



Australian Government

Austrade

CORPORATE PLAN

AUSTRALIAN TRADE COMMISSION

2015–16



Contents

Statement of preparation	3
CEO's message	4
Purpose	5
Operating environment	6
Australia's export community	6
Economic outlook	6
Austrade's network	7
Figure 1: Austrade's global network, at 1 July 2015	8
Strategic partnerships and collaboration	10
Operating structure	10
International Operations Group, headed by Grame Barty, Acting Executive Director	10
Tourism, Investment, Education, and Programmes Group, headed by Tim Beresford, Executive Director	11
Corporate Services Group, headed by Marcia Kimball, Chief Operating Officer	11
Figure 2: Austrade's organisational structure, at 1 July 2015	12
Performance planning	13
Develop international markets and promote international education	13
Rationale	13
Strategic focus	13
Major operational activities	14
Table 1: Key performance measures for the development of international markets and promotion of international education	15
Win productive foreign investment	15
Rationale	15
Strategic focus	15
Major operational activities	16
Table 2: Key performance measures for the attraction of foreign direct investment to Australia	16
Strengthen Australia's tourism industry	17
Rationale	17
Strategic focus	17
Major operational activities	17
Table 3: Key performance measures for strengthening Australia's tourism industry	18
Seek consular and passport services	18
Rationale	18
Strategic focus	18
Major operational activities	18
Table 4: Key performance measures for the delivery of consular services	19
Staff performance agreements	19
Capability	20
Human resources	20
Capital investment	20
Information and communications technology	21
Risk oversight and management	22
Resources	23
Table 5: Austrade's resources 2015–16 to 2018–19	23

Statement of preparation

I, Bruce Gosper, as the Chief Executive Officer, and the accountable authority of Austrade, present the 2015–16 Austrade Corporate Plan, which covers the periods of 2015–16 to 2019–20, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* and Part 7 of the *Australian Trade Commission Act 1985*.



Bruce Gosper
Chief Executive Officer



CEO's message

Austrade plays a critical role in helping secure Australia's economic prosperity through our work as the Australian Government's international trade, education and investment promotion agency, and by working to strengthen Australia's tourism sector.

Austrade's commercial acumen, knowledge of international markets and its extensive connections in those markets, as well as its status as a government organisation, all lie at the heart of the unique value we provide to businesses, institutions and the Australian Government.

The past year has been one of great achievement, helping Australian business and institutions overcome barriers to successful export, and increasing focus on attracting foreign investment to Australia.

This Corporate Plan sets out how Austrade will build on those achievements during the next four years.

Austrade will continue identifying and promoting high-value opportunities for Australian businesses and institutions overseas, including those arising from the recent free trade agreements with Korea, Japan and China. We will continue to coordinate ministerial-led business missions in international markets, using the badge of government to open doors, and expand the successful programme of Australia Week business events to two per year in particular key markets.

We will expand our capability and capacity to attract and facilitate foreign investment in each of the Government's five priority areas with new resources in Australia and internationally. As part of this work, we will attract and facilitate investment into Northern Australia, as well as seeking other opportunities to support the region's development. We will continue to work with the education and training sector to help Australia capture opportunities being created by the huge growth in demand for education and training globally, and we will finalise and implement the new Australian International Education 2025 market development plan. Austrade will continue to advocate across government for Australia's tourism sector, working to reduce the barriers to growth and developing policies and programmes that strengthen this high-value export sector.

To further support the Government's trade and investment agenda, Austrade will assume new responsibilities in the year ahead. We will actively promote the new free trade agreements and provide information to Australian businesses and institutions on how to access the significant opportunities the agreements create. We will become a nominating entity for the Significant Investment Visa programme, and we will be the sole nominating entity for the Premium Investment Visa programme, helping to support Austrade's investment attraction role and one of the Government's central priorities in its work to restructure Australia's economy.

Austrade has a big agenda to deliver on during the next four years. Our strategy and operations will remain focused on providing the maximum value to the Government and to Australian businesses and institutions, by helping organisations to fully exploit emerging opportunities in markets around the world, and supporting the prosperity and productivity of the Australian economy.

A handwritten signature in black ink, appearing to read 'Bruce Gosper'. The signature is fluid and cursive, written over a white background.

Bruce Gosper

Chief Executive Officer

Purpose

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

- › develop international markets and promote international education
- › win productive foreign direct investment
- › strengthen Australia’s tourism industry
- › seek consular and passport services.

Austrade achieves this by generating market information and insight, promoting Australian capabilities, developing policy, making connections through an extensive global network of contacts, leveraging the badge of government offshore and providing quality advice and services.

