



Part three Outcomes and outputs

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outcomes and outputs

The Australian Government sets an outcomes and outputs framework for budgeting and reporting for all its agencies and departments, which has a focus on results rather than inputs.

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

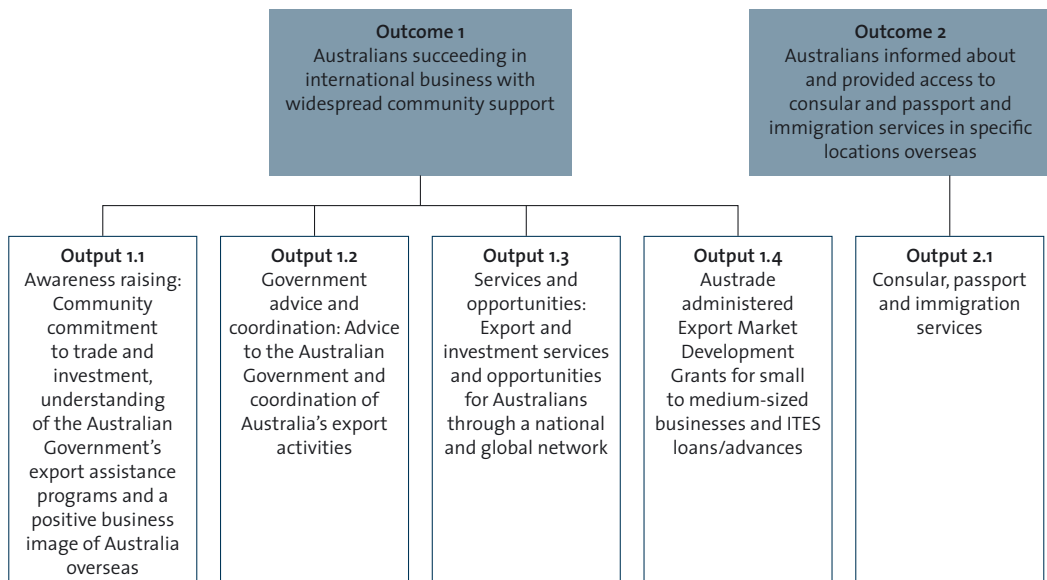
Outcome 1—Australians succeeding in international business with widespread community support

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

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

Austrade's outcomes and outputs framework is shown in Figure 11 below.

Figure 11: Austrade's outcomes and outputs framework



effectiveness measures

The key effectiveness measures for Outcome 1 are:

- > the total number of Australian goods and services exporters
- > the proportion of Australians who believe exports make a major contribution to the economy.

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

The external measure of the **total number of Australian goods and services exporters** is provided annually by the Australian Bureau of Statistics (ABS). Following the introduction of the Customs

Integrated Cargo System, the ABS changed its methodology. As a result, data for 2004–05 is not available. Data for 2005–06 will be available in late 2006. Table 2 below shows the latest available ABS estimates of Australian exporters.

The **proportion of Australians who believe exports make a major contribution to the economy** is measured as part of a survey of company attitudes to trade, which is conducted annually by Newspoll on behalf of Austrade and the Department of Foreign Affairs and Trade. According to the 2006 survey, 83 per cent of those surveyed thought exports made a positive contribution to the Australian economy against a target of 80 per cent. The result was comparable with the 2005 result of 82 per cent.

Table 2: ABS Australian exporters (goods and services)

Financial year	Total number of goods and services exporters
2000–01	Approx. 25,000
2001–02	31,450
2002–03	31,174
2003–04	30,788

output 1.1—awareness raising

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

Output measures

Table 3: Measures and results for Output 1.1

		Target	Result
Quality	Client satisfaction—Minister's office		Satisfactory
Quantity	Proportion of Australians who believe exports make a contribution to the economy	80%*	83%
	Community awareness of the importance of the Australian Government's trade and international business facilitation activities through Austrade	75%*	67%
	Number of positive net media mentions	2,500	5,918
Cost (\$m)		\$18.9	\$19.8

* Estimate

Output performance

Promoting the benefits of export through media and marketing

In 2005–06 Austrade implemented media and marketing strategies to promote the benefit of exports to all Australians and to raise awareness in the business community of the Government's export assistance programs delivered through Austrade.

Marketing communications campaigns helped raise business awareness, understanding and utilisation of Austrade's services for new and established exporters, for example through publicising the establishment of Export Hubs in regional Australia and the expansion of Austrade's network in the United States and China. The campaigns also maximised attendance at seminars, events and trade missions, such as the Australian Export Awards and Australia Week in Moscow.

During 2005–06 Austrade consolidated and promoted its corporate identity including through the use of 'Brand Australia' to deliver a common look at Austrade's overseas events.

Two major media and marketing campaigns were conducted during the year to raise business awareness of the opportunities arising from free trade agreements and maximise participation in Business Club Australia: M2006 for the Melbourne 2006 Commonwealth Games, with the latter generating 255 media mentions, \$1,182,083 equivalent advertising value, and contributing to a Club membership of 7,824.

In total, Austrade's awareness-raising activities generated 5,918 mentions in metropolitan, regional and specialty media across Australia—a 51 per cent increase over 2004–05. Moreover, the quality of media impact, as measured by Editorial Rating Points, was up by 67 per cent compared to 2004–05.

According to the annual community awareness survey conducted by Newspoll, the proportion of Australians who believe exports make a contribution to the economy was high, at 83 per cent and community awareness of the importance of the Australian Government's trade and international business facilitation activities through Austrade was 67 per cent. This result was consistent with last year's result of 66 per cent. When prompted, awareness of Austrade increased to 77 per cent.

Exporting for the Future

The Exporting for the Future (EFF) education program continued to expand its awareness-raising reach with the first series of teaching resources for higher education, *Next step the world*, being launched in April 2006. This multimedia resource, developed in collaboration with numerous academics, contains detailed reports and documentaries of small and medium-sized enterprises (SMEs), and has been well received by local and international business and marketing lecturers.

Australia's Global Future, designed to replace the original 2001 middle secondary school resource book developed by Austrade, was mailed to 6,000 teachers. The new book incorporates globalisation, enterprise and international business. A web-based set of global links activities for upper primary school social sciences courses has also proven to be popular.

The annual Export Plan Competition, which requires students to prepare export plans for local SMEs that do not yet export, continues to attract interest from educators, who incorporate the competition into their assessment programs.

