td>Exec. Level 1 (APL 3)</td>
<td>97,436–109,603</td>
<td>185</td>
<td>n.a.</td>
<td>0</td>
</tr>
<tr>
<td>Exec. Level 2 (APL 4–5)</td>
<td>113,986–154,283</td>
<td>139</td>
<td>n.a.</td>
<td>0</td>
</tr>
<tr>
<td>SES</td>
<td>150,000–164,520</td>
<td>6</td>
<td>96,974–332,559</td>
<td>55</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>490</strong></td>
<td><strong>55</strong></td>
<td><strong>0</strong></td>
<td><strong>17</strong></td>
</tr>
</tbody>
</table>

(a) Determination made under subsection 24(1) of the Public Service Act 1999.

(b) Where there is a possibility that payments to individuals may be identified (i.e. five or fewer employees at a classification level), the salary range is not shown.

Note: Excludes CEO. Includes seven substantive non-SES employees who are acting SES (six under the enterprise agreement and one under an individual flexibility arrangement).
to digital tools and technology to support this, flex-time, part-time hours and purchased leave.

Austrade does not have performance pay provisions in place for its Australia-based or overseas-engaged employees.

Austrade’s overseas-engaged employees (OEEs) are diverse, highly skilled and knowledgeable. They are engaged under section 74 of the Public Service Act 1999, with their specific terms and conditions determined under individual employment contracts that comply with local statutory obligations. These individual employment contracts operate in conjunction with relevant Australian Public Service (APS) employment and workplace legislation and human resources policies and procedures, and collectively define the terms and conditions of employment for overseas-engaged employees. At 30 June 2018, Austrade had 486 overseas-engaged employees.

Austrade has progressively been shifting to a ‘total rewards’ benefits strategy for its overseas-engaged employees. Work in this area commenced in 2016–17, and in early 2018, it was agreed that a comprehensive review of Austrade’s OEE employment framework would be undertaken. The review, which will be undertaken in the first half of 2018–19, will focus on delivering a contemporary and relevant OEE employment and remuneration framework that supports delivery of Austrade’s strategic priorities, attracts and retains talent, supports flexible and agile staffing, and maximises employee contribution.

Employee engagement

Austrade participates in the annual APS Employee Census, using it as the principal method for seeking feedback from Australia-based and overseas-engaged employees on a range of workplace and employment matters.

In 2018, 74 per cent of employees participated in the census. Overall, results indicated Austrade has a highly engaged and committed workforce. Austrade’s 2017–18 unscheduled absence average was 9.9 days (Australia-based employees). Data from the census indicated Austrade employees are highly engaged across the four dimensions of job, team, supervisor and agency.

The comparison data highlights that Austrade employees are more engaged than the overall APS average, and other specialist agencies similar to Austrade in workforce size and function.

Retaining its highly skilled and high-performing workforce is essential to Austrade’s ability to continue to deliver on its business objectives.

Austrade ran its second Pulse survey in November 2017. The survey, designed to provide a quick agency health and wellbeing check, and measure employee wellbeing, engagement, and awareness of Austrade priorities and directions, produced positive results in the areas of culture and collaboration, work–life balance and innovation.

Australia Day Achievement Medallions

The Australia Day Achievement Medallions program acknowledges the achievements of public servants, either on special projects that have made a significant contribution to Australia or through outstanding performance of their core duties.
Austrade’s 2017–18 recipients were:
› Minhaz Chowdhury, Post Manager, Dhaka
› Beth Deer, Manager, Partnerships, Canberra
› Mallee Karnasuta, Business Development Manager, Bangkok
› Patrick Kearins, State Director (South Australia), Adelaide
› Anastasia Nishnianidze, Manager, Strategic Resources, Canberra
› Kelly Sims, Trade Commissioner, Frankfurt.

Diversity and inclusion

During 2017–18, Austrade strengthened its commitment to diversity and inclusion through the development of a new Diversity and Inclusion Strategy 2018–2020. The strategy includes six internal priorities around gender equality; increasing Aboriginal and Torres Strait Islander representation; lesbian, gay, bisexual, transgender and intersex inclusiveness; increasing our level of representation of employees with disability; increasing representation of people who come from culturally and linguistically diverse backgrounds; and mental health. As a client-focused agency, the strategy also focuses on making a positive contribution to the community we serve by driving higher representation of women engaging in international business and increasing our support for Indigenous businesses.

Austrade continues to be actively involved in the Indigenous Australian Government Development Program (IAGDP). Our 2016–17 program participant, Jamie Healy, graduated in December 2017. Since then, Jamie has been selected to participate in Milparanga, a program for developing Aboriginal and Torres Strait Islander leadership skills. Austrade also recruited a new IAGDP employee for the 2017–18 program. Makara Smith joined Austrade’s Canberra office in September 2017, moving to Canberra from her home town of Gundagai, New South Wales.

In addition, Austrade continues to be involved in the Jawun APS Secondment Program, a non-profit program where APS staff are seconded to a range of Aboriginal and Torres Strait Islander partner organisations in urban, regional and remote communities across Australia. Austrade has had staff participate in this program for a number of years, with two participants selected in 2018 for secondments to the Kimberley region that are scheduled for the second half of the year.

Austrade 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 2017–18, Austrade engaged an intern through this program to work in our Sydney office. It is anticipated that Austrade will engage another intern through the program in late 2018.

During the year, Austrade supported a number of agency-wide events and initiatives:
› NAIDOC Week was celebrated in July 2017 with events held in offices across Australia, including joint events with local Indigenous communities, walks and artefact talks. Austrade also partnered with the Department of Foreign Affairs and Trade, attending their NAIDOC Week trivia night fundraiser.
› Unconscious Knowledge and Bias training was delivered in June 2018 for Australia-based staff at the APL 4 level and above. The training was facilitated by Cognicity as a pilot, with an evaluation to be undertaken on the value of expanding the training across Austrade’s global workforce.
Austrade provided a number of targeted capability development programs throughout the year to facilitate diversity and inclusion across its global network, including:

- an inclusive leadership program—a multimedia-based educational program designed to help leaders with the practical ‘how to’ associated with diversity and inclusion
- a women’s mentoring program—focused on the key areas women seek to improve on to help them achieve more at work and in their personal lives.

Austrade employees have access to learning and development opportunities through the agency’s online portal, the Austrade Institute, including opportunities to increase cultural capability and awareness through programs such as:

- Core Cultural Learning: Aboriginal and Torres Strait Islander Australia Foundation Course, developed by the Australian Institute of Aboriginal and Torres Strait Islander Studies. The aim of the course is to create a greater awareness of the history and cultural heritage of Aboriginal and Torres Strait Islander peoples.
- Globesmart—provides guidance on how to conduct business dealings with individuals in other countries.

**Disability reporting in annual reports**

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.

**Work health and safety**

Austrade is committed to work health and safety and employee wellbeing, and has developed a strong safety culture. Austrade’s systems meet Australian standards and demonstrate compliance with the requirements of the Work Health and Safety Act 2011 (WHS Act). Austrade is continuing to improve and enhance its systems, including the digitisation of all work health and safety forms, to promote a more timely and effective reporting of incidents, hazards and near misses.

Details of Austrade’s work health and safety initiatives, activities, statistics and investigations are outlined in Appendix C in accordance with Schedule 2, Part 4 of the WHS Act.

The Employee Assistance Program continues to provide access to confidential counselling services for all Austrade employees globally. The introduction of the free myLivewell app, accessible to all employees, provides ‘on the go’ access to information on a range of personal and work-related topics and contact details for the counselling service.
Workstation assessments were provided to all employees in the Canberra office following the move to new premises, due to the new open-plan workspaces and the introduction of sit/stand desks. The assessors demonstrated appropriate posture when standing and showed employees how to program the sit/stand settings into the desks.

Performance management

High-quality performance management is integral to delivering on Austrade’s strategic priorities and strengthening organisational and individual capability. Performance agreements are developed on an annual basis, with a mid-year review occurring in January–February and the final review in June. 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.

Developing our workforce and people

Austrade is committed to developing the skills employees need to undertake their current role 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 the Austrade 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 learning 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, which were delivered in a blended approach (e-learning, face to face and on the job). In 2017–18:

- 80 new staff attended Austrade’s global induction workshop, Austrade Today
- 18 staff participated in a pre-posting workshop to prepare for their posting offshore
- 911 staff participated in Design Thinking, User-Centred Design and Agile Delivery courses
- 191 staff participated in Quality Conversations workshops
- 20 staff participated in women’s mentoring programs
- 20 staff participated in Austrade’s inclusive leadership program
- 76 staff participated in inward investment skills workshops
- 1,071 staff completed a compulsory annual policy refresher e-learning course
- 875 staff completed a work health and safety e-learning module
- 1,037 staff completed a fraud awareness e-learning module
- 976 staff completed a general security awareness e-learning module
- 695 staff accessed Austrade’s Lynda.com e-learning modules, covering professional development and technical capabilities
› 33 staff completed Rosetta Stone online language courses
› 139 staff completed Unconscious Knowledge and Bias blended learning.

**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 a global 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.

In 2017–18, Winning Investment for Australia courses were held in Melbourne in December 2017 (31 participants), Brisbane in May 2018 (35 participants) and Singapore in June 2018 (25 participants).

**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 priority languages are Arabic, Cantonese, Hindi, Indonesian, Japanese, Mandarin and Spanish. Capabilities in these priority languages are shown in Table 23.

**Table 23: Foreign language capabilities at Austrade, priority languages, at 30 June 2018**

<table>
<thead>
<tr>
<th>Language</th>
<th>Number of speakers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arabic</td>
<td>14</td>
</tr>
<tr>
<td>Cantonese</td>
<td>30</td>
</tr>
<tr>
<td>Hindi</td>
<td>19</td>
</tr>
<tr>
<td>Indonesian</td>
<td>16</td>
</tr>
<tr>
<td>Japanese</td>
<td>36</td>
</tr>
<tr>
<td>Mandarin</td>
<td>84</td>
</tr>
<tr>
<td>Spanish</td>
<td>46</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>255</strong></td>
</tr>
</tbody>
</table>

Note: Includes Australia-based and overseas-engaged employees. Excludes attached agency staff, trade consultants, state specialists, contractors and TradeStart employees.

**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 2017–18, 21 staff participated in short-term assignments, seven from Australia to overseas offices, and 14 from overseas to Australia.

**Study assistance**

The Austrade Study Assistance Scheme provides assistance to employees studying for formal qualifications in relevant areas of study 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 2017–18, 22 employees were recipients of study assistance for studies in the fields of international business, business administration, accounting and finance, languages, management, commerce and law.
**Austrade scholarship program**

Austrade’s scholarship program provides access to education, training and development opportunities, offering 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 2017–18:

- 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. Three overseas-engaged employees were selected for the overseas-engaged employee scholarships in 2018

- Asialink Leaders Program scholarships—this program helps to build 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 2018 program.

The following scholarship was awarded to a non-Austrade employee:

- Austrade Craig Senger Scholarship—an annual scholarship, offered in conjunction with Monash University, in memory of the late Craig Senger, former Trade Commissioner in Jakarta. The 2018 recipient was Anthea Martin. Anthea is in her fourth year of a Bachelor of Engineering and Commerce.

**Talent development and pathways for trade commissioner roles**

Austrade’s trade commissioners represent the agency and the Australian Government in offshore markets. Their role is to establish and optimise business networks, and to support Australian businesses and industry to identify and take advantage of trade opportunities and investment flows within the region.

Newly appointed trade commissioners are provided tailored briefing programs, both onshore and in market, to equip them with the knowledge and skills required to take on these challenging and exciting leadership roles.

Austrade’s Trade Commissioner Development Program provides an important pipeline for Austrade’s trade commissioner roles. The program includes an onshore placement, ahead of participants undertaking a two-year offshore development posting. The posting provides participants with a rich and diverse opportunity to gain hands-on experience and to develop the strategic, leadership, communication and tradecraft skills required to be a high-performing trade commissioner.

Of the four participants selected for the 2016 intake, one has been promoted to a trade commissioner role while the others are completing their final year of the two-year offshore placements at Austrade offices in Jakarta, Paris and Shanghai.
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 and 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 2017–18.

Security

Throughout 2017–18, with a global security environment characterised by ongoing uncertainty and ever more diffuse and diverse threats, Austrade continued its program of work to mitigate security risks to its network.

Under the auspices of the Australian Government’s Operation Tetris to ensure that the Commonwealth’s property portfolio is appropriate to its expected needs and maximises value for taxpayers, Austrade’s Security, Consular and Property branch led a significant body of work to successfully relocate Austrade’s Canberra office from Barton to the Nishi Building, New Acton. As a shared facility with the Department of Communications and the Arts (DoCA), work is ongoing to integrate Austrade’s security operations with those of DoCA and achieve further efficiencies and savings.

Throughout the year, a number of targeted security reviews were conducted of Austrade offices and operations to ensure Australian Government information, assets and personnel continue to be appropriately protected. These security reviews were also used to support the expansion of the agency’s secure IT systems.

In response to the independent Review of Whole-of-Government Internal Regulation (Belcher Red Tape Review), and the subsequent reform of the Australian Government Protective Security Policy Framework, Austrade initiated a project to simplify its personnel security policies and procedures in an effort to introduce simplified, more efficient processes for the recruitment and onboarding of new personnel. In 2017–18, the bulk of this project was completed, with only the integrated recruitment and personnel security workflow to be delivered.

The Security, Consular and Property branch continued to provide risk advice and direct support to Austrade’s major business missions and events, including Australia Business Week in India, the Future Unlimited West Africa education exhibition held in Ghana and Nigeria,
and the Northern Australia Investment Forum held in Cairns—each of which passed without incident.