Austrade aims 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 role is to advance Australia’s international trade and education, investment, and tourism interests by providing information, advice and services.

Specifically, Austrade:

- › helps Australian companies to grow their business in international markets, including through administration of the Export Market Development Grants scheme and the TradeStart network, and promotes the Australian education and training sector in international markets
- › provides coordinated government assistance to promote, attract and facilitate productive foreign direct investment into Australia
- › provides advice to the Australian Government on its trade, tourism, international education and training and investment policy agendas
- › develops policy, manages programmes and provides research to strengthen Australia’s tourism industry and to grow Australia’s tourism market share
- › delivers Australian consular, passport and other government services in designated overseas locations
- › through the Brand Australia programme, promotes awareness of contemporary Australian skills and capability to enrich Australia’s global reputation.

Operating environment

Australia's export community

International trade is a significant contributor to the Australian economy. At the March 2015 quarter, trade in goods and services was equivalent to almost 42 per cent of nominal GDP, while the ratio of exports of goods and services to GDP stood at a little over 20 per cent. Over the previous year, Australian exports of goods and services grew by more than eight per cent in volume, and contributed 1.7 percentage points to overall annual real GDP growth of 2.3 per cent.¹

According to the Australian Bureau of Statistics, there are more than 45,000 exporting firms, with more than 43,000 goods exporters, more than 3,300 exporters of services, and an undetermined number of businesses who export both goods and services.²

Exporters can broadly be classified into three groups:

- › large exporters—which generate individual export revenues of \$50 million or over, and account for most of Australia's export value. The composition of exporters within this group is quite stable with minimal entries and exits from year to year.
- › small to medium exporters—which generate individual export revenues between \$250,000 and \$50 million. This group comprises more than 8,700 goods exporters and more than 1,800 exporters of services. As with large exporters, the composition of this group does not change significantly from year to year.
- › micro-exporters—which 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 low share of total exports by value, and exhibit a large amount of churn. Only 54 per cent of those businesses exporting in 2011–12 were still exporting in 2012–13. In marked contrast, in every other category for which there is data, the share of continuing goods exporters was comfortably in excess of 90 per cent.

Economic outlook

Changing international and domestic economic conditions frame the environment in which Austrade operates, and will continue to create opportunities and challenges in the coming year. Shifting economic circumstances will influence Australia's relative international competitiveness and affect the attraction of productive foreign direct investment (FDI) into Australia, as well as shape the general operating environment for Australian businesses and institutions conducting international business activities.

For much of the past decade, Australia's external economic environment has been dominated by the China-powered resources boom. This caused high demand for Australia's mineral exports, and contributed to a sharp appreciation in the Australian dollar and its real exchange rate. Likewise, Australia's inward FDI profile has been dominated by investment into the mining sector. This has transformed the direction and the composition of Australia's trade, with a rise in concentration in export markets (the increasing dominance of China), and in exported products (the key role played by iron ore exports).

As a result, the non-resource export sector has had to cope with a large and adverse shift in relative international competitiveness. This shift has partly been cushioned by strong demand for Australia's tourism and education services from its increasingly wealthy, emerging Asian trading partners. Although the share of services exports in total exports had fallen from 24 per cent in 2003–04 to around 17 per cent by 2013–14, the absolute value of exports of education-related services has increased from \$8.2 billion to \$16.3 billion, and the value of international tourism consumption has grown from \$18.8 billion to \$27.2 billion.³

External conditions have now changed, the commodity cycle has turned, and relative competitiveness has started to adjust in response. These shifts are bringing realignments in the direction and composition of trade and the nature of FDI inflows. Together, these should contribute to some unwinding of the recent trend towards greater concentration as different sectors respond to the shift in economic conditions.

¹ Australian Bureau of Statistics, *Australian National Accounts: National Income, Expenditure and Product March 2015*, cat. No. 5206.0.

² Australian Bureau of Statistics, *Characteristics of Australian Exporters, 2012–13*, cat. No. 5368.0.55.006.

³ Department of Foreign Affairs and Trade, *Trade in Services Australia 2013–14*.

On the trade front, some of these changes are already appearing in the total value of exports, reflecting the evolving combination of much lower resource prices combined with higher resource export volumes. Additionally, the lower value of the dollar and the associated depreciation of Australia's real exchange rate are now helping to lift the competitiveness of non-resource exports, which should be good news for parts of the advanced manufacturing, agriculture and services sectors. In particular, Australia's two leading service sector exports are already benefitting from this trend. In the tourism industry, the fall in the dollar has seen an increase in the value of the export of travel services, with a greater number of overseas visitors attracted to Australia, and a fall in imports of travel services, as more Australians choose to holiday closer to home. Similarly, exports of education-related travel have been growing strongly, climbing by 14 per cent in value terms on an annual basis to reach \$17.5 billion in the year to March 2015.