During the year the online student centre resource was popular, with around 31,000 EFF files being downloaded per month; 827 teachers participated in 26 'train-the-trainer' seminars.



The Hon De-Anne Kelly MP, Parliamentary Secretary (Trade), launching Next step the world at Griffith University in April 2006. Photo courtesy of the Gold Coast Bulletin.

Beyond Our Shores explains why trade is a good thing

In December 2005 Austrade's Chief Economist Tim Harcourt launched his book *Beyond Our Shores*, a collection of essays on Australia and the global economy.

The book examines important topics such as trade liberalisation, the information age, external shocks like sudden epidemics and exchange rates, emerging markets, and how to sell trade. There are articles about Hollywood and the roles of our most famous actors such as Nicole Kidman and Hugh Jackman, major sporting events such as the Olympics and the Rugby World Cup, and culture including Indigenous art and those cultural icons Kath & Kim.

In his foreword to the book, journalist Ross Gittins calls on economists to explain why trade and openness is a good thing and persuade the community of their case.

Tim Harcourt said 'economists have consistently shown that trade has not only helped countries like Australia, it has also helped reduce poverty in the developing world. It is important that this story be told in classrooms, factories, farms and offices across Australia'.

Beyond Our Shores has now been made available to economics and business students in high schools and tertiary institutions, and is also on the Economist's Corner section of the Austrade website.



Front cover of Beyond Our Shores

output 1.2—government advice and coordination

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

Output measures

Table 4: Measures and results for Output 1.2

	Measure	Target	Result
Quality	Client satisfaction—Minister's office		Satisfactory
Quantity	Number of briefs (including submissions and ministerial correspondence) provided to ministers, Parliament, public sector agencies	575*	408
	Percentage of material prepared within agreed timeframes	100%	92%
Cost (\$m)		\$13.3	\$7.7

* Estimate

Output performance

Parliamentary awareness raising

In 2005–06 Austrade coordinated briefings and provided advice and support to official parliamentary delegations travelling to the United States, Turkey, Denmark, Sweden, Malaysia, Singapore, Pakistan and Japan. In addition, Austrade provided significant input to the briefings and arrangements for the high-level business delegation that accompanied the Prime Minister during his visit to India in March 2006.

During the year, Austrade facilitated the involvement of Deputy Prime Minister and Minister for Trade the Hon Mark Vaile MP, the then Parliamentary Secretary (Trade) Senator the Hon Sandy Macdonald, and current Parliamentary Secretary the Hon De-Anne Kelly MP in a number of Austrade functions, including events related to the annual Australian Export Awards and the Exporting for the Future education program.

Austrade also worked with federal and state parliamentarians to raise community awareness in their electorates.

Parliamentary inquiries and briefings

During 2005–06 Austrade made a number of submissions and responses to, and appearances before, various parliamentary committees, including:

- > the Joint Standing Committee on Foreign Affairs, Defence and Trade
- > the Trade Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade
- > the Senate Foreign Affairs, Defence and Trade Legislation Committee
- > the Senate Foreign Affairs, Defence and Trade References Committee
- > the Joint Standing Committee on Foreign Affairs, Defence and Trade Foreign Affairs Sub-Committee
- > the House of Representatives Standing Committee on Science and Innovation.

Inquiry into certain Australian companies in relation to the UN Oil-for-food programme

Austrade cooperated fully with all requests from the Inquiry into certain Australian companies in relation to the UN Oil-for-food programme.

Contribution to trade policy

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

Austrade contributed to the publication *Trade 2006*, which is the Minister for Trade's annual statement. Austrade provided material on the availability and effectiveness of the government's assistance for Australian exporters and the translation of trade policy into trade outcomes.

During the year, Austrade continued to support the ongoing development and maintenance of <fta.gov.au>, the whole-of-government website designed to assist Australian businesses make the most of Australia's FTAs with New Zealand, Singapore, Thailand and the United States.

Austrade continued to provide support for the FTA Export Advisory Panel, which provides a forum for ongoing consultation between business and the Australian Government on the nation's current free trade agreements. The panel, which includes senior representatives from a range of industry groups and key government agencies, met three times during the year.

Coordination of government export programs

During the year, Austrade engaged with a wide range of government bodies and industry to promote the Australian Government's export agenda and identify new export market opportunities for industry.

- > Austrade forged close links with the Commercialisation of Emerging Technologies program within the Department of Industry, Tourism and Resources (DITR) to ensure that innovative businesses were referred into Austrade's export programs.
- > Austrade coordinated the Parliamentary Secretary's presentation to the Prime Minister's Science, Engineering and Innovation Council (PMSEIC), which focused on export opportunities

for innovative, technology-based Australian businesses. Austrade also provided a submission to PMSEIC regarding Austrade services and export opportunities in China and India.

- > Austrade signed a memorandum of understanding with AusIndustry to ensure closer collaboration and seamless transfer of clients between the two agencies.
- > Austrade provided input to the advanced manufacturing, medical devices, science industry, marine, digital content and electronics industry action agendas.

Parliamentary Showcase

In October 2005 Austrade hosted a Parliamentary Showcase of companies from south-east Queensland. This fourth regional Showcase increased awareness amongst parliamentarians of the role exporting plays in creating jobs in regional Australia and of the work undertaken by Austrade.

The reception, which took place in the Mural Hall of Parliament House, featured 18 regional south-east Queensland companies involved in export. The special guest speaker was Mrs Barbara McGeoch of Birkdale Nursery, East Birkdale, which has exclusive rights to commercialise the unique Wollemi Pine. Close to 150 Parliamentarians and senior staff attended the reception, hosted by Senator the Hon Sandy Macdonald, the former Parliamentary Secretary (Trade).



Mrs Barbara McGeoch showing her export product, a Wollemi Pine, to Senator the Hon Sandy Macdonald

output 1.3—services and opportunities

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

Table 5 and Figures 12–19 show the performance of Austrade in delivering services and opportunities and helping Australian businesses to achieve export sales.