As Austrade reshapes its engagement strategy, and positions itself to operate with increased agility, the challenge for Austrade’s security management framework in the year ahead, and beyond, will be to develop innovative security solutions to enable these objectives.

**Property management**

Austrade’s global property portfolio comprises 165 properties leased through both the Department of Foreign Affairs and Trade (DFAT) Overseas Property Office and private sector landlords.

In 2017–18, Austrade negotiated 32 new leases and renewed 28 existing leases as part of the ongoing management of its property portfolio. Austrade also entered into 15 memorandums of understanding with other Australian Government agencies to share office space in domestic and international locations.

The Department of Finance’s Property Services Coordinated Procurement arrangements saw the appointment of Broadspectrum as Austrade’s domestic property service provider. From March to June 2018, Austrade worked with Broadspectrum to transition to the new arrangements commencing on 1 July 2018. Broadspectrum will deliver leasing and facilities management services to Austrade for an initial term to 30 June 2021, with possible extensions of up to a further four years.

In the 2017–18 Budget, the Government announced it would centralise management of the Commonwealth’s overseas property portfolio within DFAT’s Overseas Property Office. Throughout 2017–18, Austrade worked with DFAT in preparation for the transition post-1 July 2018 of Austrade’s property management functions, including residential and office accommodation owned or leased in support of a diplomatic presence, such as Austrade-managed trade and investment offices.

**Business continuity**

Austrade continued to strengthen the resilience of its domestic and international offices through its business continuity program, with knowledge and understanding of the agency’s response mechanisms further consolidated through the review of plans and scenario-based exercises conducted across the network.

Austrade worked closely with the Department of Foreign Affairs and Trade throughout the year to ensure a consistent approach to crisis management, planning and testing.

During 2017–18, Austrade’s business continuity and crisis management and response framework continued to prove effective in mitigating risks attributed to major incidents that required activation or review of business continuity plans.

For example, the New Delhi floods in late August 2017 necessitated alternative arrangements for the visit to Mumbai by the Hon Steven Ciobo MP, the then Minister for Trade, Tourism and Investment, as part of Australia Business Week in India. Also in late August 2017, the Austrade-managed Consulate-General in Houston operated in a heightened risk environment when Hurricane Harvey made landfall as a category 4 storm (see case study on pages 120–121).

In 2018–19, Austrade will review its business continuity framework and test its response to a business disruption event through participation in a simulated business continuity exercise. The review, conducted by Austrade’s internal auditors...
PwC, will provide an opportunity to:

› educate Austrade staff on the business continuity framework and what a better practice response would encompass
› exercise the linkages of related Austrade business continuity plans, including links to other external agency response plans as required.

Legal services

In 2017–18, legal services were provided to Austrade’s business units via the internal legal team, supported where necessary by external law firms. Under arrangements administered by the Attorney-General’s Department, through the Office of Legal Services Coordination, Austrade has access to a legal services multi-user list of 149 prequalified law firms, specialising in four categories of government work. 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 program administration and transactional legal work of business units. External legal resources are contracted on agreed terms and at competitive rates as the need arises.

The same standards that apply to Austrade’s domestic legal service providers under arrangements with the Office of Legal Services Coordination are applied when engaging in-country legal services to provide specialist local advice in labour claims, property negotiations and commercial disputes.

The total cost (internal and external) of legal services declined 5.2 per cent in 2017–18, reflecting greater reliance on internal legal resources and judicious use of external legal service providers.

Highlights of demand for legal services include:

› 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 changes globally included China’s cybersecurity law and the European Union’s General Data Protection Regulation. Austrade updated its privacy policies and procedures, conducted training for affected staff, and liaised extensively with other agencies to ensure a consistent approach to the changes
› 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
› 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’s Instructions, supporting operational guidelines and Austrade’s procurement framework.
No contracts of $100,000 or more were let during 2017–18 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, expected to be undertaken in 2017–18, are published in Austrade’s annual procurement plan, available from the AusTender website at tenders.gov.au.

**Consultants**

Austrade engages consultants when it requires specialist expertise or when independent research, review, advice or assessment is required. Decisions to engage consultants during 2017–18 were made accordance with the Public Governance, Performance and Accountability Act 2013 and related rules, including the Commonwealth Procurement Rules and relevant internal policies.

During 2017–18, 23 new consultancy contracts were entered into involving total actual expenditure of $1,508,809. In addition, eight ongoing consultancy contracts were active during 2017–18, involving total actual expenditure of $3,460,971. Table 24 provides trend information on Austrade’s consultancy contracts.

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 www.tenders.gov.au.

**Procurement initiatives to support small business**

Austrade supports small business participation in the Commonwealth Government procurement market. Statistics on the participation in procurement contracts of small to medium-sized 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 96.9 per cent of invoices received by Austrade during 2017–18 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 low-risk procurements under $200,000.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of existing consultancies</td>
<td>29</td>
<td>19</td>
<td>8</td>
</tr>
<tr>
<td>Number of new consultancies</td>
<td>42</td>
<td>37</td>
<td>23</td>
</tr>
<tr>
<td>Total consultancies</td>
<td>71</td>
<td>56</td>
<td>31</td>
</tr>
<tr>
<td><strong>Total expenditure ($)</strong></td>
<td>7,509,632</td>
<td>5,303,376</td>
<td>4,969,781</td>
</tr>
</tbody>
</table>
Austrade supports the goals of the Indigenous Procurement Policy. The performance of the Foreign Affairs and Trade portfolio in achieving its 2017–18 target can be viewed on the Department of the Prime Minister and Cabinet website, pmc.gov.au.

Managing knowledge and information

Austrade relies heavily on knowledge and information systems to help it advance Australia’s trade, investment, international education, and tourism interests. With a global business, it is critical that all information assets are available and accessible, any time, from any location, through a channel of choice, for both clients and Austrade operations.

Austrade’s information and communications technology (ICT) strategic plan outlines the overarching approach to the management of ICT resources to meet the future needs of the agency. It is aligned to Austrade’s strategic outcomes and embraces a ‘digital first’ approach.

The ICT strategic plan has six key principles:

› focus investment on supporting business growth and new capability
› digital first for delivery of services
› cloud first to enable collaboration and sharing
› mobile by default
› configure not customise
› minimise effort to maintain reliable, secure and compliant systems.

A review of Austrade’s digital readiness is underway to examine all aspects of its digital delivery, covering skills and capabilities, teaming models, platforms, ways of working and investment priorities. This review will position Austrade to meet its digital strategy and support the delivery of product lines through agile approaches and human-centred design.

Ngoc Khuu
Solutions Developer, Canberra

Ngoc Khuu is part of the Application Development team in the Information and Technology Services branch in Austrade’s Canberra office. Ngoc works to facilitate and implement innovative business solutions, while maintaining and supporting existing Austrade systems.

Ngoc has been an IT professional for 15 years and has been with Austrade for the last three years. She was attracted to Austrade because it recognised and acknowledged her skills, experience and reputation for delivery. Ngoc enjoys Austrade’s willingness to engage with cutting-edge technology, and particularly likes the fast pace of work in this field.

Ngoc is keen to contribute to Austrade’s digital transformation journey, especially when the solutions she creates improve the user experience.

‘My work is always interesting. I enjoy the variety and love working on complex problems, looking for ways to make things easier, quicker and better,’ Ngoc said.
Austrade’s initial data intelligence initiative will be broadened to extend the reach and accessibility of data and insights to both clients and Austrade staff. Investments in this area, as well as the exploratory use of automation, artificial intelligence and machine learning, will continue to enhance the agency’s digital experience and its capability to derive value from its core information assets.

A key component of supporting Austrade’s highly mobile workforce is ubiquitous access to line-of-business applications and productivity tools that align with demands to work in different ways. Austrade is undertaking an initiative to map information and new 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 to interact in innovative ways with clients, other governments and stakeholders.

Austrade’s strategy will continue to adapt to an evolving digital landscape and meet whole-of-government digital priorities and ambitions using a bimodal delivery model that blends the stability of proven governance standards and processes with the agility of human-centred design.

Austrade takes advantage of cloud computing and hosting arrangements where applicable, and its data centres are run in government-approved, co-location 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.
Financial statements

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- Notes to and forming part of the financial statements 171
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 for the year ended 30 June 2018:

(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 Australian Trade and Investment Commission as at 30 June 2018 and its financial performance and cash flows for the year then ended.

The financial statements of the Australian Trade and Investment Commission, which I have audited, comprise the following statements as at 30 June 2018 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 and forming part of the financial statements.

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 Australian Trade and Investment Commission 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 Australian Trade and Investment Commission, the Chief Executive Officer is responsible under the Public Governance, Performance and Accountability Act 2013 for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation 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 Australian Trade and Investment Commission’s ability 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 those charged with governance 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
Acting Executive Director

Delegate of the Auditor-General

Canberra
5 September 2018
In our opinion, the attached financial statements for the year ended 30 June 2018 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
28 August 2018

Signed

Robert O’Meara
Chief Financial Officer
28 August 2018
Australian Trade and Investment Commission
Financial statements
for the period ended 30 June 2018
## Statement of Comprehensive Income

**for the period ended 30 June 2018**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET COST OF SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td>1.1A</td>
<td>142,783</td>
<td>142,749</td>
</tr>
<tr>
<td>Suppliers</td>
<td>1.1B</td>
<td>76,533</td>
<td>77,622</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>3.2A</td>
<td>17,254</td>
<td>18,642</td>
</tr>
<tr>
<td>Write-down and impairment of assets</td>
<td></td>
<td>4</td>
<td>399</td>
</tr>
<tr>
<td>Losses from asset sales</td>
<td></td>
<td>264</td>
<td>228</td>
</tr>
<tr>
<td>Foreign exchange losses</td>
<td></td>
<td>481</td>
<td>(453)</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td></td>
<td>237,319</td>
<td>239,187</td>
</tr>
<tr>
<td><strong>Own-Source Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own-source revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of goods and rendering of services</td>
<td></td>
<td>26,105</td>
<td>25,027</td>
</tr>
<tr>
<td>Rental income</td>
<td></td>
<td>382</td>
<td>293</td>
</tr>
<tr>
<td>Other revenue</td>
<td>1.4A</td>
<td>2,202</td>
<td>2,451</td>
</tr>
<tr>
<td><strong>Total own-source revenue</strong></td>
<td></td>
<td>28,689</td>
<td>27,771</td>
</tr>
<tr>
<td><strong>Gains</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other gains</td>
<td></td>
<td>-</td>
<td>455</td>
</tr>
<tr>
<td><strong>Total gains</strong></td>
<td></td>
<td>-</td>
<td>455</td>
</tr>
<tr>
<td><strong>Total own-source income</strong></td>
<td></td>
<td>28,689</td>
<td>28,226</td>
</tr>
<tr>
<td><strong>Net cost of services</strong></td>
<td></td>
<td>208,630</td>
<td>210,961</td>
</tr>
<tr>
<td>Revenue from Government</td>
<td></td>
<td>189,712</td>
<td>194,771</td>
</tr>
<tr>
<td><strong>(Deficit)</strong></td>
<td></td>
<td>(18,918)</td>
<td>(16,190)</td>
</tr>
<tr>
<td><strong>OTHER COMPREHENSIVE INCOME</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items not subject to subsequent reclassification to net cost of services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in asset revaluation surplus</td>
<td></td>
<td>1,307</td>
<td>(76)</td>
</tr>
<tr>
<td><strong>Total other comprehensive income (loss)</strong></td>
<td></td>
<td>1,307</td>
<td>(76)</td>
</tr>
<tr>
<td><strong>(Total comprehensive loss)</strong></td>
<td></td>
<td>(17,611)</td>
<td>(16,266)</td>
</tr>
</tbody>
</table>

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 2018*

### Budget Variances Commentary

The financial statements provide a comparison of the original budget as presented in the 2017-18 Portfolio Budget Statements (PBS) to the 2017-18 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

No major variances between budget and actual.
## Statement of Financial Position

**as at 30 June 2018**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4,870</td>
<td>5,911</td>
<td>5,500</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>55,092</td>
<td>54,843</td>
<td>49,037</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>59,962</td>
<td>60,754</td>
<td>54,537</td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>4,870</td>
<td>5,911</td>
<td>5,500</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>9,299</td>
<td>9,464</td>
<td>11,133</td>
</tr>
<tr>
<td>Computer software</td>
<td>6,799</td>
<td>9,381</td>
<td>7,251</td>
</tr>
<tr>
<td>Other intangibles</td>
<td>19,280</td>
<td>16,085</td>
<td>18,146</td>
</tr>
<tr>
<td>Other non-financial assets</td>
<td>5,551</td>
<td>8,496</td>
<td>9,431</td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>57,240</td>
<td>58,846</td>
<td>62,905</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>117,202</td>
<td>119,600</td>
<td>117,442</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>13,513</td>
<td>12,843</td>
<td>12,814</td>
</tr>
<tr>
<td>Other payables</td>
<td>5,207</td>
<td>4,999</td>
<td>2,192</td>
</tr>
<tr>
<td>Total payables</td>
<td>18,720</td>
<td>17,842</td>
<td>15,006</td>
</tr>
<tr>
<td>Provisions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee provisions</td>
<td>36,157</td>
<td>34,682</td>
<td>37,024</td>
</tr>
<tr>
<td>Other provisions</td>
<td>50</td>
<td>65</td>
<td>308</td>
</tr>
<tr>
<td>Total provisions</td>
<td>36,207</td>
<td>34,747</td>
<td>37,332</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>54,927</td>
<td>52,589</td>
<td>52,338</td>
</tr>
<tr>
<td>Net assets</td>
<td>62,275</td>
<td>67,011</td>
<td>65,104</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed equity</td>
<td>115,696</td>
<td>102,821</td>
<td>116,892</td>
</tr>
<tr>
<td>Reserves</td>
<td>33,717</td>
<td>32,410</td>
<td>39,177</td>
</tr>
<tr>
<td>(Accumulated deficit)</td>
<td>(87,138)</td>
<td>(68,220)</td>
<td>(90,965)</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>62,275</td>
<td>67,011</td>
<td>65,104</td>
</tr>
</tbody>
</table>

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 2018

Budget Variances Commentary

Statement of Financial Position

Trade and other receivables

Total trade and other receivables was higher than the original budget, mainly due to an increase in appropriation receivable relating to lower supplier expenses in 2017.