Prospects for exports should also benefit from Australia's growing list of free trade agreements (FTAs), particularly the recent deals concluded with the Northeast Asian economic powerhouses of China, Japan and Korea. However, in order to maximise the benefits of these agreements, Australian businesses need to be fully aware of the opportunities on offer. Recent survey evidence indicates that Australian businesses do not have a good understanding of Australia's FTAs or know how to use them to capitalise on the opportunities they create.⁴

The latest numbers also show changes underway in Australia's inward FDI story. Despite a difficult global backdrop, FDI inflows into Australia increased again last year, running at about \$57.5 billion compared to the already-strong figure of \$56.2 billion recorded in 2013.⁵ Moreover, that increase came despite the anticipated decline in mining investment which has now started—the value of FDI into the mining and quarrying sector fell to \$32.8 billion in 2014 from \$49.5 billion in 2013. However, last year, much of that fall was offset by net FDI inflows worth \$12.8 billion into real estate activities, a significant increase from the just \$1.2 billion of inflows recorded in 2012.

While the overall global environment for trade and capital flows remains challenging, Australia is still well-placed to take advantage of the emerging Asian consumer, now helped by a more competitive Australian dollar. At the same time, recovery in some developed economies should also encourage some growth in the trade and investment relationship with traditional partners such as the United States.

Austrade's network

Austrade's overseas network is concentrated in those markets where its services will have the greatest impact. In the area of trade promotion, the focus is on growth and emerging markets which have high commercial potential but where it is more difficult for companies acting alone to access commercial opportunities. In those markets, there can be language, commercial and cultural barriers, while regulatory frameworks and business processes can be less transparent than Australia. Austrade can help overcome those barriers and can use its badge of government—a valuable asset in many of those markets—to help open doors and secure commercial outcomes. In established markets, such as North America and Europe, Austrade relies more heavily on partners, referrals and online services to support Australian businesses in their trade development activities.

Within Australia, Austrade has offices in every capital city, as well as in Newcastle and Wollongong. The TradeStart network, delivered in partnership with state, territory and local governments, industry associations and chambers of commerce, extends Austrade's reach around Australia. TradeStart offers exporters the combined resources of Austrade and partner organisations, providing local assistance and a direct link to Austrade's services and overseas network.