Output measures

Table 5: Measures and results for Output 1.3

	Measure	Target/ estimate	Result
Quality	> Client satisfaction with Austrade’s services	85%	88%
Quantity	> Total number of clients achieving export success with Austrade’s assistance	5,000	5,098
	> Number of new ¹ and irregular exporters achieving export success with Austrade’s assistance	1,800	1,777
	> Number of established exporter clients achieving export success with Austrade’s assistance	3,200	3,321
	> Dollar value of export success achieved with Austrade’s assistance	\$17.5b	\$18.4b
	> Total number of clients achieving outward investment success with Austrade’s assistance	120*	162
	> Dollar value of outward investment success achieved with Austrade’s assistance	\$1.26b*	\$2.87b
	> Number of businesses achieving export success indirectly through Austrade	400 *	601
	> Number of clients receiving services from Austrade	15,000	16,219
Cost (\$m)		\$153.9	\$168.1

* Estimate

1. First export sale of \$5,000 or more in the last three years

Output performance

Figure 12: Number of clients achieving export success with Austrade's assistance

Since 2002–03, Austrade has consistently increased the number of Australian businesses it has helped to achieve export success, reaching 5,098 clients in 2005–06. This represents an increase of 17 per cent over the 4,358 clients assisted in 2004–05. These clients also achieved 9,265 export deals with acknowledged assistance by Austrade.

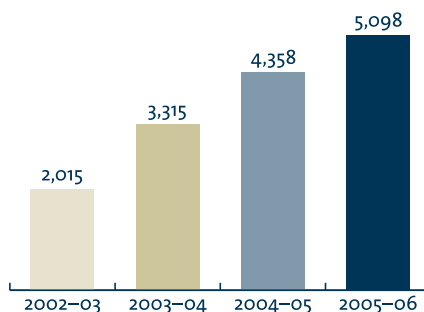


Figure 13: Number of new and irregular exporters achieving export success with Austrade's assistance

The number of new and irregular exporters achieving success with Austrade's assistance has grown from 374 in 2002–03 to 1,777 in 2005–06, largely as a result of the New Exporter Development Program, introduced in 2002.

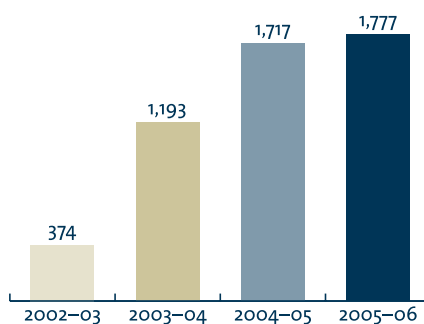


Figure 14: Number of established exporters who achieve export success with Austrade's assistance

The number of established exporters achieving export success with Austrade's assistance has more than doubled in the last four years, increasing from 1,641 clients in 2002–03 to 3,321 in 2005–06.

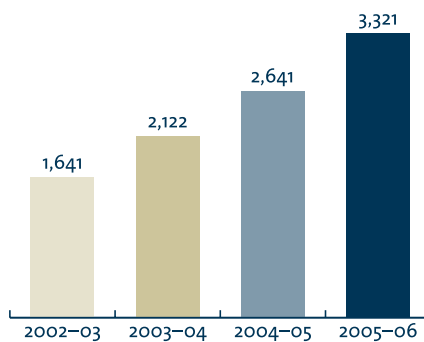


Figure 15: Dollar value of export success achieved with Austrade's assistance (\$m)

The dollar value of the 5,098 export successes achieved by clients with acknowledged assistance by Austrade was above \$18 billion for the second consecutive year, and has more than doubled in the last four years.

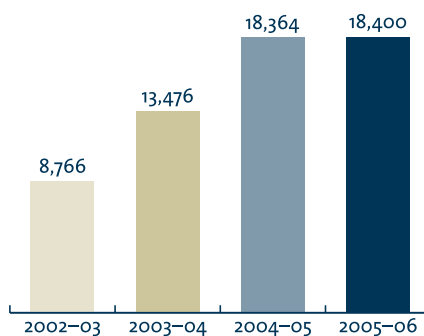


Figure 16: Total number of clients achieving outward investment success with Austrade's assistance

The number of clients achieving an outward investment success with Austrade's assistance has more than doubled since 2002-03 to be 162 in 2005-06.

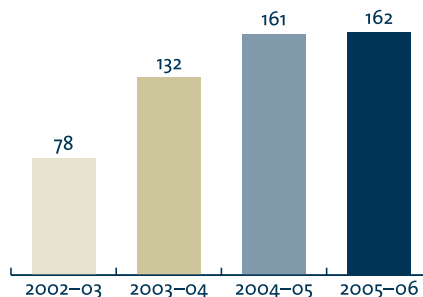


Figure 17: Dollar value of outward investment success achieved with Austrade's assistance (\$m)

The dollar value of the 162 outward investment successes achieved by clients with acknowledged assistance by Austrade was \$2,870 million, representing a 79 per cent increase over the 2004-05 figure of \$1,607 million.

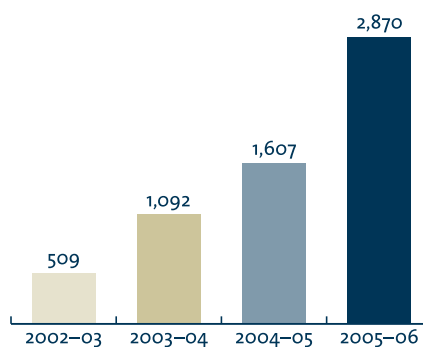


Figure 18: Total number of businesses achieving export success indirectly through Austrade

The number of Australian businesses achieving export success indirectly using Austrade's services has more than doubled since 2004-05, reflecting Austrade's strong focus in 2005-06 on continuing to develop and extend the Corporate Partnerships program.

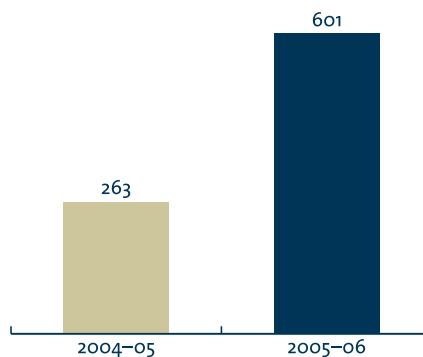
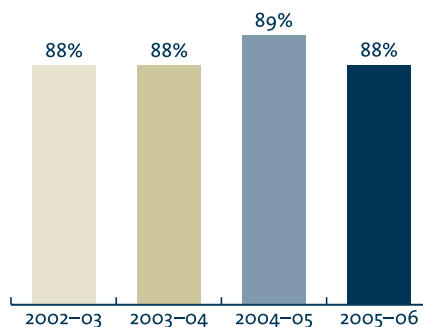


Figure 19: Client satisfaction with Austrade's services

Client satisfaction with Austrade's services remained consistently high in 2005-06.*



* Results for 2002-03 and 2003-04 reflect satisfaction ratings for established exporters and other Austrade clients not on the NEDP. Results for 2004-05 and 2005-06 are the combined satisfaction ratings for all Austrade clients, including those on the NEDP

Client satisfaction

Austrade made two changes to the measurement of client satisfaction in 2005–06. The most significant change was splitting the satisfaction research into online and telephone components. The online surveys are conducted quarterly and focus on obtaining qualitative feedback from clients who have received export services in the previous three months. Using the online facility allows clients to provide feedback at a time that suits them and the increased frequency means that Austrade offices can react more quickly to client feedback. The second change focused on the annual telephone survey. In order to streamline the process, improve client sampling and decrease the interview burden on clients, Austrade has now combined the EMDG satisfaction research with the export services research. This research is called the Client Service Improvement Study (CSIS) and Austrade's client satisfaction rating is based on the feedback received in this forum.