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 2018

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>2018</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td></td>
</tr>
</tbody>
</table>

**CONTRIBUTED EQUITY**

**Opening balance**
- Balance carried forward from previous period: 102,821
- Adjustments: (3)

**Adjusted opening balance**: 102,818

**Transactions with owners**

**Distributions to owners**
- Returns of capital: (2,298)

**Contributions by owners**
- Equity injection: -
- Departmental capital budget: 15,176

**Total transactions with owners**: 12,878

**Closing balance as at 30 June**: 115,696

**RETAINED EARNINGS**

**Opening balance**
- Balance carried forward from previous period: (68,220)
- Adjusted opening balance: (68,220)

**Comprehensive income**
- (Deficit) for the period: (18,918)

**Other comprehensive income**
- Total comprehensive income: (18,918)

**Closing balance as at 30 June**: (87,138)

**ASSET REVALUATION RESERVE**

**Opening balance**
- Balance carried forward from previous period: 32,410
- Adjusted opening balance: 32,410

**Comprehensive income**
- Other comprehensive income: 1,307

**Total comprehensive income**: 1,307

**Closing balance as at 30 June**: 33,717
# Australian Trade and Investment Commission

## Statement of Changes in Equity

*for the period ended 30 June 2018*

### Original Budget

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

## TOTAL EQUITY

### Opening balance

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance carried forward from previous period</td>
<td>67,008</td>
<td>67,156</td>
<td>66,528</td>
</tr>
<tr>
<td>Adjusted opening balance</td>
<td>67,008</td>
<td>67,156</td>
<td>66,528</td>
</tr>
</tbody>
</table>

### Comprehensive income

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Deficit) for the period</td>
<td>(18,918)</td>
<td>(16,190)</td>
<td>(19,000)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>1,307</td>
<td>(76)</td>
<td>3,500</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>(17,611)</td>
<td>(16,266)</td>
<td>(15,500)</td>
</tr>
</tbody>
</table>

### Transactions with owners

#### Distributions to owners

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returns of capital</td>
<td>(2,298)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Contributions by owners

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity injection</td>
<td>-</td>
<td>1,595</td>
<td>-</td>
</tr>
<tr>
<td>Departmental capital budget</td>
<td>15,176</td>
<td>14,526</td>
<td>14,076</td>
</tr>
<tr>
<td>Total transactions with owners</td>
<td>12,878</td>
<td>16,121</td>
<td>14,076</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing balance as at 30 June</td>
<td>62,275</td>
<td>67,011</td>
<td>65,104</td>
</tr>
</tbody>
</table>

### 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.

**Restructuring of Administrative Arrangements**

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

### Budget Variances Commentary

**Statement of Changes in Equity**

**Asset Revaluation Reserve**

The revaluation increment for leasehold improvements was lower than the original budget in both 2017 and 2018.
Australian Trade and Investment Commission  
Cash Flow Statement  
for the period ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
</tr>
</thead>
</table>

**OPERATING ACTIVITIES**

**Cash received**

- Appropriations  
  187,342  
- Sale of goods and rendering of services  
  25,793  
- GST received  
  3,870  
- Other  
  2,368  

*Total cash received*  
219,373  
223,555  
224,089

**Cash used**

- Employees  
  140,831  
- Suppliers  
  76,135  

*Total cash used*  
216,966  
222,916  
225,700

**Net cash from/(used by) operating activities**  
2,407  
639  
(1,611)

**INVESTING ACTIVITIES**

**Cash received**

- Proceeds from sales of property, plant and equipment  
  106  

*Total cash received*  
106  
217  
-

**Cash used**

- Purchase of property, plant and equipment  
  18,827  

*Total cash used*  
18,827  
16,396  
15,176

**Net cash (used by) investing activities**  
(18,721)  
(16,179)  
(15,176)

**FINANCING ACTIVITIES**

**Cash received**

- Contributed equity  
  15,273  

*Total cash received*  
15,273  
15,605  
16,787

**Net cash from financing activities**  
15,273  
15,605  
16,787

**Net increase/(decrease) in cash held**  
(1,041)  
65  
-

Cash and cash equivalents at the beginning of the reporting period  
5,911  
5,846  
5,500

Cash and cash equivalents at the end of the reporting period  
4,870  
5,911  
5,500

The above statement should be read in conjunction with the accompanying notes.

**Budget Variances Commentary**

**Cash Flow Statement**

*Cash received – Appropriations/Cash used - Employees*

Austrade’s Departmental appropriation was lower than the original budget, mainly due to two savings measures announced during 2017-18. These savings measures also resulted in lower cash payments to employees. The variance in employee benefits expense is lower than the cash variance due to an increase in employee provisions during 2017-18.
Australian Trade and Investment Commission
Administered Schedule of Comprehensive Income
for the period ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET COST OF SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td>2.1A</td>
<td>5,063</td>
<td>5,199</td>
</tr>
<tr>
<td>Suppliers</td>
<td>2.1B</td>
<td>1,333</td>
<td>1,363</td>
</tr>
<tr>
<td>Grants</td>
<td>2.1C</td>
<td>124,758</td>
<td>141,712</td>
</tr>
<tr>
<td>Total expenses</td>
<td></td>
<td>131,154</td>
<td>148,274</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-taxation revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td>121</td>
<td>91</td>
</tr>
<tr>
<td>Total non-taxation revenue</td>
<td></td>
<td>121</td>
<td>91</td>
</tr>
<tr>
<td>Total revenue</td>
<td></td>
<td>121</td>
<td>91</td>
</tr>
<tr>
<td>Total income</td>
<td></td>
<td>121</td>
<td>91</td>
</tr>
<tr>
<td>(Net cost of services)</td>
<td></td>
<td>(131,033)</td>
<td>(148,183)</td>
</tr>
<tr>
<td>(Deficit)</td>
<td></td>
<td>(131,033)</td>
<td>(148,183)</td>
</tr>
<tr>
<td><strong>OTHER COMPREHENSIVE INCOME</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items not subject to subsequent reclassification to net cost of services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total other comprehensive income</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(Total comprehensive loss)</td>
<td></td>
<td>(131,033)</td>
<td>(148,183)</td>
</tr>
</tbody>
</table>

The above schedule should be read in conjunction with the accompanying notes.

**Budget Variances Commentary**

**Administered Schedule of Comprehensive Income**

**Grants**

Grant expense was lower than the original budget due to the high provision for EMDG grants in 2017. The 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 expenses in 2018.
Australian Trade and Investment Commission  
Administered Schedule of Assets and Liabilities  
as at 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4.1A</td>
<td>75</td>
<td>204</td>
<td>-</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>4.1A</td>
<td>92</td>
<td>127</td>
<td>198</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td></td>
<td>167</td>
<td>331</td>
<td>198</td>
</tr>
<tr>
<td><strong>Total assets administered on behalf of Government</strong></td>
<td></td>
<td>167</td>
<td>331</td>
<td>198</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Payables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>4.2A</td>
<td>91</td>
<td>324</td>
<td>197</td>
</tr>
<tr>
<td>Grants</td>
<td>4.2B</td>
<td>1,732</td>
<td>1,368</td>
<td>240</td>
</tr>
<tr>
<td>Other payables</td>
<td>4.2C</td>
<td>35</td>
<td>38</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total payables</strong></td>
<td></td>
<td>1,858</td>
<td>1,730</td>
<td>455</td>
</tr>
<tr>
<td><strong>Provisions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee provisions</td>
<td>6.1B</td>
<td>2,178</td>
<td>2,256</td>
<td>2,382</td>
</tr>
<tr>
<td>Grants provisions</td>
<td>4.3A</td>
<td>7,937</td>
<td>16,327</td>
<td>8,523</td>
</tr>
<tr>
<td><strong>Total provisions</strong></td>
<td></td>
<td>10,115</td>
<td>18,583</td>
<td>10,905</td>
</tr>
<tr>
<td><strong>Total liabilities administered on behalf of Government</strong></td>
<td></td>
<td>11,973</td>
<td>20,313</td>
<td>11,360</td>
</tr>
<tr>
<td>(Net liabilities)</td>
<td></td>
<td>(11,806)</td>
<td>(19,982)</td>
<td>(11,162)</td>
</tr>
</tbody>
</table>

The above schedule should be read in conjunction with the accompanying notes.

**Budget Variances Commentary**

**Administered Schedule of Assets and Liabilities**

No major variances between budget and actual.
Australian Trade and Investment Commission
Administered Reconciliation Schedule

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening assets less liabilities as at 1 July</strong></td>
<td>(19,982)</td>
<td>(11,162)</td>
</tr>
<tr>
<td><strong>Net (cost of)/contribution by services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>121</td>
<td>91</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to entities other than corporate Commonwealth entities</td>
<td>(131,154)</td>
<td>(148,274)</td>
</tr>
</tbody>
</table>

**Transfers (to)/from the Australian Government**

| Appropriation transfers from Official Public Account |              |              |
| Annual appropriations                                |              |              |
| Payments to entities other than corporate Commonwealth entities | 139,237      | 139,450      |

| Appropriation transfers to OPA |              |              |
| Transfers to OPA               | (28)         | (87)         |

**Closing assets less liabilities as at 30 June**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(11,806)</td>
<td>(19,982)</td>
</tr>
</tbody>
</table>

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.
### Administered Cash Flow Statement

*for the period ended 30 June 2018*

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GST received</td>
<td>211</td>
<td>259</td>
</tr>
<tr>
<td>Other</td>
<td>117</td>
<td>90</td>
</tr>
<tr>
<td>Total cash received</td>
<td>328</td>
<td>349</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>5,144</td>
<td>5,305</td>
</tr>
<tr>
<td>Suppliers</td>
<td>1,527</td>
<td>1,217</td>
</tr>
<tr>
<td>Grants</td>
<td>132,995</td>
<td>132,986</td>
</tr>
<tr>
<td>Total cash used</td>
<td>139,666</td>
<td>139,508</td>
</tr>
<tr>
<td>Net cash (used by) operating activities</td>
<td>(139,338)</td>
<td>(139,159)</td>
</tr>
</tbody>
</table>

Cash and cash equivalents at the beginning of the reporting period

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriations</td>
<td>139,237</td>
<td>139,450</td>
</tr>
<tr>
<td>Total cash from official public account</td>
<td>139,237</td>
<td>139,450</td>
</tr>
</tbody>
</table>

Cash to Official Public Account

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>(28)</td>
<td>(87)</td>
</tr>
<tr>
<td>Total cash to official public account</td>
<td>(28)</td>
<td>(87)</td>
</tr>
</tbody>
</table>

Cash and cash equivalents at the end of the reporting period

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>75</td>
<td>204</td>
</tr>
</tbody>
</table>

The above statement should be read in conjunction with the accompanying notes.
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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;
- Asian Business Engagement Plan Grants (terminated in 2016-17);
- Australian Tropical Medicine Commercialisation Grants; and
- Free Trade Agreement Training Provider Grants.

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:

<table>
<thead>
<tr>
<th>Standard/ Interpretation</th>
<th>Application date for Austrade</th>
<th>Nature of impending change/s in accounting policy and likely impact on initial application</th>
</tr>
</thead>
</table>
| AASB 16 Leases           | 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 is yet to undertake a detailed assessment of the impact of AASB 16. However, based on Austrade’s preliminary assessment, it is expected to have a significant impact on the recognition and measurement of Austrade’s leases. |
| AASB 15 Revenue from Contracts with Customers | 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 is yet to undertake a detailed assessment of the impact of AASB 15. However, based on Austrade’s preliminary assessment, it is not expected to have a significant impact on the timing of the recognition of revenue. |

1. Austrade’s expected initial application date is when the accounting standard becomes operative at the beginning of Austrade’s reporting period.

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.
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;

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 2018.