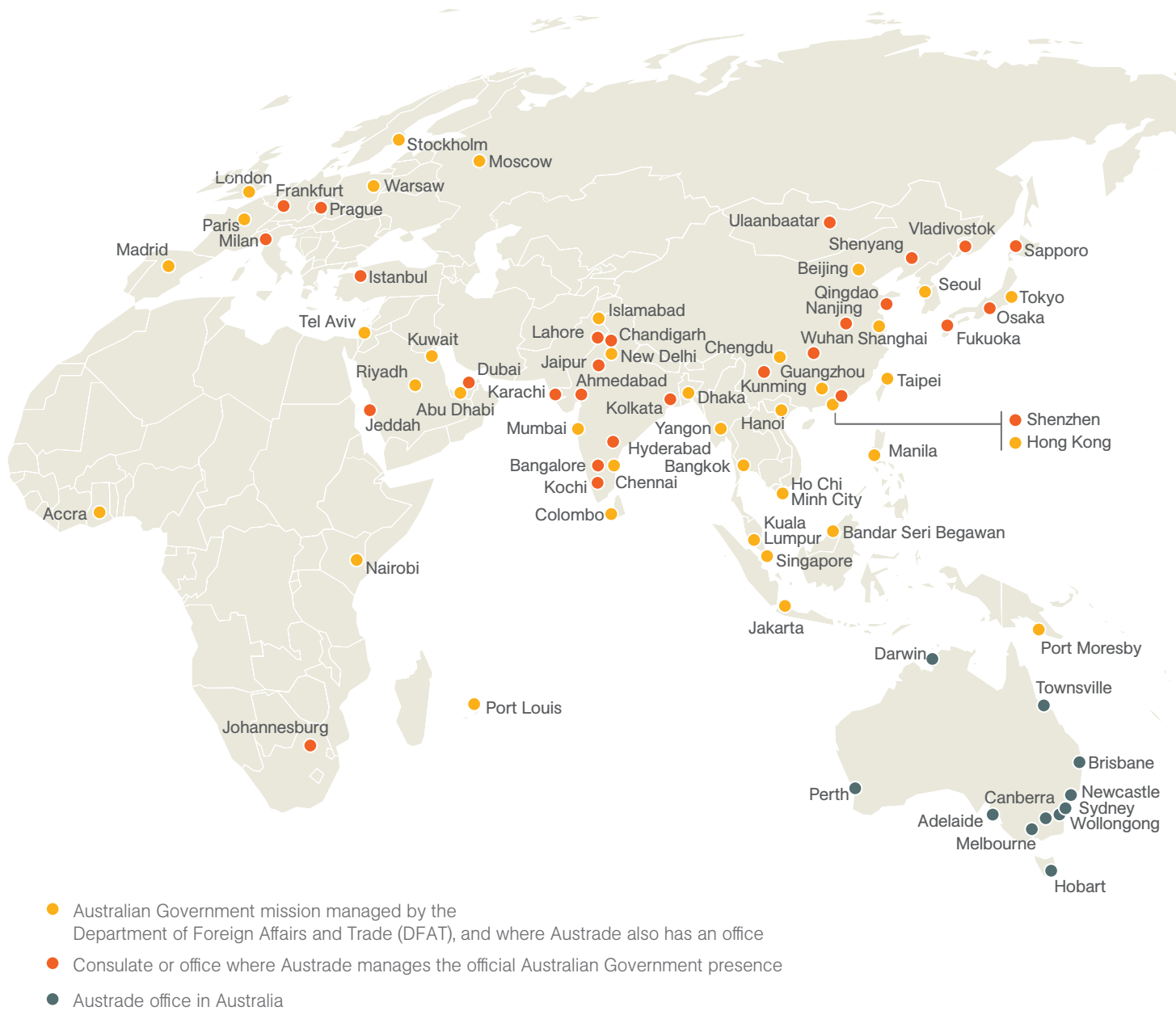
For investment promotion and attraction activities, Austrade's work is concentrated in North America, Western Europe and Japan, as those markets represent strong sources of foreign direct investment. Austrade also pursues foreign investors in other regions, including China, India, Singapore, Gulf Cooperation Council countries and Korea. To support the Government's increased emphasis on attracting inward investment, Austrade will be opening a new office in Boston in the United States, and Zurich in Switzerland, which complement the recently opened office in Houston.

At 1 July 2015, Austrade had 79 offices overseas in 47 different markets, 17 of which also provided consular services. Within Australia, Austrade had 11 offices, complemented by a further 27 offices managed through the TradeStart network.

⁴ University of Sydney, *Australia's International Business Survey (AIBS) 2015*.

⁵ Australian Bureau of Statistics, *International Investment Position, Australia: Supplementary Statistics, 2014*, cat. no. 5352.0.

Figure 1: Austrade's global network, at 1 July 2015





Notes: A DFAT regional consular officer is based in Dubai.
 A DFAT policy officer is based in Houston.

Strategic partnerships and collaboration

Austrade has a number of formal, strategic partnerships and works closely and collaboratively with other agencies and organisations. This approach helps increase Austrade's reach into the business community and leverages external resources, knowledge and skills to ensure effective outcomes for the Australian business community and Australia's economic prosperity.

Austrade maintains close and productive working relationships with agencies within the Foreign Affairs and Trade Portfolio, coordinating international engagement and agency activity to achieve broad portfolio outcomes. Austrade also maintains close working relationships with a number of other Australian government agencies, including the Department of the Prime Minister and Cabinet, the Treasury, the Department of Agriculture, the Department of Education and Training, the Department of Immigration and Border Protection, the Department of Industry and Science, and the Department of Infrastructure and Regional Development.

Austrade strategically engages with state and territory agencies, including through:

- › Senior Officials Trade and Investment Group (SOTIG)—chaired by Austrade, this group implements decisions from the Trade and Investment Ministers' meetings and helps improve coordination between the Australian Government and state and territory governments. SOTIG also provides strategic direction to the operationally-focused National Trade Working Group and the National Investment Advisory Board.
- › Australian Standing Committee on Tourism (ASCOT)—chaired by Austrade, this committee develops, coordinates and considers tourism policies, providing advice and making recommendations to tourism ministers. ASCOT has responsibility for implementing the National Long-Term Tourism Strategy and updating the Tourism 2020 strategy.
- › International Education Forum—chaired by Austrade, this group comprises state and territory agencies responsible for promoting international education and training. The purpose of this forum is to provide greater alignment and cooperation in strategies and market activities.