The 2005–06 CSIS was conducted by Wallis Consulting in June and July 2006. A total of 1,200 companies were interviewed, 358 of which had received services as part of the New Exporter Development Program (NEDP).

Of the 842 established exporters and companies not on the NEDP, 88 per cent rated Austrade overall as good, very good or extremely good. This result compares favourably with Austrade's satisfaction ratings in recent years. In 2004–05 the satisfaction rating was 89 per cent and in 2003–04 88 per cent.

The percentage of NEDP clients rating Austrade overall as good, very good or extremely good was also 88 per cent. This is a stable result, consistent with the 2004–05 rating in which 89 per cent of clients rated Austrade as good or higher.

Client Service Charter

The Client Service Charter reflects Austrade's commitment to high quality and consistent service delivery. It sets out the service standards that clients can expect from Austrade and outlines how to give feedback (see Appendix B).

Austrade clients have the opportunity to provide feedback to the organisation through a number of mechanisms. Feedback on service delivery can be made via the telephone, post, email or through the website. Further, clients can comment on their satisfaction with Austrade services through the

annual client satisfaction survey and other research. This year 439 compliments and 126 complaints were received. This represents a 22 per cent increase in the number of compliments received in 2004–05 (360), and a 9 per cent reduction in complaints (139).

Improving client services

A number of projects were undertaken in 2005–06 to analyse Austrade's current service offering, identify areas for improvement and implement new processes and mechanisms to enhance client service. They included:

- › an internal review of the **New Exporter Development Program**—the focus of the review was to improve and refine existing processes and ensure the most efficient delivery of the program for clients. The review recommended minor refinements to the program to reflect Austrade's commitment to assisting clients to be successful and sustainable in export.
- › a new **Client Service Improvement Study**—in line with improving mechanisms to ensure ease of access for clients in providing feedback, a new online quarterly survey was implemented after a successful pilot was conducted in March 2006. The quarterly online surveys are a supplement to the annual Client Service Improvement Telephone Survey, and provide clients with an opportunity to provide feedback on Austrade's performance more frequently.
- › a new **Opportunities Online system**—the Opportunities Online website delivers export opportunities sourced by Austrade's global network to Austrade clients. The site, accessible only by registered Australian organisations and business enterprises actively interested in exporting, features two types of export opportunity—online sales leads and tender proposals. Since the launch of the site in November 2005, over 1,000 registrations have been received from clients and more than 500 export opportunities have been placed on the site.

Connecting with exporters online

The Austrade website <www.austrade.gov.au> continues to be a key information and marketing channel for Austrade, supporting Australian companies in their initial research on exporting including selection of appropriate markets.

The use of the website increased by 10 per cent during 2005–06, achieving over 2 million hits and averaging 22,000 repeat users.

A specific site—<www.austradeevents.com.au>—was established for event registration and online payments, resulting in more than 10,000 transactions over the past year. New business-matching software was developed to facilitate partnering in an online environment.

The Australian Suppliers Database continues to be an integral part of the website, attracting

1,092 registrations (503 were new clients to Austrade). It remains one of the most frequently accessed parts of the website, attracting overseas buyers searching for Australian products and services.

2005–06 built on the success of the *Ebusiness for New Exporters* workshops. Fifty workshops were held across Australia with over 600 companies attending to hear about online payment issues, domain names, security, search engine optimisation and electronic marketplaces. Evaluation feedback from these workshops has been extremely positive, with many participants saying it is the most practical and valuable workshop that they have attended.

Ethical business conduct

Austrade's Code of Ethical Business Conduct regulates the behaviour of Austrade staff, provides clear guidelines on dealing with ethical questions and forms a basis for Austrade staff when advising clients about doing business internationally.

An important element of the code is the requirement for Austrade staff to advise clients that they are subject to relevant Australian and foreign laws in relation to bribery and corruption and the penalties that apply under those laws.

output 1.4—Austrade administered grants and loans

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

Output measures

Note: EMDG grant payments are generally made the year after expenditure has been incurred, therefore EMDG references to 2005–06 in this report relate to the 2004–05 grant year, unless otherwise specified.

Table 6: Measures and results for Output 1.4

	Measure	Estimate	Result
Quantity	> Number of EMDG applicants	3,750	3,765
	> Number of EMDG recipients	3,470	3,485 ^a
	> Number of first-time EMDG applicants	1,350	1,354
	> Number of first-time EMDG recipients	1,180	1,216 ^a
	> Number and dollar amount of financial facilities under management (number and amount of loans to be repaid at 30 June 2006)	4 and \$1.6m	2 and \$1.5m
Cost (\$m)		\$144.4	\$145.5

a Includes 2004–05 grant year recipients and some recipients from previous grant years.

Output performance

The year 2005–06 saw a strong demand for the scheme, with an increase of over 6 per cent in recipient numbers and an 11 per cent increase in assessed entitlements. This was the second year affected by the Government's scheme changes, legislated in 2003, which placed greater focus on small and emerging exporters. The profile of 2005–06 recipients indicates a continued trend towards smaller, newer recipients.

Continuation of the EMDG scheme

In January 2006 Minister Vaile announced the Government's decision to continue the EMDG scheme for a further five years, until the end of 2010–11. The *Export Market Development Grants Legislation Amendment Act 2006* was subsequently passed by the Parliament in June 2006. As well as extending the scheme to the end of 2010–11, the Act

introduced a number of changes to the scheme to enhance its performance, including:

- > increasing the claimable overseas visit allowance from \$200 to \$300 per day
- > streamlining the Australian origin rules for goods promoted for export
- > capping the annual amounts that can be claimed as expenses for overseas representatives at \$200,000 and for marketing consultants at \$50,000, with each expense category claimed separately
- > limiting the eligibility of cash payments to \$10,000 per application
- > removing export earnings criteria from the calculation of grant entitlements.