1.1. Expenses

<table>
<thead>
<tr>
<th>Note 1.1A: Employee Benefits</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>102,967</td>
<td>102,982</td>
</tr>
<tr>
<td>Superannuation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined contribution plans</td>
<td>4,963</td>
<td>4,811</td>
</tr>
<tr>
<td>Defined benefit plans</td>
<td>5,202</td>
<td>5,381</td>
</tr>
<tr>
<td>Leave and other entitlements</td>
<td>20,886</td>
<td>21,129</td>
</tr>
<tr>
<td>Separation and redundancies</td>
<td>2,293</td>
<td>1,436</td>
</tr>
<tr>
<td>Fringe benefits tax</td>
<td>6,472</td>
<td>7,010</td>
</tr>
<tr>
<td><strong>Total employee benefits</strong></td>
<td><strong>142,783</strong></td>
<td><strong>142,749</strong></td>
</tr>
</tbody>
</table>

Accounting Policy
Accounting policies for employee related expenses are contained in the People and Relationships section.
Note 1.1B: Suppliers

Goods and services supplied or rendered

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractors, consultants and service providers</td>
<td>13,637</td>
<td>12,347</td>
</tr>
<tr>
<td>Non-lease property related costs</td>
<td>5,569</td>
<td>6,698</td>
</tr>
<tr>
<td>Publicity and promotions</td>
<td>7,753</td>
<td>7,111</td>
</tr>
<tr>
<td>Communications and information technology</td>
<td>3,725</td>
<td>4,890</td>
</tr>
<tr>
<td>Travel and related expenses</td>
<td>7,211</td>
<td>8,729</td>
</tr>
<tr>
<td>Tradestart payments</td>
<td>2,641</td>
<td>2,345</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>9,074</td>
<td>9,254</td>
</tr>
<tr>
<td><strong>Total goods and services supplied or rendered</strong></td>
<td>49,610</td>
<td>51,374</td>
</tr>
</tbody>
</table>

Services rendered

- **Total goods and services supplied or rendered** 49,610 51,374

Other suppliers

- Operating lease rentals 26,615 25,807
- Workers compensation expenses 308 441

**Total other suppliers** 26,923 26,248

**Total suppliers** 76,533 77,622

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:

<table>
<thead>
<tr>
<th>Period</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>18,095</td>
<td>15,552</td>
</tr>
<tr>
<td>Between 1 to 5 years</td>
<td>34,032</td>
<td>30,269</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>13,288</td>
<td>2,549</td>
</tr>
<tr>
<td><strong>Total operating lease commitments</strong></td>
<td>65,415</td>
<td>48,370</td>
</tr>
</tbody>
</table>

Commitments for sublease rental income receivables are as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>961</td>
<td>1,121</td>
</tr>
<tr>
<td>Between 1 to 5 years</td>
<td>494</td>
<td>1,428</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total sublease rental income commitments</strong></td>
<td>1,455</td>
<td>2,549</td>
</tr>
</tbody>
</table>

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.

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.
1.2. Own-Source Revenue and Gains

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources received free of charge</td>
<td>216</td>
<td>160</td>
</tr>
<tr>
<td>Other¹</td>
<td>1,986</td>
<td>2,291</td>
</tr>
<tr>
<td><strong>Total other revenue</strong></td>
<td><strong>2,202</strong></td>
<td><strong>2,451</strong></td>
</tr>
</tbody>
</table>

¹ Other revenue includes officer contributions for rental and other miscellaneous forms 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.
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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

#### Note 2.1A: Employee Benefits

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>4,284</td>
<td>4,405</td>
</tr>
<tr>
<td>Superannuation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined contribution plans</td>
<td>230</td>
<td>221</td>
</tr>
<tr>
<td>Defined benefit plans</td>
<td>514</td>
<td>541</td>
</tr>
<tr>
<td>Fringe benefits tax</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Other employee expenses</td>
<td>26</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total employee benefits</strong></td>
<td>5,063</td>
<td>5,199</td>
</tr>
</tbody>
</table>

#### Note 2.1B: Suppliers

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods and services supplied or rendered</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>892</td>
<td>945</td>
</tr>
<tr>
<td><strong>Total goods and services supplied or rendered</strong></td>
<td>892</td>
<td>945</td>
</tr>
<tr>
<td>Services rendered</td>
<td>892</td>
<td>945</td>
</tr>
<tr>
<td><strong>Total services rendered</strong></td>
<td>892</td>
<td>945</td>
</tr>
<tr>
<td><strong>Total goods and services supplied or rendered</strong></td>
<td>892</td>
<td>945</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other suppliers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating lease rentals</td>
<td>441</td>
<td>418</td>
</tr>
<tr>
<td><strong>Total other suppliers</strong></td>
<td>441</td>
<td>418</td>
</tr>
<tr>
<td><strong>Total suppliers</strong></td>
<td>1,333</td>
<td>1,363</td>
</tr>
</tbody>
</table>

#### 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:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>486</td>
<td>454</td>
</tr>
<tr>
<td>Between 1 to 5 years</td>
<td>917</td>
<td>1,211</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>202</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total operating lease commitments</strong></td>
<td>1,605</td>
<td>1,665</td>
</tr>
</tbody>
</table>

**Commitments for sublease rental income receivables are as follows:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Between 1 to 5 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total sublease rental income commitments</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Australian Trade and Investment Commission  
Notes to and forming part of the financial statements

<table>
<thead>
<tr>
<th>Note 2.1C: Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Private sector</strong></td>
</tr>
<tr>
<td>Export Market Development Grants</td>
</tr>
<tr>
<td>Australian Tropical Medicine Commercialisation Grants</td>
</tr>
<tr>
<td>Free Trade Agreement Training Provider Grants</td>
</tr>
<tr>
<td><strong>Total grants</strong></td>
</tr>
</tbody>
</table>

**Accounting Policy**

**Grants**

Austrade, on behalf of the Government, administers grants relating to the Export Market Development Grants Scheme (EMDG), Australian Tropical Medicine Commercialisation (ATMC), Free Trade Agreement Training Provider Grants (FTA-TP) and Asian Business Engagement Plan (ABE Plan) (terminated in 2016-17).

Export Market Development Grants 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, FTA-TP and ABE Plan grant 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.
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

<table>
<thead>
<tr>
<th>Note 3.1A: Trade and Other Receivables</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good and services receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goods and services</td>
<td>4,001</td>
<td>3,872</td>
</tr>
<tr>
<td>Total goods and services receivables</td>
<td>4,001</td>
<td>3,872</td>
</tr>
<tr>
<td>Appropriations receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriation receivable</td>
<td>50,427</td>
<td>50,452</td>
</tr>
<tr>
<td>Total appropriations receivable</td>
<td>50,427</td>
<td>50,452</td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GST receivable from the Australian Taxation Office</td>
<td>691</td>
<td>549</td>
</tr>
<tr>
<td>Total other receivables</td>
<td>691</td>
<td>549</td>
</tr>
<tr>
<td>Total trade and other receivables (gross)</td>
<td>55,119</td>
<td>54,873</td>
</tr>
<tr>
<td>Less impairment allowance</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>Total trade and other receivables (net)</td>
<td>55,092</td>
<td>54,843</td>
</tr>
</tbody>
</table>

Credit terms for goods and services were within 30 days (2017: 30 days).

Reconciliation of the Impairment Allowance

<table>
<thead>
<tr>
<th>Movements in relation to 2018</th>
<th>Goods and services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>As at 1 July 2017</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td>Amounts recovered and reversed</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td>Increase recognised in net cost of services</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total as at 30 June 2018</td>
<td>27</td>
<td>27</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Movements in relation to 2017</th>
<th>Goods and services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>As at 1 July 2016</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>Amounts recovered and reversed</td>
<td>(57)</td>
<td>(57)</td>
</tr>
<tr>
<td>Increase recognised in net cost of services</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Total as at 30 June 2017</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

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.

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.
3.2. Non-Financial Assets

Note 3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles for 2018

Reconciliation of the opening and closing balances of property, plant and equipment for 2018

<table>
<thead>
<tr>
<th>Buildings - leasehold improvements</th>
<th>Plant and equipment</th>
<th>Computer software</th>
<th>Other intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>As at 1 July 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross book value</td>
<td>15,420</td>
<td>15,584</td>
<td>59,339</td>
<td>19,710</td>
</tr>
<tr>
<td>Accumulated depreciation and impairment</td>
<td>-</td>
<td>(6,120)</td>
<td>(49,958)</td>
<td>(3,625)</td>
</tr>
<tr>
<td>Total as at 1 July 2017</td>
<td>15,420</td>
<td>9,464</td>
<td>9,381</td>
<td>16,085</td>
</tr>
<tr>
<td>Additions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase or internally developed</td>
<td>4,499</td>
<td>5,241</td>
<td>2,381</td>
<td>5,535</td>
</tr>
<tr>
<td>Revaluations and impairments recognised in other comprehensive income</td>
<td>1,307</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impairments recognised in net cost of services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(4,914)</td>
<td>(5,131)</td>
<td>(4,869)</td>
<td>(2,340)</td>
</tr>
<tr>
<td>Disposals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(1)</td>
<td>(275)</td>
<td>(94)</td>
<td>-</td>
</tr>
<tr>
<td>Other movements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total as at 30 June 2018</td>
<td>16,311</td>
<td>9,299</td>
<td>6,799</td>
<td>19,280</td>
</tr>
</tbody>
</table>

Total as at 30 June 2018 represented by

<table>
<thead>
<tr>
<th>Gross book value</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Total as at 30 June 2018</td>
<td>16,311</td>
<td>19,950</td>
<td>56,012</td>
<td>25,245</td>
</tr>
<tr>
<td>Accumulated depreciation, amortisation and impairment</td>
<td>-</td>
<td>(10,651)</td>
<td>(49,213)</td>
<td>(5,965)</td>
</tr>
<tr>
<td>Total as at 30 June 2018</td>
<td>16,311</td>
<td>9,299</td>
<td>6,799</td>
<td>19,280</td>
</tr>
</tbody>
</table>

1. The carrying amount of computer software included $2.460 million purchased software and $4.339 million internally generated software.
2. Other intangibles comprise capital costs in connection with the Tourism International Visitor Survey and National Visitor Survey.
## 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. For the majority of items of plant and equipment, the Commission procured valuation services from Pickles Valuation Services (Pickles) in 2016 and relied on valuation models provided by Pickles. 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 reverses 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 reverse 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:

<table>
<thead>
<tr>
<th>Depreciable Asset</th>
<th>2018 Lease term or assessed life</th>
<th>2017 Lease term or assessed life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>3 to 10 years</td>
<td>3 to 10 years</td>
</tr>
</tbody>
</table>

### Impairment

All assets were assessed for impairment at 30 June 2018. 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 (2017: 3 to 10 years). All intangible assets were assessed for indications of impairment as at 30 June 2018.
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
Commitments for property, plant, equipment and intangible assets are primarily contracts for purchases of leasehold improvements, computer software and other intellectual property.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td></td>
</tr>
<tr>
<td>Commitments are payable as follows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within 1 year</td>
<td>3,465</td>
<td>3,705</td>
</tr>
<tr>
<td>Between 1 to 5 years</td>
<td>-</td>
<td>51</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total commitments</td>
<td>3,465</td>
<td>3,756</td>
</tr>
</tbody>
</table>

There were no impairment losses on buildings (2017: 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 or 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.

Revaluations of non-financial assets
All revaluations were conducted in accordance with revaluation policy as stated above.
The 2018 revaluation of leasehold improvements was conducted by the independent qualified valuer Colliers International Pty Ltd. A management valuation of plant and equipment was conducted at 30 June 2016. No revaluation was conducted at 30 June 2018.

Note 3.2B: Other Non-Financial Assets
Prepayments - property leases | 1,736 | 5,356 |
Prepayments - other | 3,815 | 3,140 |
Total other non-financial assets | 5,551 | 8,496 |

No indicators of impairment were found for other non-financial assets.
### 3.3. Payables

<table>
<thead>
<tr>
<th>Note 3.3A: Suppliers</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors and accruals</td>
<td>13,513</td>
<td>12,843</td>
</tr>
<tr>
<td><strong>Total suppliers</strong></td>
<td><strong>13,513</strong></td>
<td><strong>12,843</strong></td>
</tr>
</tbody>
</table>

Settlement was usually made within 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

<table>
<thead>
<tr>
<th>Note 3.3B: Other Payables</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>2,305</td>
<td>1,828</td>
</tr>
<tr>
<td>Lease incentives</td>
<td>496</td>
<td>578</td>
</tr>
<tr>
<td>Prepayments received/unearned income</td>
<td>2,400</td>
<td>2,579</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total other payables</strong></td>
<td><strong>5,207</strong></td>
<td><strong>4,999</strong></td>
</tr>
</tbody>
</table>

### 3.4. Other Provisions

<table>
<thead>
<tr>
<th>Note 3.4A: Other Provisions</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for onerous contracts</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>Provision for restoration</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total other provisions</strong></td>
<td><strong>50</strong></td>
<td><strong>65</strong></td>
</tr>
</tbody>
</table>

The table for other provisions is as follows:

<table>
<thead>
<tr>
<th>Provision for onerous contracts</th>
<th>Provision for restoration</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>As at 1 July 2017</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>50</td>
<td>65</td>
</tr>
<tr>
<td>Amounts used</td>
<td>(15)</td>
<td>(15)</td>
</tr>
<tr>
<td>Amounts reversed</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other movements</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total as at 30 June 2018</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>

Austrade currently has 90 (2017: 83) 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.
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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

Note 4.1A: Trade and Other Receivables

Other receivables

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>92</td>
<td>127</td>
</tr>
<tr>
<td>Total other receivables</td>
<td>92</td>
<td>127</td>
</tr>
<tr>
<td>Total trade and other receivables (gross)</td>
<td>92</td>
<td>127</td>
</tr>
</tbody>
</table>

Less impairment allowance

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total trade and other receivables (net)</td>
<td>92</td>
<td>127</td>
</tr>
</tbody>
</table>

Other receivables are with entities external to the Australian Government. Credit terms were within 30 days (2017: 30 days).