Austrade also strategically engages with key industry associations and chambers of commerce and industry, particularly those which operate in sectors where Australia has a comparative advantage.

Operating structure

For optimal operating efficiency and effectiveness, Austrade's operations are divided into three groups, whose heads report to the CEO. Also reporting to the CEO is the Head of Executive Branch and the Chief Economist. The structure of these groups at 1 July 2015 is provided below.

International Operations Group, headed by Grame Barty, Acting Executive Director

This group comprises:

- › Austrade's **international network**—the primary channel for Austrade's international activities and work programmes, with 79 offices overseas located in 47 markets managed through three divisions
- › **Trade Division**—which provides strategic and operational support to the international network to achieve objectives across international business and market development, and manages relationships with government and non-government partners and stakeholders
- › **Marketing Communications and Free Trade Agreement Programme Division**—which supports Austrade's objectives through marketing activities, management of the nation brand, Brand Australia, and free trade agreement programme, administration of Austrade's websites, business communications, internal communications, market research and major events
- › **International Issues Branch**—which coordinates the international trade and business missions led by Government ministers and the Prime Minister, as well as engagement with portfolio and other Australian Government agencies on international business and foreign policy issues.

Tourism, Investment, Education, and Programmes Group, headed by Tim Beresford, Executive Director

This group comprises:

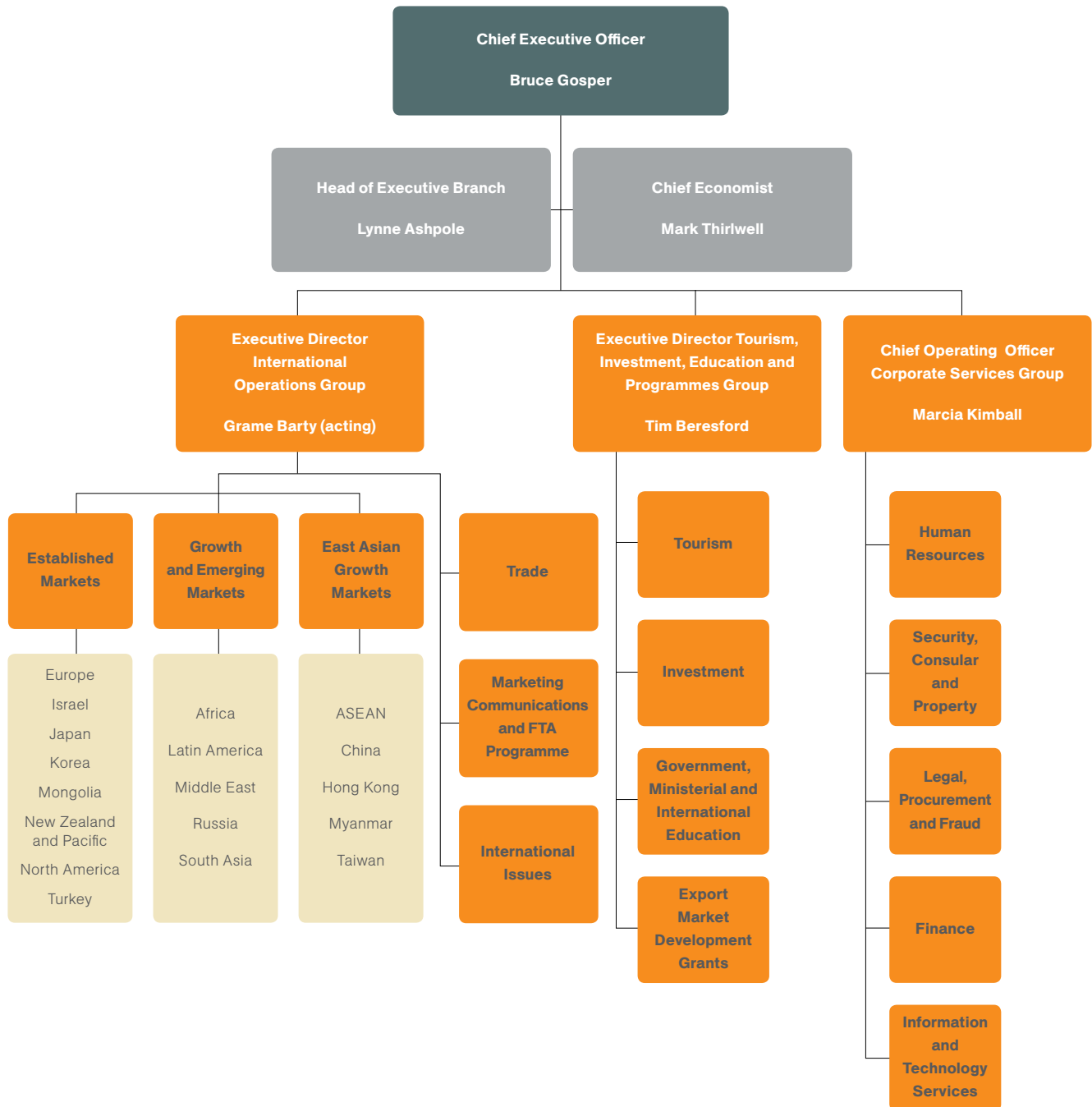
- › **Tourism Division**—which implements the Government’s tourism policy, Tourism 2020, and works on tourism policy, projects, programmes and research to strengthen Australia’s tourism industry and grow Australia’s tourism market share
- › **Investment Division**—which leads the development and implementation of strategies to support the Government’s foreign investment attraction priorities. It provides strategic and operational support to the international network’s investment activities and work programmes
- › **Government, Ministerial and International Education Division**—which leads the development and implementation of international education and training strategy and priorities. It provides strategic and operational support to the international network’s activities and work programmes. It also coordinates Austrade’s relationship with the Trade and Investment Minister, his office, other ministerial offices and the Parliament
- › **Export Market Development Grants Division**—which administers the Australian Government’s financial assistance programme for potential and current exporters.