The changes apply to export promotion expenditure incurred from 1 July 2006 and to EMDG applications lodged from 1 July 2007.

Free trade agreements

Austrade encouraged Australian exporters to take advantage of free trade agreements (FTAs) through targeted EMDG promotional and awareness-raising activities including targeted email campaigns, direct mail-outs and advertising. The profile of 2004–05 grant year recipients indicated that the principal market targeted by EMDG recipients continued to be the United States. Of the top six countries, China showed the strongest growth as a targeted export destination increasing by 16 per cent compared with the previous grant year (see figure 20).

EMDG funding

Additional funding was available for the scheme in 2005–06 as a result of the Government's decision in the 2005–06 federal budget to move forward \$10 million of the EMDG appropriation from the previous financial year. All 2004–05 grant year recipients received their full grant entitlement. The full EMDG appropriation of \$170.4 million was not drawn down in 2005–06.

The additional funding provided greater scope for both promotional and client service activities throughout the year. Accordingly, Austrade implemented a number of awareness-raising and client development initiatives to assist smaller and emerging exporters to better understand EMDG, prepare accurate applications and make best use of the scheme.

Overview of export grants

Figures 21 through to 26 give a detailed snapshot of the EMDG scheme for the 2004–05 grant year.

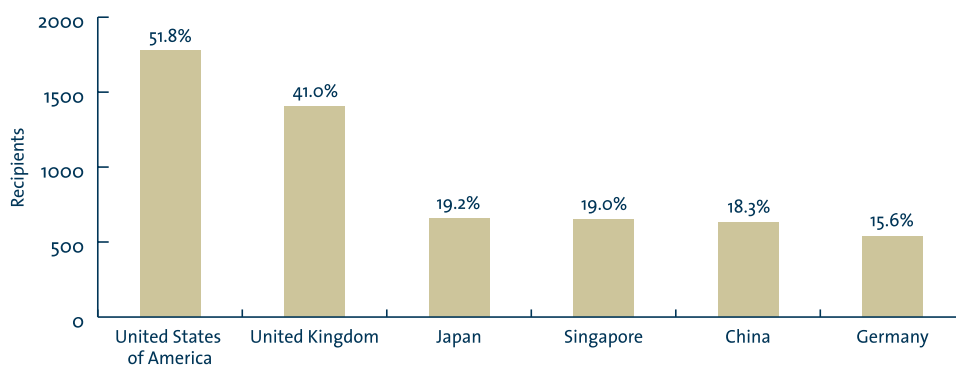
The total dollar value (\$137.1 million) and number of grants (3,485) during 2005–06 represent an increase of almost 11 per cent in payments and over 6 per cent in recipients compared with the previous financial year. Of these grants, 3,373 relate to marketing expenditure by individual businesses in the 2004–05 grant year; 56 relate to applicants from previous grant years; and 56 relate to marketing expenditure made by businesses under the special approvals category.

The special approvals category enables businesses, such as industry associations, trading houses and firms cooperating in joint venture-style marketing arrangements, to access the scheme. In the 2004–05 grant year, \$3.1 million was paid to organisations under this category.

The scheme remains popular and relevant to small and emerging exporters, with 79 per cent of 2004–05 grant year recipients reporting annual income of \$5 million or less, 73 per cent of recipients reporting less than 20 employees, and a 17 per cent increase in first-time EMDG recipients.

Grants paid were larger, on average, during 2005–06. The average grant paid was \$38,935, up from \$37,145 for the 2003–04 grant year and the median grant paid was \$24,027, up from \$22,643 for the 2003–04 grant year.

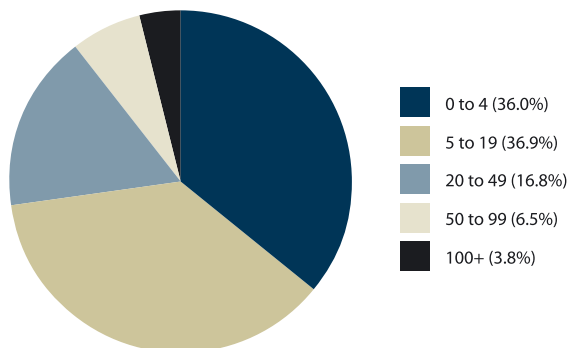
Figure 20: EMDG recipients by the top six countries promoted to, 2004–05 grant year



Source: EMDG database, June 2006

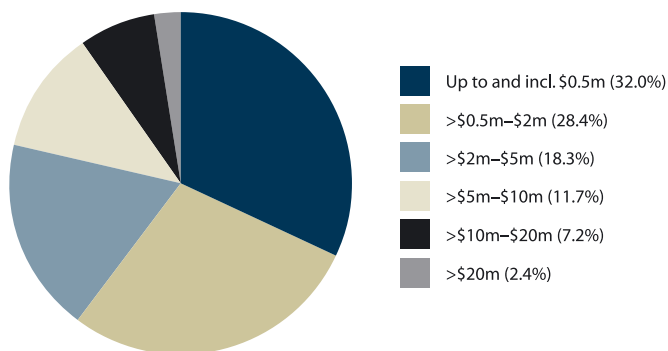
NB: recipients may promote to more than one country.

52 per cent of recipients exported or promoted to the United States. Of the top six countries, China experienced the strongest growth as a targeted export destination, increasing by 16 per cent compared with the previous grant year.

Figure 21: EMDG recipients by number of employees, 2004–05 grant year

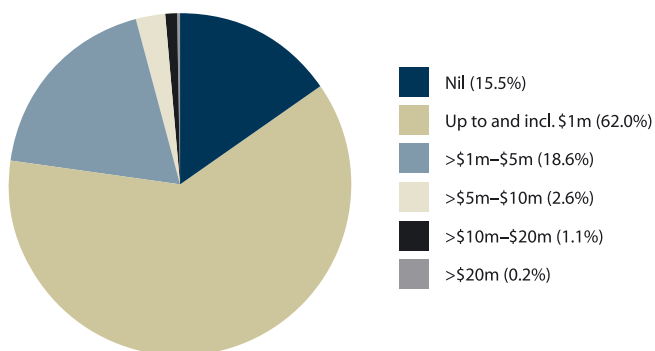
Source: EMDG database, June 2006

73 per cent of recipients employed less than 20 people in the 2004–05 grant year.