Reconciliation of the Impairment Allowance

Movements in relation to 2018

<table>
<thead>
<tr>
<th></th>
<th>Other receivables</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>As at 1 July 2017</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total as at 30 June 2018</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Movements in relation to 2017

<table>
<thead>
<tr>
<th></th>
<th>Other receivables</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>As at 1 July 2016</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total as at 30 June 2017</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
4.2. Administered – Payables

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Note 4.2A: Suppliers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade creditors and accruals</td>
<td>89</td>
<td>322</td>
</tr>
<tr>
<td>Other creditors</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total suppliers</strong></td>
<td>91</td>
<td>324</td>
</tr>
</tbody>
</table>

**Note 4.2B: Grants**

Private sector:

<table>
<thead>
<tr>
<th>Grants</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABE Plan grants payable</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>ATMC grants payable</td>
<td>1,287</td>
<td>439</td>
</tr>
<tr>
<td>EMDG grants payable</td>
<td>75</td>
<td>-</td>
</tr>
<tr>
<td>FTA-TP grants payable</td>
<td>370</td>
<td>914</td>
</tr>
<tr>
<td><strong>Total grants</strong></td>
<td>1,732</td>
<td>1,368</td>
</tr>
</tbody>
</table>

**Note 4.2C: Other Payables**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>35</td>
<td>38</td>
</tr>
<tr>
<td><strong>Total other payables</strong></td>
<td>35</td>
<td>38</td>
</tr>
</tbody>
</table>

4.3. Administered – Other Provisions

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Note 4.3A: Grants Provisions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for EMDG grants</td>
<td>7,937</td>
<td>16,327</td>
</tr>
<tr>
<td><strong>Total grants provisions</strong></td>
<td>7,937</td>
<td>16,327</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Provision for grants $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1 July 2017</td>
<td>16,327</td>
<td>16,327</td>
</tr>
<tr>
<td>Amounts used</td>
<td>7,865</td>
<td>7,865</td>
</tr>
<tr>
<td>Amounts reversed</td>
<td>(16,042)</td>
<td>(16,042)</td>
</tr>
<tr>
<td>Other movements</td>
<td>(213)</td>
<td>(213)</td>
</tr>
<tr>
<td><strong>Total as at 30 June 2018</strong></td>
<td>7,937</td>
<td>7,937</td>
</tr>
</tbody>
</table>

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.
### 5. Funding

This section identifies Austrade’s funding structure.

#### 5.1. Appropriations

**Note 5.1A: Annual Appropriations (‘Recoverable GST exclusive’)***

**Annual Appropriations for 2018**

<table>
<thead>
<tr>
<th></th>
<th>Annual Appropriation(^1) $'000</th>
<th>Adjustments to appropriations(^2) $'000</th>
<th>Total appropriation $'000</th>
<th>Appropriation applied in 2018 (current and prior years) $'000</th>
<th>Variance $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Departmental</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary annual services</td>
<td>193,869</td>
<td>28,661</td>
<td>222,530</td>
<td>216,563</td>
<td>5,967</td>
</tr>
<tr>
<td>Capital Budget(^3)</td>
<td>14,076</td>
<td>-</td>
<td>14,076</td>
<td>15,176</td>
<td>(1,100)</td>
</tr>
<tr>
<td>Other services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity injections</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total departmental</strong></td>
<td>207,945</td>
<td>28,661</td>
<td>236,606</td>
<td>231,923</td>
<td>4,683</td>
</tr>
<tr>
<td><strong>Administered items</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary annual services</td>
<td>141,018</td>
<td>-</td>
<td>141,018</td>
<td>139,455</td>
<td>1,563</td>
</tr>
<tr>
<td>Administered items</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total administered</strong></td>
<td>141,018</td>
<td>-</td>
<td>141,018</td>
<td>139,455</td>
<td>1,563</td>
</tr>
</tbody>
</table>

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.
### Note 5.1A: Annual Appropriations ('Recoverable GST exclusive') (continued)

<table>
<thead>
<tr>
<th>Category</th>
<th>Annual Appropriation&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Adjustments to appropriations&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Total appropriation&lt;sup&gt;3&lt;/sup&gt;</th>
<th>Appropriation applied in 2017 (current and prior years)</th>
<th>Variance&lt;sup&gt;3&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary annual services</td>
<td>201,694</td>
<td>29,358</td>
<td>231,052</td>
<td>218,953</td>
<td>12,099</td>
</tr>
<tr>
<td>Capital Budget&lt;sup&gt;4&lt;/sup&gt;</td>
<td>14,526</td>
<td>-</td>
<td>14,526</td>
<td>15,162</td>
<td>(636)</td>
</tr>
<tr>
<td>Other services</td>
<td></td>
<td></td>
<td>1,595</td>
<td>1,234</td>
<td>361</td>
</tr>
<tr>
<td>Total departmental</td>
<td>217,815</td>
<td>29,358</td>
<td>247,173</td>
<td>235,349</td>
<td>11,824</td>
</tr>
<tr>
<td>Administered</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary annual services</td>
<td>140,714</td>
<td>-</td>
<td>140,714</td>
<td>139,249</td>
<td>1,465</td>
</tr>
<tr>
<td>Administered items</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total administered</td>
<td>140,714</td>
<td>-</td>
<td>140,714</td>
<td>139,249</td>
<td>1,465</td>
</tr>
</tbody>
</table>

1. In 2016-17, no appropriations were withheld under section 51 of the PGPA Act or quarantined.
2. PGPA Act section 74 receipts were $29.358m.
3. In 2016-17, the Departmental variance was mainly attributed to supplementation received for cash payments made in prior years or to be made in subsequent years.
4. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). 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')

<table>
<thead>
<tr>
<th></th>
<th>2018 $'000</th>
<th>2017 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Departmental</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriation Act (No. 2) 2015-16</td>
<td>-</td>
<td>1,485</td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2016-17</td>
<td>-</td>
<td>42,556</td>
</tr>
<tr>
<td>Appropriation Act (No. 2) 2016-17</td>
<td>137</td>
<td>1,047</td>
</tr>
<tr>
<td>Appropriation Act (No. 3) 2016-17</td>
<td>-</td>
<td>4,354</td>
</tr>
<tr>
<td>Supply Act (No. 1) 2016-17</td>
<td>-</td>
<td>4,048</td>
</tr>
<tr>
<td>Supply Act (No. 2) 2016-17</td>
<td>540</td>
<td>540</td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2017-18</td>
<td>47,655</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total departmental</strong></td>
<td>48,332</td>
<td>54,030</td>
</tr>
<tr>
<td><strong>Administered</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2016-17</td>
<td>-</td>
<td>3,879</td>
</tr>
<tr>
<td>Appropriation Act (No. 1) 2017-18</td>
<td>4,225</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total administered</strong></td>
<td>4,225</td>
<td>3,879</td>
</tr>
</tbody>
</table>
### 5.2. Special Accounts

<table>
<thead>
<tr>
<th></th>
<th>Administered Payments and Receipts for Other Entities¹</th>
<th>Services for Other Entities and Trust Moneys²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018 $'000</td>
<td>2017 $'000</td>
</tr>
<tr>
<td><strong>Balance brought forward from previous period</strong></td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td><strong>Increases</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receipts</td>
<td>-</td>
<td>1,289</td>
</tr>
<tr>
<td><strong>Total increases</strong></td>
<td>-</td>
<td>1,289</td>
</tr>
<tr>
<td><strong>Available for payments</strong></td>
<td>-</td>
<td>1,389</td>
</tr>
<tr>
<td><strong>Decreases</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Departmental</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments made</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total departmental</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Administered</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments made</td>
<td>-</td>
<td>(1,389)</td>
</tr>
<tr>
<td>Balance returned to the Official Public Account</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total administered</strong></td>
<td>-</td>
<td>(1,389)</td>
</tr>
<tr>
<td><strong>Total decreases</strong></td>
<td>-</td>
<td>(1,389)</td>
</tr>
<tr>
<td><strong>Total balance carried to the next period</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance represented by:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash held in entity bank accounts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash held in the Official Public Account</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total balance carried to the next period</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

1. Appropriation: Public Governance, Performance and Accountability Act 2013 section 80. Establishing Instrument: Financial Management and Accountability Determination 2006/15. Purpose: To make payments overseas on behalf of other entities, and to make payments to other entities for amounts received overseas on their behalf. Date of ceasing (sunsetting): 1 October 2016

2. Appropriation: Public Governance, Performance and Accountability Act 2013 section 80. Establishing Instrument: Financial Management and Accountability Determination 2008/05. Purpose: To disburse amounts temporarily held on trust, and to disburse amounts in connection with services performed on behalf of other entities. Date of ceasing (sunsetting): 1 October 2018

The above determinations that were originally made under subsection 20(1) of the Financial Management and Accountability Act 1997 are taken from 1 July 2014 to have been made under subsection 78(1) of the Public Governance, Performance and Accountability Act 2013.
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

<table>
<thead>
<tr>
<th>Note 6.1A: Employee Provisions</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leave</td>
<td>25,125</td>
<td>25,665</td>
</tr>
<tr>
<td>Separations and redundancies</td>
<td>11,032</td>
<td>9,017</td>
</tr>
<tr>
<td>Total employee provisions</td>
<td>36,157</td>
<td>34,682</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note 6.1B: Administered - Employee Provisions</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leave</td>
<td>2,178</td>
<td>2,256</td>
</tr>
<tr>
<td>Total employee provisions</td>
<td>2,178</td>
<td>2,256</td>
</tr>
</tbody>
</table>

**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 2018. 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.
6.2. Key Management Personnel Remuneration

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Short-term employee benefits</td>
<td>2,690</td>
<td>2,277</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>332</td>
<td>261</td>
</tr>
<tr>
<td>Other long-term benefits¹</td>
<td>158</td>
<td>109</td>
</tr>
<tr>
<td>Termination benefits</td>
<td>-</td>
<td>124</td>
</tr>
<tr>
<td><strong>Total key management personnel remuneration expenses²</strong></td>
<td><strong>3,180</strong></td>
<td><strong>2,771</strong></td>
</tr>
</tbody>
</table>

The total number of key management personnel included in the above table is 15 (2017: 13).

1. An error was identified in the calculation of other long-term benefits for key management personnel in 2017, resulting in an overstatement of $1.027 million. The comparative (2017) amount has been re-stated and the error disclosed via this footnote in accordance with Accounting Standards.
2. 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

<table>
<thead>
<tr>
<th>Claims for damages or costs</th>
<th>2018</th>
<th>2017</th>
<th>Total 2018</th>
<th>Total 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Contingent liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance from previous period</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>New contingent liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>recognised</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Re-measurement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Liabilities realised</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Obligations expired</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total contingent liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Quantifiable Contingencies

Significant Remote Contingencies
Austrade has provided bank guarantees for a total of $0.786 million (2017: $0.549 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.

Note 7.1B: Administered Contingent Assets and Liabilities

<table>
<thead>
<tr>
<th>Claims for damages or costs</th>
<th>2018</th>
<th>2017</th>
<th>Total 2018</th>
<th>Total 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Contingent liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance from previous period</td>
<td>(2,717)</td>
<td>(2,846)</td>
<td>(2,717)</td>
<td>(2,846)</td>
</tr>
<tr>
<td>New contingent liabilities</td>
<td>(2,025)</td>
<td>(2,826)</td>
<td>(2,025)</td>
<td>(2,826)</td>
</tr>
<tr>
<td>recognised</td>
<td>(513)</td>
<td>304</td>
<td>(513)</td>
<td>304</td>
</tr>
<tr>
<td>Re-measurement</td>
<td>450</td>
<td>919</td>
<td>450</td>
<td>919</td>
</tr>
<tr>
<td>Liabilities realised</td>
<td>1,951</td>
<td>1,732</td>
<td>1,951</td>
<td>1,732</td>
</tr>
<tr>
<td>Total contingent liabilities</td>
<td>(2,854)</td>
<td>(2,717)</td>
<td>(2,854)</td>
<td>(2,717)</td>
</tr>
<tr>
<td>Net contingent assets/(liabilities)</td>
<td>(2,854)</td>
<td>(2,717)</td>
<td>(2,854)</td>
<td>(2,717)</td>
</tr>
</tbody>
</table>
Note 7.2A: Fair Value Measurement

<table>
<thead>
<tr>
<th>Non-financial assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>16,311</td>
<td>15,420</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>9,299</td>
<td>9,464</td>
</tr>
<tr>
<td><strong>Total non-financial assets</strong></td>
<td><strong>25,610</strong></td>
<td><strong>24,884</strong></td>
</tr>
</tbody>
</table>

Total fair value measurements of assets in the Statement of Financial Position

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 $'000</td>
<td>2017 $'000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25,610</strong></td>
</tr>
</tbody>
</table>

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. Assets Held in Trust

Monetary assets

Austrade had no assets held in trust in either the current or the prior reporting period.
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Austrade’s Service Charter 198
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Financial and staffing resources 202
Ecologically sustainable development and environmental performance 205
Advertising and market research 208
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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 2018