Corporate Services Group, headed by Marcia Kimball, Chief Operating Officer

This group comprises:

- › **Human Resources**—which works with Austrade’s business areas to develop and implement workforce planning and capability development strategies, and ensure Austrade has appropriate global workplace and employment arrangements in place to meet the agency’s priorities
- › **Security, Consular and Property**—which has responsibility for managing and coordinating security, property, business continuity and insurance functions and supporting Austrade’s consular network
- › **Legal, Procurement and Fraud**—which has responsibility for providing Austrade’s global network with in-house legal support and advice, including the management of freedom of information requests and external legal services. It also manages procurement processes, contracting and fraud functions
- › **Finance Division**—which has responsibility for Austrade’s financial operations by managing its finances, budgetary and finance information technology functions, together with the facilities and office management functions in Canberra, Melbourne and Sydney
- › **Information and Technology Services**—which has responsibility for the planning, development, maintenance and management of Austrade’s corporate information and communications systems.

Figure 2: Austrade's organisational structure, at 1 July 2015



Performance planning

Austrade's performance planning underpins its strategy and operating environment. It ensures Austrade provides maximum value to the Government, as well as to Australian businesses and institutions, while working to the highest ethical standards. Austrade's planning process supports four areas of strategic focus, enabling it to fulfil its role of contributing to Australia's economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens as they:

Develop international markets and promote international education

Rationale

The lack of access to relevant information in and about international markets can impede the identification of commercial opportunities by Australian businesses and institutions, limiting their ability to enter those markets. Drawing on Austrade's commercial knowledge, its international network, and relationships and connections with international customers and decision-makers within markets, Austrade identifies valuable international business opportunities for Australian businesses and institutions. Austrade provides practical advice and services to help them take advantage of those opportunities. It also uses its global perspective and commercial acumen to inform policy advice and economic insight provided to Government.

Strategic focus

Austrade provides advice and services to all eligible Australian businesses and institutions. However, its focus will remain on those companies which are export-ready and, with Austrade's assistance, can make the greatest contribution to Australia's economic prosperity. This means that while there are over 45,000⁶ Australian businesses and institutions active in international markets, Austrade's support is largely directed at around 10,000 small to medium-sized exporters that typically sell to multiple markets. These businesses have a high degree of experience and commitment to export development, but face challenges maintaining and expanding market share and developing new markets.

Austrade focuses its resources on sectors where Australia has a comparative advantage, in which Austrade can add value in helping businesses and institutions to access these opportunities. This includes when:

- there is significant demand influenced by global trends
- there are economic, political, or regional triggers which create new market opportunities, such as multinational corporations' global value chains
- Australian businesses and institutions have a comparative advantage as well as the capability, capacity and willingness to compete globally
- international success can be sustained
- Austrade, as a government agency, has a role to play.

Based on these principles, the sectors of particular focus for Austrade include:

- › food and agribusiness
- › advanced manufacturing, with a focus on marine, aerospace and automotive industry transformation
- › resources and energy
- › international health services and technologies
- › infrastructure
- › services, with a specific focus on ICT, major sporting events, financial and professional services
- › knowledge-based and innovative industries in general.