Figure 22: EMDG recipients by annual income, 2004–05 grant year

Source: EMDG database, June 2006

79 per cent of businesses receiving grants in the 2004–05 grant year reported annual income of \$5 million or less compared with 77 per cent in the 2003–04 grant year.

Figure 23: EMDG recipients by annual export earnings, 2004–05 grant year

Source: EMDG database, June 2006

77 per cent of EMDG recipients had export earnings of \$1 million or less, the same result as for the 2003–04 grant year.

Table 7: Export Market Development Grants 2005–06

For 2005–06:	
Total grant recipients	3,485 ^a
Total value	\$137.1 m ^b
For the 2004–05 grant year:	
Grant applicants	3,765
First-time grant applicants	1,354
Grant recipients	3,429
Value of grants	\$133.5 m
First-time grant recipients	1,188
Average grant	\$38,935
Median grant	\$24,027
Businesses assisted (including joint ventures)	3,886
Recipients from rural and regional areas	831
Value of exports generated by grant recipients	\$3,271 m
Employees of recipients	70,961

a Includes 3,429 recipients for the 2004–05 grant year and 56 recipients from previous years.

b Includes value of 2004–05 grants (\$133.5 million) plus value of the 56 grants from previous years and supplementary payments to grant recipients from previous years.

Recipients in the manufacturing industry represented 38 per cent of total recipients, with food and beverage manufacturing showing the strongest increase compared with the previous grant year.

Of the main expenditure incurred by EMDG recipients, the marketing visits and advertising expenditure categories experienced the strongest growth, increasing 13.9 per cent and 14.6 per cent respectively, compared with the previous grant year.

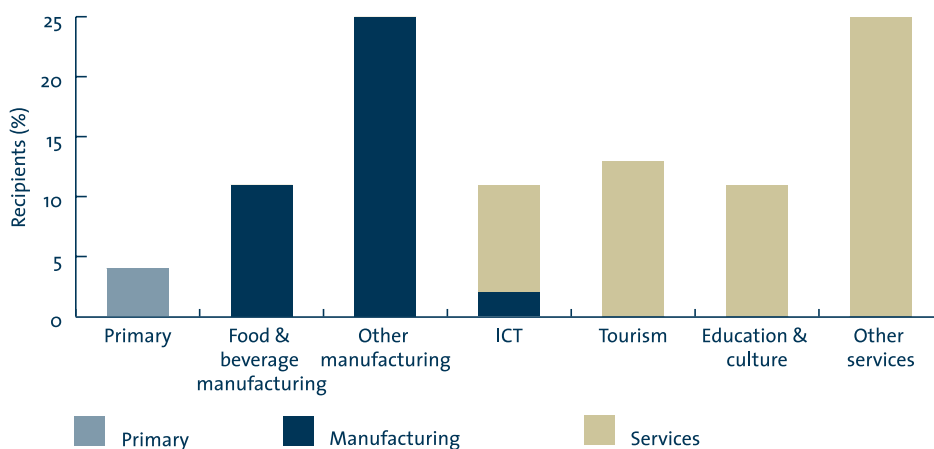
A breakdown of EMDG recipients by state and territory for the 2004–05 grant year is shown in Table 8 and Figure 26. Western Australian recipients represented the strongest growth in grant recipients compared with the previous grant year, increasing by 20 per cent.

Raising awareness and helping clients make best use of the scheme

Promotional activities in 2005–06 focused on increasing awareness of EMDG among small and emerging exporters and providing new resources for clients. These included:

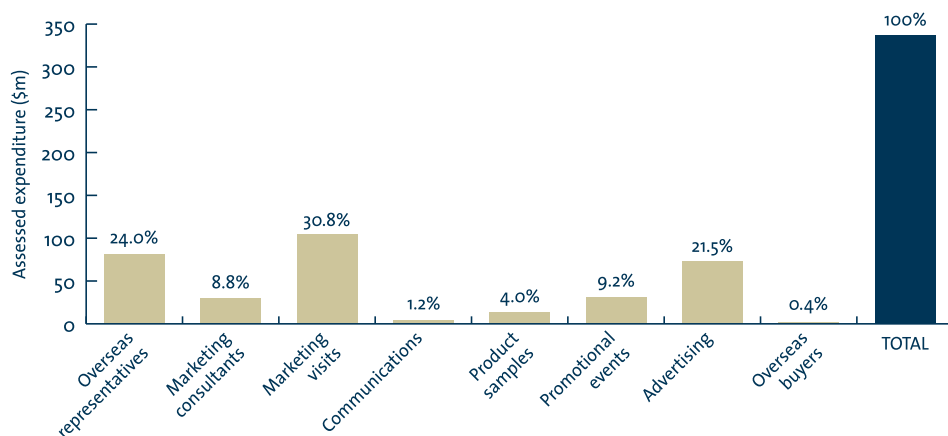
- > production of a multi-media cd-rom application kit containing the application form and other resources to help clients prepare their application
- > an additional national advertising campaign at the mid-point of the application period covering 39 publications, including metropolitan, regional and ethnic newspapers plus accounting and business journals

Figure 24: EMDG recipients by industry, 2004–05 grant year



Source: EMDG database, June 2006

Note: Recipients in the manufacturing industry represented 38 per cent of total recipients, with food and beverage manufacturing recipients experiencing a 19 per cent increase in the 2004–05 grant year.

Figure 25: EMDG recipients by expenditure category, 2004–05 grant year

Source: EMDG database, June 2006

Note: The marketing visits expenditure category continues to be the largest expenditure category as a proportion of total assessed expenditure.

- > additional advertisements and editorials on the scheme to target specific groups, including new and potential exporters, businesses pursuing opportunities resulting from free trade agreements and accountants
- > a campaign targeted specifically at tourism industry businesses involving direct mail, email, advertising, telemarketing and seminars.