[Map of Australia showing Austrade locations and TradeStart locations]
<table>
<thead>
<tr>
<th>Office location</th>
<th>Partner name</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New South Wales and ACT</strong></td>
<td></td>
</tr>
<tr>
<td>Miranda</td>
<td>NSW Business Chamber</td>
</tr>
<tr>
<td>Port Macquarie</td>
<td>NSW Department of Premier and Cabinet</td>
</tr>
<tr>
<td>Gosford</td>
<td>NSW Department of Premier and Cabinet</td>
</tr>
<tr>
<td>Nowra</td>
<td>NSW Department of Premier and Cabinet</td>
</tr>
<tr>
<td>Wagga Wagga</td>
<td>NSW Department of Premier and Cabinet</td>
</tr>
<tr>
<td>Orange</td>
<td>NSW Department of Premier and Cabinet</td>
</tr>
<tr>
<td>Tamworth</td>
<td>NSW Department of Premier and Cabinet</td>
</tr>
<tr>
<td>Canberra</td>
<td>Canberra Business Chamber</td>
</tr>
<tr>
<td><strong>Victoria</strong></td>
<td></td>
</tr>
<tr>
<td>Melbourne</td>
<td>Ai Group</td>
</tr>
<tr>
<td>Albury–Wodonga</td>
<td>Ai Group</td>
</tr>
<tr>
<td>Geelong</td>
<td>Regional Development Victoria</td>
</tr>
<tr>
<td><strong>Queensland</strong></td>
<td></td>
</tr>
<tr>
<td>Brisbane</td>
<td>Ai Group</td>
</tr>
<tr>
<td>Gold Coast</td>
<td>Gold Coast City Council</td>
</tr>
<tr>
<td>Rockhampton</td>
<td>Trade &amp; Investment Queensland</td>
</tr>
<tr>
<td>Mackay</td>
<td>Trade &amp; Investment Queensland</td>
</tr>
<tr>
<td>Cairns</td>
<td>Trade &amp; Investment Queensland</td>
</tr>
<tr>
<td>Townsville</td>
<td>Trade &amp; Investment Queensland</td>
</tr>
<tr>
<td>Sunshine Coast</td>
<td>Trade &amp; Investment Queensland</td>
</tr>
<tr>
<td>Bundaberg</td>
<td>Trade &amp; Investment Queensland</td>
</tr>
<tr>
<td>Toowoomba</td>
<td>Trade &amp; Investment Queensland</td>
</tr>
<tr>
<td><strong>Western Australia</strong></td>
<td></td>
</tr>
<tr>
<td>Bunbury</td>
<td>South West Development Commission</td>
</tr>
<tr>
<td>Perth</td>
<td>Chamber of Commerce and Industry WA</td>
</tr>
<tr>
<td><strong>South Australia</strong></td>
<td></td>
</tr>
<tr>
<td>Adelaide</td>
<td>SA Department of State Development</td>
</tr>
<tr>
<td>Mt Gambier</td>
<td>SA Department of State Development</td>
</tr>
<tr>
<td>Tanunda</td>
<td>SA Department of State Development</td>
</tr>
<tr>
<td>Berri</td>
<td>SA Department of State Development</td>
</tr>
<tr>
<td><strong>Tasmania</strong></td>
<td></td>
</tr>
<tr>
<td>Hobart</td>
<td>Tasmanian Chamber of Commerce &amp; Industry</td>
</tr>
<tr>
<td><strong>Northern Territory</strong></td>
<td></td>
</tr>
<tr>
<td>Darwin</td>
<td>Chamber of Commerce NT</td>
</tr>
</tbody>
</table>
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 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 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.

We will endeavour to connect your organisation with high-potential 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.

**Austrade’s multicultural plan**

Under the Australian Government’s multicultural access and equity policy, government programs and services should be accessible by all eligible Australians, respond to their needs, and deliver equitable outcomes for them regardless of their cultural or linguistic background.

Austrade is committed to ensuring that Australia’s culturally and linguistically diverse exporters are aware of our services and programs, and have the potential to access our services.

Our plan for implementing this vision is available on the Austrade website, austrade.gov.au.

**Measuring our performance**

From time to time, Austrade may seek your feedback directly or through a satisfaction survey. Your feedback helps us to improve our service delivery in Australia and overseas, and to identify issues that are important to you.

We welcome your feedback at all times. Simply call us, write to us or send us an email. If you have a problem you need resolved, please raise it directly with an Austrade staff member or write to the Austrade Services Manager.

If at any stage you are dissatisfied with how we are handling or have handled a complaint, you may contact an office of the Commonwealth Ombudsman and/or the Privacy Commissioner.
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 the following items:

› initiatives taken during the year to ensure the health, safety and welfare at work of workers who carry out work for the entity
› 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 initiatives
› statistics of any notifiable incidents of which the entity becomes aware during the year that arose out of the conduct of the undertakings by the entity
› any investigations conducted during the year that relate to businesses or undertakings, including details of all notices given to the entity 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 for its workers and others visiting Austrade locations and events. Information is available to support staff through the Workplace Relations and Conditions team, international human resources managers and the international network, and through the Austrade intranet. Initiatives and programs to promote the physical and mental wellbeing of staff in 2017–18 included:

› a revision of work health and safety (WHS) policies and procedures to remove duplication and improve readability
› an external audit of the WHS management system and rehabilitation management system, where 96 per cent and 84 per cent compliance was achieved respectively
› presentations on WHS at all Austrade Today induction programs to establish duties and expectations
› revision of the WHS online training module to reflect changes in Austrade’s operational structure
› voluntary free health checks and influenza vaccinations for Australia-based staff
› WHS due diligence workshops for senior Austrade staff to explain their duties under the WHS Act
› the launch of a wellbeing page on Austrade’s intranet.

Austrade has a positive reporting culture for workplace incidents and hazard identification. During 2017–18, there were 53 workplace incidents reported across Austrade’s network (Figure C1), an increase of 12.8 per cent on the previous year. Of these incidents, none required compensation scheme support. Workplace injuries from previous years compensated under the Comcare scheme accounted for 280 work days in 2017–18.
Table C1 provides an overview of workplace incidents notified to Comcare under the WHS Act for the past four years.

During 2017–18, there were two incidents that met the notifiable incident provisions of the WHS Act. These incidents were:

- an electrical fire in the Sydney office
- an employee who hit their back on a column in an Austrade offshore office, resulting in a fractured vertebra. There was no hospital admission.

Table C1: Workplace incidents notified by Austrade under work health and safety legislation, 2014–15 to 2017–18

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Notifications</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Incidents investigated by Comcare</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
## Financial and staffing resources

### Table D1: Agency resource statement, 2017–18

<table>
<thead>
<tr>
<th></th>
<th>Actual available appropriation for 2017–18 $’000 (A)</th>
<th>Payments made 2017–18 $’000 (B)</th>
<th>Balance remaining 2017–18 $’000 (A–B)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ordinary annual services</strong>&lt;sup&gt;(a)&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental appropriation&lt;sup&gt;(b)&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior-year departmental appropriation</td>
<td>56,357</td>
<td>51,615</td>
<td>4,742</td>
</tr>
<tr>
<td>Departmental appropriation</td>
<td>202,793</td>
<td>155,138</td>
<td>47,655</td>
</tr>
<tr>
<td>Section 74 retained revenue receipts</td>
<td>28,661</td>
<td>28,661</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>287,811</td>
<td>235,414</td>
<td>52,397</td>
</tr>
<tr>
<td><strong>Administered expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome 1</td>
<td>143,463</td>
<td>139,238</td>
<td>4,225</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>143,463</td>
<td>139,238</td>
<td>4,225</td>
</tr>
<tr>
<td><strong>Total ordinary annual services (A)</strong></td>
<td>431,274</td>
<td>374,652</td>
<td>56,622</td>
</tr>
<tr>
<td><strong>Other services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental non-operating</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity injections&lt;sup&gt;(c)&lt;/sup&gt;</td>
<td>3,072</td>
<td>2,395</td>
<td>677</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,072</td>
<td>2,395</td>
<td>677</td>
</tr>
<tr>
<td><strong>Total other services (B)</strong></td>
<td>3,072</td>
<td>2,395</td>
<td>677</td>
</tr>
<tr>
<td><strong>Total available annual appropriations and payments</strong></td>
<td>434,346</td>
<td>377,047</td>
<td>57,300</td>
</tr>
<tr>
<td><strong>Total resourcing and payments (A+B)</strong></td>
<td>434,346</td>
<td>377,047</td>
<td>57,300</td>
</tr>
<tr>
<td><strong>Total net resourcing and payments for Austrade</strong></td>
<td>434,346</td>
<td>377,047</td>
<td>57,300</td>
</tr>
</tbody>
</table>

<sup>(a)</sup> Appropriation Act (No. 1) 2017–18. This also includes prior-year departmental appropriation and retained revenue receipts under section 74 of the Public Governance, Performance and Accountability Act 2013.

<sup>(b)</sup> Includes an amount of $15.2 million in 2017–18 for the departmental capital budget. For accounting purposes, this amount has been designated as ‘contributions by owners’.

<sup>(c)</sup> Appropriation Act (No. 2) 2017–18. This also includes prior-year appropriation.
Table D2: Expenses for outcomes, 2017–18

Expenses for Outcome 1

<table>
<thead>
<tr>
<th>Program 1.1: Promotion of Australia’s export and other international economic interests</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Departmental expenses</strong></td>
</tr>
<tr>
<td>Departmental appropriation (b)</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in the budget year</td>
</tr>
<tr>
<td><strong>Total for Program 1.1</strong></td>
</tr>
</tbody>
</table>

Program 1.2: Programs to promote Australia’s exports and other international economic interests

<table>
<thead>
<tr>
<th><strong>Administered expenses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary annual services (Appropriation Act nos. 1, 3 and 5)</td>
</tr>
<tr>
<td><strong>Total for Program 1.2</strong></td>
</tr>
</tbody>
</table>

Outcome 1 totals by appropriation type

<table>
<thead>
<tr>
<th><strong>Administered expenses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary annual services (Appropriation Act nos. 1, 3 and 5)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Departmental expenses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary annual services (Appropriation Act nos. 1, 3 and 5)</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in the budget year</td>
</tr>
<tr>
<td><strong>Total expenses for Outcome 1</strong></td>
</tr>
<tr>
<td><strong>Average staffing level (number)</strong></td>
</tr>
</tbody>
</table>
Table D2: Expenses for outcomes, 2017–18 (continued)

<table>
<thead>
<tr>
<th>Expenses for Outcome 2</th>
<th>Budget&lt;sup&gt;(a)&lt;/sup&gt; 2017–18 $’000</th>
<th>Actual expenses 2017–18 $’000</th>
<th>Variation 2017–18 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Program 2.1: Consular and passport services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental appropriation&lt;sup&gt;(b)&lt;/sup&gt;</td>
<td>12,770</td>
<td>11,837</td>
<td>(933)</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in the budget year</td>
<td>–</td>
<td>928</td>
<td>928</td>
</tr>
<tr>
<td><strong>Total for Program 2.1</strong></td>
<td>12,770</td>
<td>12,765</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>Outcome 2 totals by appropriation type</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary annual services (Appropriation Act nos. 1, 3 and 5)</td>
<td>12,770</td>
<td>11,837</td>
<td>(933)</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in the budget year</td>
<td>–</td>
<td>928</td>
<td>928</td>
</tr>
<tr>
<td><strong>Total expenses for Outcome 2</strong></td>
<td>12,770</td>
<td>12,765</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>Average staffing level (number)</strong></td>
<td>38</td>
<td>38</td>
<td>–</td>
</tr>
</tbody>
</table>

<sup>(a)</sup> Full-year budget, including any subsequent adjustment made to the 2017–18 Budget at Additional Estimates.

<sup>(b)</sup> Departmental appropriation combines ordinary annual services (Appropriation Act nos. 1, 3 and 5) and retained revenue receipts under section 74 of the Public Governance, Performance and Accountability Act 2013.
Appendix E

Ecologically sustainable development and environmental performance

This appendix summarises Austrade’s performance with respect to the requirements of section 516A of the Environment Protection and Biodiversity Conservation Act 1999.

Energy consumption

Austrade reported energy consumption in its Australian operations as required by the Energy Efficiency in Government Operations Policy. 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 2017–18, Austrade’s energy consumption decreased on the previous year, with total electrical energy consumption (as a tenant) at 590,239 kilowatt hours. In November 2017, Austrade’s Canberra office moved to new premises. The figure provided for 2017–18 includes only five months of usage at the former Canberra premises. The whole-of-government arrangements at the new Canberra premises do not currently allow Austrade to isolate its usage for those premises. The number provided for 2017–18 is therefore not comparable to previous years.

Table E1 shows Austrade’s energy consumption for the last eight years, and the amount by which it has decreased from the 2009–10 baseline measurement.

Table E1: Austrade’s energy consumption, 2009–10 to 2017–18

<table>
<thead>
<tr>
<th>Reporting year</th>
<th>Total electrical energy consumption (kilowatt hours)(^{(a)})</th>
<th>Reduction of kilowatt hours from 2009–10 baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009–10</td>
<td>1,058,710</td>
<td>–</td>
</tr>
<tr>
<td>2010–11</td>
<td>957,820</td>
<td>100,890</td>
</tr>
<tr>
<td>2011–12</td>
<td>943,675</td>
<td>115,035</td>
</tr>
<tr>
<td>2012–13</td>
<td>817,705</td>
<td>241,005</td>
</tr>
<tr>
<td>2013–14</td>
<td>775,732</td>
<td>282,978</td>
</tr>
<tr>
<td>2014–15</td>
<td>864,980</td>
<td>193,730</td>
</tr>
<tr>
<td>2015–16</td>
<td>802,979</td>
<td>255,731</td>
</tr>
<tr>
<td>2016–17</td>
<td>741,608</td>
<td>317,102</td>
</tr>
<tr>
<td>2017–18</td>
<td>590,239(^{(b)})</td>
<td>not available(^{(b)})</td>
</tr>
</tbody>
</table>

\(^{(a)}\) Excludes computer centre usage.

\(^{(b)}\) In November 2017, Austrade’s Canberra office moved to new premises. The figure provided for 2017–18 includes only five months of usage at the former Canberra premises. The whole-of-government arrangements at the new Canberra premises do not currently allow Austrade to isolate its usage for those premises. The number provided for 2017–18 is therefore not comparable to previous years.

Note: Due to availability of data, figures provided for the years 2012–13 to 2014–15 were based on 1 March to 28 February date ranges, whereas figures for other years are based on the standard financial year date range of 1 July to 30 June. As such, the figures provide an indicative comparison only.
Videoconferencing

Austrade’s global videoconferencing facilities provide significant energy efficiencies through reduced travel for Austrade staff, and for staff of other government agencies who are authorised to use the facilities. From 1 July 2017 to 30 June 2018, Austrade supported a total of 67,017 video calls, representing approximately 41,936 hours of video calls, and 63,032 hours of voice calls. Austrade has 125 room-based videoconference end points and approximately 1,199 individual users of mobile videoconference facilities, accessed from desktops.