⁶ Australian Bureau of Statistics, *Characteristics of Australian Exporters, 2012-13*, cat. no. 5368.0.55.006

Austrade also promotes Australia's education and training sector, working to support the government's long-term vision for international education as a major contributor to Australia's economic prosperity, social advancement and international standing. Specifically, Austrade promotes Australia as an international education destination and a provider of high-quality education and training services, helping to grow demand for Australian education and training, and contributing to the long-term development of a sustainable international education sector.

In 2015–16, a major priority for Austrade will be developing and implementing a 10-year market development plan for the education and training sector, called Australian International Education 2025. The plan will maximise the sector's contribution to Australia's economy, society and international standing by seeking to double the number of international students in Australia, and reaching many millions more in their home markets with Australian-developed education, training and skills courses.

Major operational activities

- › Assist Australian businesses and institutions access in-market high-value opportunities through the provision of relevant and commercially useful information and market-related services and advice. This includes providing advice to exporters on the most promising markets for their business, tailored services such as market research and identifying and establishing contact with potential partners, service providers and customers, along with providing global value chain and e-commerce access advice and programmes.
- › Take the lead role in coordinating ministerial-led overseas business missions, including delivery of the second Australia Week in China event in 2016, and inaugural Australia Week events in ASEAN and the United States.
- › Free trade agreement (FTA) outreach programmes, delivered in partnership with the Department of Foreign Affairs and Trade to develop greater understanding of the new opportunities for Australian businesses that arise from recently negotiated FTAs, and how they can be accessed.
- › Manage the Study in Australia website, which promotes the benefits of studying in Australia to potential international students, provides information on courses, accreditation and quality assurance standards in their own country, guidance on study costs, and information about living in Australia.
- › Administer the Export Market Development Grants scheme, a key government financial assistance programme for aspiring and current exporters.
- › Assess applications for tax exemption under section 23AF of the *Income Tax Assessment Act 1936*.

Table 1: Key performance measures for the development of international markets and promotion of international education

Category	Measures	Method of assessment	Reporting period
Australian businesses	Proportion of Australian businesses which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities.	Survey	Annually
Australian businesses	Proportion of Australian businesses which have engaged with Austrade, and say they achieved some form of commercial outcome as a result of working with Austrade.	Survey	Annually
Australian education institutions	Proportion of Australian education institutions which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities.	Survey	Annually
Australian education institutions	Proportion of Australian education institutions which have engaged with Austrade, and say they achieved some form of commercial outcome as a result of working with Austrade.	Survey	Annually
FTA seminar attendees	Proportion of Free Trade Agreement (FTA) seminar and roadshow attendees reporting an increased awareness of FTAs.	Survey	Annually
FTA seminar attendees	Proportion of FTA seminar and roadshow attendees reporting an increased understanding of how to use and benefit from FTAs.	Survey	Annually
EMDG recipients	Proportion EMDG scheme recipients reporting that the receipt of a grant supported their business to become a more sustainable exporter.	Survey	Annually
EMDG recipients	Proportion of EMDG scheme recipients reporting that the receipt of a grant enabled them to grow their international revenue.	Survey	Annually

Win productive foreign investment

Rationale

Australia—with its relatively small population, open economy and thin capital markets—has always relied on foreign direct investment, and that remains the case today. Attracting new investment is critical to developing new projects and infrastructure, and helping Australian businesses to grow and create more jobs. Within a highly competitive international market, Austrade, as Australia's national trade and investment promotion agency, plays a significant role in promoting Australia as a destination for foreign investment to potential investors.

Strategic focus

Austrade works with other Australian Government agencies and state and territory governments to deliver a coordinated, national approach to promoting, attracting and facilitating investment. Through this coordinated approach, Austrade works to attract potential investors within the five priority areas jointly agreed by Australian and state and territory governments:

- agribusiness and food
- major infrastructure
- tourism infrastructure
- resources and energy
- advanced manufacturing, services and technology.

While Austrade's focus is on the five national priority areas, other investment opportunities are pursued on a case-by-case basis, with the exception of real estate and portfolio investments, sales or representation offices, straight acquisitions, or hostile takeovers.

Austrade's proactive investment promotion and attraction activities will continue to be concentrated in North America, Western Europe and Japan, as those markets represent Australia's largest sources of foreign investment. However, emerging investment source markets, including China, India, Singapore, Gulf Cooperation Council countries and Korea are growing focus areas.

Austrade helps potential investors to navigate investment services available in Australia, providing support and guidance in investors' home markets, and in their own language. Austrade understands the challenges of investing. It provides investors with the information required to make good investment decisions, and its coordinated approach with states and territories saves investors time and money.