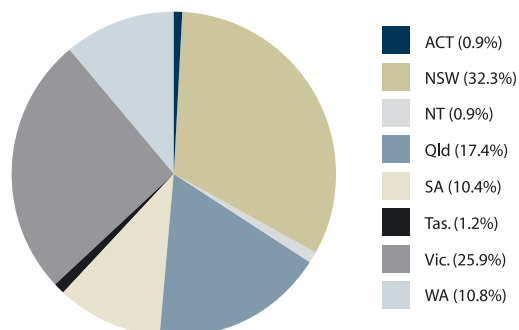
Austrade also implemented an enhanced program of client development activities to help existing and potential applicants make best use of the scheme and to improve the accuracy of applications to ensure a higher number of successful recipients. This resulted in:

- > an increase in the number of referrals of potential EMDG applicants from Austrade client advisory units and allies
- > increased EMDG presence at major events sponsored by Austrade and its allies
- > a greater range of activities to raise awareness of the EMDG scheme among accountancy firms and the business advisory community

Table 8: EMDG recipients by state and territory, 2004–05 grant year

State	Number of recipients	Total grant payments (\$m)	Total assessed exports (\$m)
NSW	1,109	\$49.8	\$991.3
Vic.	888	\$35.3	\$902.3
Qld	598	\$18.1	\$538.2
SA	357	\$13.9	\$370.6
WA	372	\$13.5	\$384.8
Tas.	41	\$0.9	\$45.6
NT	32	\$0.7	\$27.4
ACT	32	\$1.2	\$10.9
National	3,429	\$133.5	\$3,271.1

Source: EMDG database, June 2006

Figure 26: EMDG recipients by state and territory, 2004–05 grant year

Source: EMDG database, June 2006

- > an enhanced client contact program by Austrade EMDG staff including an increased number of individual consultations with potential and existing applicants.

Risk management and fraud control for the EMDG scheme

There was an increase in both first-time applications and self-prepared applications in 2005–06.

Historically these are higher-risk categories for over-claiming on the EMDG scheme. Austrade increased its focus on risk management and, as a result, audited in excess of 50 per cent of applications through a visit to the applicant’s premises, the most intensive form of grants audit.

Austrade also continued to place emphasis on the validation of overseas representation and marketing consultant expenditure included within applications. In particular, an in-country interview of a selection of overseas representatives based in the United States and China was carried out. The information obtained from these interviews indicated a reduction in the problems associated with these expenditure categories compared with previous years.

One person was convicted during the year for fraud against the EMDG scheme and an amount of \$17,949 subject to the fraud was repaid. At 30 June 2006 one person was before the court for alleged fraud.

The agreement with the Australian Federal Police (AFP) for the secondment of an officer to EMDG expired in August 2005. Support from the AFP is now provided through a network of AFP Client Liaison Officers located in the various states.

Administrative performance

An analysis of Austrade’s performance in administering the EMDG scheme shows:

- > 99 per cent of 2004–05 grant year applications were processed within the year

- > 79 per cent of applications lodged before November 2005 were determined within eight weeks and 90 per cent lodged in November 2005 were completed within seven weeks of the start of assessment
- > 54 per cent of applications were determined following an on-site audit and 46 per cent following an audit from the Austrade office
- > 2.5 per cent of applications processed resulted in a request for an Austrade review of the initial grant assessment
- > administration costs accounted for 4.8 per cent of the total program budget of \$170.4 million for 2005–06.

Client satisfaction with the EMDG scheme

Results from the Austrade EMDG client survey for 2005–06 were relatively unchanged from the results of 2003–04 when the survey was last conducted (2003–04 survey results are given below in brackets). There was however, a slight increase in the overall level of satisfaction with the EMDG scheme in 2005–06.

- > Overall satisfaction with the EMDG scheme was 88 per cent (84 per cent).
- > Satisfaction with the overall performance of Austrade staff who assisted with EMDG applications was 86 per cent (87 per cent).
- > Satisfaction with the Austrade staff member who handled the EMDG assessment was 90 per cent (93 per cent).

Loans

During 2005–06 two facilities were finalised and recoveries of \$169,080 were made under the International Trade Enhancement Scheme (ITES). The loan balance at 30 June was \$1.5 million. While the last active ITES facility was finalised in June 2006, further recoveries are anticipated from two former participants now in liquidation. The quantum and timing of these recoveries is dependent upon the outcome of the liquidations.



DAVID COCKERELL
 Manager,
 Legislation and Policy
 Coordination,
 EMDG Sydney

David has over 20 years experience in EMDG and is responsible for writing and updating the EMDG administrative guidelines manual as well as providing regular policy advice to five state-based EMDG audit teams. In 2005–06 David assisted in the drafting of the EMDG legislation required to extend the EMDG scheme until the end of 2010–11 including working with the Office of Parliamentary Counsel and the Office of Legislative Drafting.

Accolades for Adelaide company

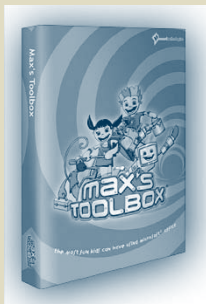
eWord Technologies is an Adelaide-based software development company and provider of educational computer software. Since the launch of its user-friendly version of Microsoft Office known as 'Max's Toolbox' in Australia and the United States in June 2002, eWord has established a network of distributors in Europe, South America and Asia.

eWord's success has been recognised through accolades including the 2002 Golden Seal Award (Children's Software and New Media Revue US) and the 2003 Best Educational Software at Texas Computer Education Association Conference. The company also competed as a finalist for the Codie Software Awards for Productivity Suite, under the name Scholastic Keys.

eWord Technologies has received four EMDG grants. Wendy Kennedy, Chief Executive Officer says, 'EMDG has been critical in assisting our company entering the US and UK markets'.

The company has also received assistance through the consultancy services offered by Austrade's offices in Spain, the United Kingdom and Mexico.

'Austrade has been great in introducing us to individuals and groups of key people. We have benefited from working with the London office by using their office from time to time for meetings, as well as being invited to other networking events that allowed us to be introduced to people of influence in school communities', Ms Kennedy said.



Max's Toolbox, a user-friendly product from e-Word, is now sold throughout Europe, the United States, South America and Asia

Supplying winning solutions to the world

First-time EMDG recipient Diagnostic Monitoring Systems (DMS) is a Queensland-based company that specialises in the design and supply of diagnostic equipment and services to the power transmission and distribution industry.

Its main products are pollution monitors, which monitor the pollution on high-voltage insulation, and inspection systems for this insulation. DMS has over 70 systems installed and in operation throughout the world and is a preferred supplier to major utilities.

While the majority of the company's export income is derived from China, it is also achieving strong sales in the US and Middle East. The company has appointed distributors in Taiwan, India, the Middle East, the United Kingdom, the Philippines, Indonesia and the United States to further expand the business. This has led to export earnings making up over 60 per cent of the company's total turnover.