Earth Hour

Austrade provided staff with advice on how they could participate in Earth Hour 2018, both personally and through office activity, and coordinated the participation of Austrade offices across Australia and overseas. Where practicable, four national and 25 international Austrade offices switched off lights, printers and photocopiers for the weekend of 24–25 March 2018.

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 from workspaces and staff kitchens.

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 property 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. Table E2 provides eight-year trend information on Austrade’s energy efficiency performance.
## Table E2: Energy efficiency performance, 2010–11 to 2017–18

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total consumption of energy—includes all energy consumed when undertaking the functions of the agency, such as energy consumed for office buildings and transportation</td>
<td>Amount of electricity consumed (kWh)&lt;sup&gt;(a)&lt;/sup&gt;</td>
<td>2,293,430</td>
<td>2,199,260</td>
<td>2,121,797</td>
<td>2,129,455</td>
<td>1,655,767</td>
<td>1,468,121</td>
<td>1,333,728</td>
<td>794,404&lt;sup&gt;(b)&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td>Amount of gas consumed</td>
<td>Not available</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amount of other fuels consumed (litres of petrol)&lt;sup&gt;(c)&lt;/sup&gt;</td>
<td>5,048</td>
<td>8,217</td>
<td>6,820</td>
<td>8,688</td>
<td>5,171</td>
<td>5,196</td>
<td>2,002</td>
<td>1,967</td>
</tr>
<tr>
<td>Total consumption of green energy—includes the purchase of energy from sustainable sources</td>
<td>Amount of green energy consumed (kWh)</td>
<td>128,150</td>
<td>119,571</td>
<td>114,620</td>
<td>121,329</td>
<td>Not applicable—computer centres are now located off site under whole-of-government arrangements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relative energy uses—includes green energy use relative to non-renewable energy use and energy use per employee</td>
<td>Proportion of green energy in total energy consumption</td>
<td>Green energy purchased for 10 per cent of Canberra computer centre usage each year from 2009–10 to 2013–14; computer centres located off site from 2014–15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amount of total energy consumed per employee</td>
<td>Not available</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

kWh = kilowatt hours

(a) Includes energy consumption for computer centres.
(b) In November 2017, Austrade’s Canberra office moved to new premises. The figure provided for 2017–18 includes only five months of usage at the former Canberra premises. The whole-of-government arrangements at the new Canberra premises do not currently allow Austrade to isolate its usage for those premises. The number provided for 2017–18 is therefore not comparable to previous years.
(c) Estimate based on calculating kilometres travelled multiplied by fuel consumption rating. Austrade discontinued its leases for vehicles at end of May 2018 and it no longer has any purchased or leased vehicles in Australia.

Note: Due to availability of data, figures provided for the years 2012–13 to 2014–15 were based on 1 March to 28 February date ranges, whereas figures for other years are based on the standard financial year date range of 1 July to 30 June. As such, the figures provide an indicative comparison only.

Due to Austrade being a tenant, some of the performance indicators listed on the environment.gov.au/esd webpage in relation to waste and water are not directly measured, so they have not been included in the table. Austrade works with building managers to ensure environmental initiatives are in place where possible. Austrade recycles waste paper, and encourages the use of recycled paper.
Appendix F

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 2017–18 of more than $13,200 (inclusive of GST) for advertising and market research.

Table F1 shows total advertising and market research expenditure for the year. Tables F2 and F3 show individual payments in each category that were more than the $13,200 threshold (Austrade did not make any individual payments of more than $13,200 to direct mail organisations in 2017–18). All amounts are reported at budget exchange rates and some totals may not add up due to rounding.

During 2017–18, Austrade did not conduct any advertising campaigns in Australia. Austrade conducted overseas advertising for Australia: Future Unlimited education exhibitions in Japan and South Korea, as noted in Table F3.

Table F1: Total advertising and market research expenditure by category, 2017–18

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising agencies</td>
<td>Nil</td>
</tr>
<tr>
<td>Market research organisations</td>
<td>7,733,120.78</td>
</tr>
<tr>
<td>Polling organisations</td>
<td>Nil</td>
</tr>
<tr>
<td>Direct mail organisations</td>
<td>39,954.76</td>
</tr>
<tr>
<td>Media advertising organisations</td>
<td>440,505.43</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,213,580.97</strong></td>
</tr>
</tbody>
</table>

Table F2: Individual payments of more than $13,200 to market research organisations, 2017–18

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Description</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IP Solved (ANZ)</td>
<td>IP mapping datasets and reports across the subsectors of Industry 4.0</td>
<td>16,500.00</td>
</tr>
<tr>
<td>Colliers International (payment 1)</td>
<td>Study on investment in short-term accommodation against the Tourism 2020 targets</td>
<td>35,750.00</td>
</tr>
<tr>
<td>Colliers International (payment 2)</td>
<td>Study on investment in short-term accommodation against the Tourism 2020 targets</td>
<td>14,300.00</td>
</tr>
<tr>
<td>Colliers International (payment 3)</td>
<td>Study on investment in short-term accommodation against the Tourism 2020 targets</td>
<td>14,300.00</td>
</tr>
<tr>
<td>AJEI Communications</td>
<td>Japanese investor outreach project</td>
<td>30,000.00</td>
</tr>
<tr>
<td>duMonde Group</td>
<td>Mapping Australia–US defence industry ties</td>
<td>42,350.00</td>
</tr>
<tr>
<td>CSIRO (payment 1)</td>
<td>Improving national tourism data collection</td>
<td>56,848.00</td>
</tr>
<tr>
<td>Organisation</td>
<td>Description</td>
<td>Amount ($)</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>CSIRO (payment 2)</td>
<td>Improving national tourism data collection</td>
<td>20,350.00</td>
</tr>
<tr>
<td>CSIRO (payment 3)</td>
<td>Improving national tourism data collection</td>
<td>14,212.00</td>
</tr>
<tr>
<td>Australian Public Service Commission</td>
<td>Australian Public Service Employee Census 2018</td>
<td>28,050.00</td>
</tr>
<tr>
<td>Roy Morgan Research Pty Ltd</td>
<td>Phone ownership data for National Visitor Survey</td>
<td>42,790.00</td>
</tr>
<tr>
<td>FDRW Pty Ltd (payment 1)</td>
<td>Lithium research project</td>
<td>23,650.00</td>
</tr>
<tr>
<td>FDRW Pty Ltd (payment 2)</td>
<td>Lithium research project</td>
<td>23,650.00</td>
</tr>
<tr>
<td>Deloitte Touche Tohmatsu (payment 1)</td>
<td>2018 Destination Research Program</td>
<td>220,000.00</td>
</tr>
<tr>
<td>Deloitte Touche Tohmatsu (payment 2)</td>
<td>2018 Destination Research Program</td>
<td>132,000.00</td>
</tr>
<tr>
<td>EY (payment 1)</td>
<td>Consortium opportunities and pathways for Australian SMEs delivering education and training services</td>
<td>47,427.50</td>
</tr>
<tr>
<td>EY (payment 2)</td>
<td>Consortium opportunities and pathways for Australian SMEs delivering education and training services</td>
<td>33,597.50</td>
</tr>
<tr>
<td>Espresso Communications Pty Ltd</td>
<td>Hong Kong Catalyst project</td>
<td>22,187.00</td>
</tr>
<tr>
<td>Archery Strategy Consulting</td>
<td>Assessing export opportunities in Europe for the Australian defence industry</td>
<td>58,601.76</td>
</tr>
<tr>
<td>Bloom Consulting</td>
<td>Measurement of Australia’s nation brand</td>
<td>21,673.86</td>
</tr>
<tr>
<td>Colmar Brunton Pty Ltd</td>
<td>Millennium Monitor research project</td>
<td>24,800.00</td>
</tr>
<tr>
<td>Taylor Nelson Sofres Australia Pty Ltd (payment 1)</td>
<td>Service Improvement Study 2017–18</td>
<td>15,558.40</td>
</tr>
<tr>
<td>Taylor Nelson Sofres Australia Pty Ltd (payment 2)</td>
<td>Service Improvement Study 2017–18</td>
<td>15,558.40</td>
</tr>
<tr>
<td>Taylor Nelson Sofres Australia Pty Ltd</td>
<td>Service Improvement Study 2016–17</td>
<td>14,960.00</td>
</tr>
<tr>
<td>Deloitte Access Economics Pty Ltd (payment 1)</td>
<td>International education digital study</td>
<td>202,720.00</td>
</tr>
<tr>
<td>Deloitte Access Economics Pty Ltd (payment 2)</td>
<td>International education digital study</td>
<td>209,680.48</td>
</tr>
<tr>
<td>Deloitte Access Economics Pty Ltd</td>
<td>Regional Tourism Satellite Account models for Tasmania, New South Wales and Queensland</td>
<td>30,000.00</td>
</tr>
<tr>
<td>Colmar Brunton Pty Ltd</td>
<td>Destination Visitor Survey program—Northern Territory—Indian travelling market project</td>
<td>21,320.00</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, July 2017</td>
<td>236,148.84</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, August 2017</td>
<td>236,148.84</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, September 2017</td>
<td>236,148.84</td>
</tr>
<tr>
<td>Organisation</td>
<td>Description</td>
<td>Amount ($)</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, October 2017</td>
<td>236,148.84</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, November 2017</td>
<td>236,148.84</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, December 2017</td>
<td>236,148.84</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, Q3 September 2017</td>
<td>78,716.28</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, January 2018</td>
<td>245,776.09</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, February 2018</td>
<td>245,776.09</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, Q4 December 2017</td>
<td>78,716.28</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, March 2018</td>
<td>245,776.09</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, April 2018</td>
<td>245,776.09</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, May 2018</td>
<td>245,776.09</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, Q1 March 2018</td>
<td>81,925.36</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, June 2018</td>
<td>245,776.09</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey, Q2 June 2018</td>
<td>81,925.36</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>International Visitor Survey—airport fees, July 2017 to June 2018</td>
<td>55,000.00</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, July 2017</td>
<td>210,083.04</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, August 2017</td>
<td>210,083.04</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, September 2017</td>
<td>210,083.04</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, October 2017</td>
<td>210,083.04</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, November 2017</td>
<td>210,083.04</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, December 2017</td>
<td>210,083.04</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, Q3 September 2017</td>
<td>70,027.68</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, January 2018</td>
<td>214,101.37</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, February 2018</td>
<td>214,101.37</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, Q4 December 2017</td>
<td>70,027.68</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, March 2018</td>
<td>214,101.37</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, April 2018</td>
<td>214,101.37</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, May 2018</td>
<td>214,101.37</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, Q1 March 2018</td>
<td>71,367.12</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, June 2018</td>
<td>210,083.04</td>
</tr>
<tr>
<td>ORC International Pty Ltd</td>
<td>National Visitor Survey, Q2 June 2018</td>
<td>71,367.12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>7,453,178.34</strong></td>
</tr>
</tbody>
</table>
### Table F3: Individual payments of more than $13,200 to media advertising organisations, 2017–18

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Description</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>K.K. Dentsu</td>
<td>Australia: <em>Future Unlimited</em> education exhibition—advertising (Japan)</td>
<td>62,823.76</td>
</tr>
<tr>
<td>Medicom</td>
<td>Australia: <em>Future Unlimited</em> education exhibition—social media campaign (South Korea)</td>
<td>20,768.00</td>
</tr>
<tr>
<td>Dentsu Mitchell Media Australia Pty Ltd</td>
<td>Job recruitment advertisement—LinkedIn subscription</td>
<td>70,705.07</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>154,296.83</strong></td>
</tr>
</tbody>
</table>


Appendix G

List of requirements

Table G1 contains a list of annual report requirements prepared in accordance with paragraph 17AJ(d) of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). Page references for Austrade’s compliance with these requirements are provided in the right-hand column of the table.