DMS conducts regular marketing visits to encourage sales. 'Austrade personnel have assisted us in finding the right distributors and the export grant gives us a cash injection to continue to develop new markets', said Peter Lang, Asia Pacific Manager of DMS.



DMS's trademark product, DMSurveyor, is an inspection system for high-voltage insulation

output 2.1—consular, passport and immigration services

Output measures

Table 9: Measures and results for output 2.1

	Measure	Estimate	Result
Quality	> Client satisfaction (DFAT and DIMA)		Satisfactory
Quantity	> Number of travel documents issued	2,500	919
	> Number of notarial acts	5,600	6,922
	> Number of Australians assisted overseas (not receiving travel documents or notarial acts)	37,000	38,666*
	> Number of visa applications received	50,600	57,803
Cost (\$m)		\$10.4	\$11.1

* This figure includes 1,050 consular cases and 37,616 consular inquiries

Output performance

Austrade operates 18 consulates and three honorary consulates on behalf of the Australian Government (see table 10). In January 2006 an Austrade-managed Consulate-General was opened in Tripoli, Libya, and in March the Prime Minister announced, during his visit to India, that a new Austrade-managed Consulate-General would open in Chennai in the second half of 2006.

Austrade-managed consulates provide a range of consular assistance including passport services, notarial acts, medical evacuations, prison visits and general advice and assistance to Australians overseas.

Austrade staff in these posts work closely with Australian embassies and high commissions in their region and the DFAT consular operations unit in Canberra, particularly when dealing with complex cases.

In 2005–06, the number of Australians assisted overseas was 38,666, which was less than the number assisted in 2004–05 (44,355). The number of notarial acts performed increased to 6,922 compared with 4,545 the previous year.

The number of passports issued in 2005–06 was 919, which was slightly less than the previous year (1,048). Austrade, in conjunction with DFAT Passport Branch, managed the transition to the new *Australian Passport Act 2005*, which came into force on 1 July 2005.

In addition to managing a consular role, the Austrade posts in Auckland and Dubai support the delivery of immigration (visa) services in conjunction with the Department of Immigration and Multicultural Affairs (DIMA). The Austrade-managed honorary consulate in Vladivostok managed the delivery of immigration services on behalf of DIMA. In 2005–06, the total number of visa applications received at Austrade posts was 57,803.

Enhancing consular assistance to Australians

In December 2005 the Consular Management Linked Information System (CMLIS) was launched for use by all Austrade consular posts. Funding to develop the system was announced as part of the 2004–05 federal budget.

The system provides Austrade consular offices with a web-based interface to the Department of Foreign Affairs and Trade's core Consular Management Information System (CMIS). In doing so, it allows Austrade-managed consular posts to provide Australians overseas with information and consular assistance in the shortest time possible.

In the 2006–07 federal budget, the Australian Government announced that it would provide \$80.2 million over four years to further strengthen its capacity to provide consular assistance. The package included \$5.5 million for Austrade to provide additional consular staff overseas to manage the growing demands of consular work, enhance contingency planning and crisis response capabilities, provide additional coordination support in Canberra and improve the quality and frequency of training for Austrade's consular network.

Table 10: Consulates and honorary consulates managed by Austrade as at 30 June 2006

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

Atlanta post commended after Hurricane Katrina

In the aftermath of Hurricane Katrina, 40 Australians, either tourists or residents of New Orleans, were reported by family and friends to the Department of Foreign Affairs and Trade's Consular Emergency Centre in Canberra as missing and unaccounted for.

As soon as it was known that there were Australians missing in the affected areas, the team from the Austrade-managed consulate in Atlanta moved quickly to set up a temporary consulate in Baton Rouge, Louisiana and began the difficult task of locating missing Australians in a region where communications systems and infrastructure had been largely damaged or destroyed.

The Atlanta consular team worked closely with DFAT's Consular Operations Centre, the Australian Federal Police, the Australian Embassy in Washington and the New Orleans and Baton Rouge Police Authorities during the crisis. The team helped locate all previously unaccounted for Australians and provided assistance with communications and transport out of the affected area.

The Atlanta team was commended for its extraordinary efforts in difficult circumstances and was acknowledged in Parliament on 8 September 2005 by the Hon Alexander Downer MP, Minister for Foreign Affairs, and in writing by the Deputy Prime Minister and Minister for Trade, the Hon Mark Vaile.



New Orleans in the aftermath of Hurricane Katrina, August 2005

the 2005 Australian Export Awards

The Australian Export Awards are recognised as one of Australia's premier business award programs. The awards, co-presented by Austrade and the Australian Chamber of Commerce and Industry, and supported by a range of sponsors, recognise and celebrate the outstanding achievements of Australian companies involved in international business.

The 2005 Australian Export Awards consisted of a series of eight state and territory export awards recognising excellence and innovation in exporting across 11 categories. Category winners from each

state and territory progressed as national finalists to the 2005 Australian Export Awards. From there, the overall winners and the 2005 DHL Australian Exporter of the Year were chosen.

The number of finalists for the 42nd Australian Export Awards was 75 companies from across Australia covering a range of industries.

The Deputy Prime Minister and Minister for Trade announced the award winners at a gala dinner at the Sydney Convention Centre. The Wiggles International was announced as the DHL Australian Exporter of the Year.

The category winners in 2005 were:

DHL Australian Exporter of the Year
Agribusiness Award
Arts & Entertainment Award
Education Award
Emerging Exporter Award
Information & Communication Technology Award
Large Advanced Manufacturer Award
Minerals and Energy Award
Regional Exporter Award
Services Award
Small to Medium Manufacturer Award
Tourism Award

The Wiggles International
Mulwarra Exports Pty Ltd
The Wiggles International
Central Queensland University
GroundProbe
Appen Pty Ltd
Caterpillar Elphinstone Pty Ltd
Rio Tinto Iron Ore
WAMMCO International
Macquarie Bank Limited
Rofin Australia Pty Ltd
Qantas



2005 DHL Australian Exporter of the Year, The Wiggles, accept their award from Deputy Prime Minister and Minister for Trade the Hon Mark Vaile MP. Left to right: Dorothy the Dinosaur, Minister Vaile, Jeff Fatt (The Wiggles), Paul Field (General Manager Operations, The Wiggles), Harlis Malkic (General Manager DHL Express) and Mike Conway (General Manager Business Affairs, The Wiggles)