Table G1: List of requirements

<table>
<thead>
<tr>
<th>PGPA Rule reference</th>
<th>Description</th>
<th>Requirement</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>17AD(g)</td>
<td>Letter of transmittal</td>
<td>Mandatory</td>
<td>ii</td>
</tr>
<tr>
<td>17AD(h)</td>
<td>Aids to access</td>
<td>Mandatory</td>
<td>iii</td>
</tr>
<tr>
<td>17AD(a)</td>
<td>Review by accountable authority</td>
<td>Mandatory</td>
<td>8–11</td>
</tr>
<tr>
<td>17AD(b)</td>
<td>Overview of the entity</td>
<td>Portfolio departments—mandatory</td>
<td>Not applicable</td>
</tr>
<tr>
<td>17AD(c)</td>
<td>Report on the performance of the entity</td>
<td>Mandatory</td>
<td>19–30</td>
</tr>
</tbody>
</table>

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 Public Governance, Performance and Accountability Act 2013 (PGPA Act) and any enabling legislation that specifies additional requirements in relation to the annual report

17AJ(a) Table of contents
17AJ(b) Alphabetical index
17AJ(c) Abbreviations and acronyms
17AJ(d) List of requirements
17AJ(e) Details of contact officer
17AJ(f) Entity’s website address
17AJ(g) Electronic address of report

17AD(a) A review by the accountable authority of the entity

17AE(1)(a)(i) A description of the role and functions of the entity
17AE(1)(a)(ii) A description of the organisational structure of the entity
17AE(1)(a)(iii) A description of the outcomes and programs administered by the entity
17AE(1)(a)(iv) A description of the purposes of the entity as included in corporate plan
17AE(1)(b) An outline of the structure of the portfolio of the entity

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

17AD(c)(i) Annual performance statement in accordance with paragraph 39(1)(b) of the PGPA Act and section 16F of the PGPA Rule
<table>
<thead>
<tr>
<th>PGPA Rule reference</th>
<th>Description</th>
<th>Requirement</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>17AD(c)(ii)</strong></td>
<td>Report on financial performance</td>
<td>Mandatory</td>
<td>12–14</td>
</tr>
<tr>
<td>17AF(1)(a)</td>
<td>A discussion and analysis of the entity's financial performance</td>
<td>Mandatory</td>
<td>12–14</td>
</tr>
<tr>
<td>17AF(1)(b)</td>
<td>A table summarising the total resources and total payments of the entity</td>
<td>Mandatory</td>
<td>202–04</td>
</tr>
<tr>
<td>17AF(2)</td>
<td>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</td>
<td>If applicable, mandatory</td>
<td>Not applicable—no significant change</td>
</tr>
<tr>
<td><strong>17AD(d)</strong></td>
<td>Management and accountability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AG(2)</td>
<td>Corporate governance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AG(2)(a)</td>
<td>Information on compliance with section 10 of the PGPA Rule (fraud systems)</td>
<td>Mandatory</td>
<td>ii, 130</td>
</tr>
<tr>
<td>17AG(2)(b)(i)</td>
<td>A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared</td>
<td>Mandatory</td>
<td>ii, 130</td>
</tr>
<tr>
<td>17AG(2)(b)(ii)</td>
<td>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</td>
<td>Mandatory</td>
<td>ii, 130</td>
</tr>
<tr>
<td>17AG(2)(b)(iii)</td>
<td>A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity</td>
<td>Mandatory</td>
<td>ii, 130</td>
</tr>
<tr>
<td>17AG(2)(c)</td>
<td>An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance</td>
<td>Mandatory</td>
<td>124–6</td>
</tr>
<tr>
<td>17AG(2)(d)–(e)</td>
<td>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</td>
<td>If applicable, mandatory</td>
<td>149</td>
</tr>
<tr>
<td><strong>17AG(3)</strong></td>
<td>External scrutiny</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AG(3)</td>
<td>Information on the most significant developments in external scrutiny and the entity’s response to the scrutiny</td>
<td>Mandatory</td>
<td>133–5</td>
</tr>
<tr>
<td>17AG(3)(a)</td>
<td>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</td>
<td>If applicable, mandatory</td>
<td>134</td>
</tr>
<tr>
<td>17AG(3)(b)</td>
<td>Information on any reports on operations of the entity by the Auditor-General (other than the report under section 43 of the PGPA Act), a parliamentary committee or the Commonwealth Ombudsman</td>
<td>If applicable, mandatory</td>
<td>70, 133</td>
</tr>
<tr>
<td>17AG(3)(c)</td>
<td>Information on any capability reviews on the entity that were released during the period</td>
<td>If applicable, mandatory</td>
<td>4, 8, 64, 130</td>
</tr>
<tr>
<td><strong>17AG(4)</strong></td>
<td>Management of human resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AG(4)(a)</td>
<td>An assessment of the entity’s effectiveness in managing and developing employees to achieve entity objectives</td>
<td>Mandatory</td>
<td>135–48</td>
</tr>
<tr>
<td>17AG(4)(b)</td>
<td>Statistics on the entity’s APS employees on an ongoing and non-ongoing basis, including statistics on:</td>
<td>Mandatory</td>
<td>137–42</td>
</tr>
<tr>
<td>› staffing classification level</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>› full-time employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>› part-time employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>› gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>› staff location</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>› employees who identify as Indigenous</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PGPA Rule reference</td>
<td>Description</td>
<td>Requirement</td>
<td>Page</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------</td>
<td>------</td>
</tr>
<tr>
<td>17AG(4)(c)</td>
<td>Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the Public Service Act 1999</td>
<td>Mandatory</td>
<td>141–2</td>
</tr>
<tr>
<td>17AG(4)(c)(i)</td>
<td>Information on the number of SES and non-SES employees covered by agreements, etc. identified in paragraph 17AG(4)(c)</td>
<td>Mandatory</td>
<td>142</td>
</tr>
<tr>
<td>17AG(4)(c)(ii)</td>
<td>The salary ranges available for APS employees by classification level</td>
<td>Mandatory</td>
<td>142</td>
</tr>
<tr>
<td>17AG(4)(c)(iii)</td>
<td>A description of non-salary benefits provided to employees</td>
<td>Mandatory</td>
<td>142</td>
</tr>
<tr>
<td>17AG(4)(d)(i)</td>
<td>Information on the number of employees at each classification level who received performance pay</td>
<td>If applicable, mandatory</td>
<td>Not applicable</td>
</tr>
<tr>
<td>17AG(4)(d)(ii)</td>
<td>Information on aggregate amounts of performance pay at each classification level</td>
<td>If applicable, mandatory</td>
<td>Not applicable</td>
</tr>
<tr>
<td>17AG(4)(d)(iii)</td>
<td>Information on the average amount of performance payment, and range of such payments, at each classification level</td>
<td>If applicable, mandatory</td>
<td>Not applicable</td>
</tr>
<tr>
<td>17AG(4)(d)(iv)</td>
<td>Information on aggregate amount of performance payments</td>
<td>If applicable, mandatory</td>
<td>Not applicable</td>
</tr>
<tr>
<td>17AG(5)</td>
<td>Asset management</td>
<td>If applicable, mandatory</td>
<td>150</td>
</tr>
<tr>
<td>17AG(6)</td>
<td>Purchasing</td>
<td>Mandatory</td>
<td>151–2</td>
</tr>
<tr>
<td>17AG(7)</td>
<td>Consultants</td>
<td>Mandatory</td>
<td>152</td>
</tr>
<tr>
<td>17AG(7)(a)</td>
<td>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)</td>
<td>Mandatory</td>
<td>152</td>
</tr>
<tr>
<td>17AG(7)(b)</td>
<td>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].’</td>
<td>Mandatory</td>
<td>152</td>
</tr>
<tr>
<td>17AG(7)(c)</td>
<td>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</td>
<td>Mandatory</td>
<td>152</td>
</tr>
<tr>
<td>17AG(7)(d)</td>
<td>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.’</td>
<td>Mandatory</td>
<td>152</td>
</tr>
<tr>
<td>17AG(8)</td>
<td>Australian National Audit Office access clause</td>
<td>If applicable, mandatory</td>
<td>Not applicable</td>
</tr>
<tr>
<td>PGPA Rule reference</td>
<td>Description</td>
<td>Requirement</td>
<td>Page</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------------</td>
<td>--------</td>
</tr>
<tr>
<td>17AG(9)</td>
<td><strong>Exempt contracts</strong></td>
<td>If applicable, mandatory</td>
<td>Not applicable</td>
</tr>
<tr>
<td>17AG(9)</td>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AG(10)</td>
<td><strong>Small business</strong></td>
<td>Mandatory</td>
<td>152</td>
</tr>
<tr>
<td>17AG(10)(a)</td>
<td>A statement that ‘[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and medium-sized enterprise and small enterprise participation statistics are available on the Department of Finance’s website.’</td>
<td>Mandatory</td>
<td>152</td>
</tr>
<tr>
<td>17AG(10)(b)</td>
<td>An outline of the ways in which the procurement practices of the entity support small and medium-sized enterprises</td>
<td>Mandatory</td>
<td>152</td>
</tr>
<tr>
<td>17AG(10)(c)</td>
<td>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.’</td>
<td>If applicable, mandatory</td>
<td>152</td>
</tr>
<tr>
<td>17AD(e)</td>
<td><strong>Financial statements</strong></td>
<td>Mandatory</td>
<td>155–94</td>
</tr>
<tr>
<td>17AD(e)</td>
<td>Inclusion of the annual financial statements in accordance with subsection 43(4) of the PGPA Act</td>
<td>Mandatory</td>
<td>155–94</td>
</tr>
<tr>
<td>17AD(f)</td>
<td><strong>Other mandatory information</strong></td>
<td>Mandatory</td>
<td>208</td>
</tr>
<tr>
<td>17AH(1)(a)(i)</td>
<td>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.’</td>
<td>If applicable, mandatory</td>
<td>208</td>
</tr>
<tr>
<td>17AH(1)(a)(ii)</td>
<td>If the entity did not conduct advertising campaigns, a statement to that effect</td>
<td>If applicable, mandatory</td>
<td>208</td>
</tr>
<tr>
<td>17AH(1)(b)</td>
<td>A statement that ‘Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].’</td>
<td>If applicable, mandatory</td>
<td>83, 114(4)</td>
</tr>
<tr>
<td>17AH(1)(c)</td>
<td>Outline of mechanisms of disability reporting, including reference to website for further information</td>
<td>Mandatory</td>
<td>145</td>
</tr>
<tr>
<td>17AH(1)(d)</td>
<td>A reference to the website where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found</td>
<td>Mandatory</td>
<td>135</td>
</tr>
<tr>
<td>17AH(1)(e)</td>
<td>Correction of material errors in previous annual report</td>
<td>If applicable, mandatory</td>
<td>57, 192</td>
</tr>
<tr>
<td>17AH(2)</td>
<td>Information required by other legislation</td>
<td>Mandatory</td>
<td>3, 54–6, 78–80, 133–5, 145–6, 200–01, 205–07, 208–11</td>
</tr>
</tbody>
</table>

(a) Austrade administers the Export Market Development Grants (EMDG) scheme. It is a legislated scheme, not a discretionary grants program, so a page reference to the EMDG scheme has not been included under this requirement. For information on the EMDG scheme, see pages 72–80.
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**Figure 9:** Australia’s top 15 export destinations for goods and services, 2017

**Figure 10:** International activities of AIBS 2018 respondents

**Figure 11:** Client ratings of Austrade’s services, 2013–14 to 2017–18

**Figure 12:** EMDG recipients by annual income, 2016–17 grant year

**Figure 13:** EMDG recipients by number of employees, 2016–17 grant year

**Figure 14:** EMDG recipients by annual export earnings, 2016–17 grant year

**Figure 15:** EMDG recipients by state and territory, 2016–17 grant year

**Figure 16:** EMDG recipients by industry, 2016–17 grant year

**Figure 17:** Top six markets targeted by EMDG recipients, 2016–17 grant year

**Figure 18:** EMDG recipients by expenditure category, 2016–17 grant year

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Abbreviations and acronyms

AAM  Australian Accommodation Monitor
ABS  Australian Bureau of Statistics
ABWI  Australia Business Week in India
ADS  Approved Destination Status
AIBS  Australia’s International Business Survey
AIE2025  Australian International Education 2025
ANAO  Australian National Audit Office
AOPL  Austrade overseas performance level
APL  Austrade performance level
APS  Australian Public Service
ASCOT  Australian Standing Committee on Tourism
ASEAN  Association of Southeast Asian Nations
Austrade  Australian Trade and Investment Commission
CEO  chief executive officer
CSIRO  Commonwealth Scientific and Industrial Research Organisation
DFAT  Department of Foreign Affairs and Trade
DoCA  Department of Communications and the Arts
Efic  Export Finance and Insurance Corporation
EMDG  Export Market Development Grants
EMDG Act  Export Market Development Grants Act 1997
EU  European Union
FDI  foreign direct investment
FOI Act  Freedom of Information Act 1982
FTA  free trade agreement
GDP  gross domestic product
GDPR  General Data Protection Regulation
GST  goods and services tax
IAGDP  Indigenous Australian Government Development Program
ICR  industry capability report
ICT  information and communications technology
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<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>IP</td>
<td>intellectual property</td>
</tr>
<tr>
<td>ISA</td>
<td>Innovation and Science Australia</td>
</tr>
<tr>
<td>ISO</td>
<td>International Organization for Standardization</td>
</tr>
<tr>
<td>IT</td>
<td>information technology</td>
</tr>
<tr>
<td>KAFTA</td>
<td>Korea–Australia Free Trade Agreement</td>
</tr>
<tr>
<td>MIP</td>
<td>Market Information Package</td>
</tr>
<tr>
<td>NAIDOC</td>
<td>National Aborigines and Islanders Day Observance Committee</td>
</tr>
<tr>
<td>OEE</td>
<td>overseas-engaged employee</td>
</tr>
<tr>
<td>PAFTA</td>
<td>Peru–Australia Free Trade Agreement</td>
</tr>
<tr>
<td>PBS</td>
<td>portfolio budget statements</td>
</tr>
<tr>
<td>PGPA Act</td>
<td>Public Governance, Performance and Accountability Act 2013</td>
</tr>
<tr>
<td>PGPA Rule</td>
<td>Public Governance, Performance and Accountability Rule 2014</td>
</tr>
<tr>
<td>PIV</td>
<td>Premium Investor Visa</td>
</tr>
<tr>
<td>PNG</td>
<td>Papua New Guinea</td>
</tr>
<tr>
<td>SES</td>
<td>Senior Executive Service</td>
</tr>
<tr>
<td>SIV</td>
<td>Significant Investor Visa</td>
</tr>
<tr>
<td>SME</td>
<td>small to medium-sized enterprise</td>
</tr>
<tr>
<td>SMEEx</td>
<td>small to medium-sized exporter</td>
</tr>
<tr>
<td>SOTIG</td>
<td>Senior Officials Trade and Investment Group</td>
</tr>
<tr>
<td>STEM</td>
<td>science, technology, engineering and mathematics</td>
</tr>
<tr>
<td>TDDI</td>
<td>Tourism Demand-Driver Infrastructure</td>
</tr>
<tr>
<td>TPP-11</td>
<td>Comprehensive and Progressive Agreement for Trans-Pacific Partnership</td>
</tr>
<tr>
<td>TRA</td>
<td>Tourism Research Australia</td>
</tr>
<tr>
<td>UAE</td>
<td>United Arab Emirates</td>
</tr>
<tr>
<td>WHS</td>
<td>work health and safety</td>
</tr>
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