Major operational activities

- › In alignment with the five priority areas, Austrade proactively targets potential investors, promotes Australia's economic credentials, explains the market and regulatory environment, highlights specific investment opportunities, and works with potential investors to develop business plans and to facilitate their investment in Australia.
- › Austrade's senior investment specialists in Australia work with Austrade's onshore investment teams, and with states and territories, to identify specific investment opportunities in Australia, facilitate investment projects, and provide aftercare and reinvestment services.
- › From 1 July 2015, Austrade becomes a nominating entity for the Significant Investment Visa programme, complementing the current state and territory governments' roles as nominators. Austrade will also be the sole nominating entity for the Premium Investment Visa programme when that programme is implemented. All nominations will be provided to the Department of Immigration and Border Protection for assessment.
- › Austrade will also deliver a grants programme to commercialise Australian research in new therapeutics and diagnostics in tropical medicine. This programme will form part of a broader initiative to position Australia as a global leader in tropical health.

Table 2: Key performance measures for the attraction of foreign direct investment to Australia

Category	Measures	Method of assessment	Reporting period
Austrade works with other Australian government agencies and state and territory governments to deliver a coordinated national approach to promoting, attracting and facilitating investment and as such, shares a common set of key performance indicators.			
Foreign investments	The number of investment outcomes facilitated.	Investor notification	Annually
Foreign investments	The amount of capital expenditure associated with foreign direct investment outcomes facilitated.	Investor notification	Annually
Foreign investments	The number of new jobs created/retained (ongoing full-time equivalents) as a direct result of investment outcomes facilitated.	Investor notification	Annually
Foreign investments	The anticipated annual exports from investment outcomes facilitated.	Investor notification	Annually
Positioning the North as a global leader in tropical health	Funds and advice provided to the Department of Industry and Science, consistent with agreed principles, to increase foreign investment in the commercialisation of Australian tropical medicine research and development.	Internal assessment	Annually
Austrade-specific measures			
Noting that investments can have gestation times that span multiple years, from the initial investor contact to actual investment commitment, results will not be fully realised in the short-term. In accordance with the protocols developed with the states and territories, Austrade is responsible for proactively promoting Australia as an attractive investment destination, which is measured by:			
Potential foreign investors	The number of information, project and visitation requests, and stakeholder introductions generated from potential investors.	Internal assessment	Annually

Strengthen Australia's tourism industry

Rationale

The tourism industry is a significant driver of Australia's economic prosperity. In 2013–14, it contributed \$43.4 billion to Australia's GDP. It directly employs more than 500,000 people, and accounts for more than eight per cent of Australia's total export earnings, making it Australia's largest service export industry.⁷ However, the Australian tourism industry is diverse in nature and is characterised by a prevalence of small and medium-sized enterprises. The industry is facing a challenging environment and competitive pressures and is vulnerable to factors beyond its direct influence. Austrade ensures that tourism interests are taken into account in broader government policy development and implementation, including in visa reform, aviation capacity, labour and skills, infrastructure development, and regulatory issues.

Strategic focus

Austrade's objective is to support the tourism sector through implementing the national tourism strategy, Tourism 2020, and providing economic research, analysis and forecasting that underpin tourism policy development and help improve the performance of the tourism industry.

Tourism 2020 is the national, long-term strategy to improve the productive capacity of the industry. The goal of Tourism 2020 is to double overnight visitor expenditure to between \$115 billion and \$140 billion by 2020. Austrade works with state and territory governments and industry stakeholders to implement the key actions in the strategy.

Governments and industry have agreed on key reform areas included in the Tourism 2020 Implementation Plan (2015–2020):

- › increase cross portfolio collaboration within all levels of Australian government to plan and drive reform of the visitor economy
- › improve visa arrangements to encourage more people to visit Australia, improve visitor experiences and the competitiveness of Australia
- › improve aviation capacity and customer experience to improve access and flexibility to meet demand in the tourism transport environment
- › develop a more productive labour system to better service the visitor economy
- › integrate national and state tourism plans into regional development and local government planning to generate effective infrastructure to service regional communities, provide services to the visitor economy and encourage private investment in tourism infrastructure
- › improve the efficiency and effectiveness of tourism marketing to drive demand for travel to and within Australia and grow visitation through improved conversion.

Major operational activities

- › Work cooperatively on tourism policy matters of mutual interest with state and territory governments and industry through the Tourism Ministers' Meeting and the Australian Standing Committee on Tourism.
- › Progress the agreed Tourism 2020 priorities and six key reform areas under the Tourism 2020 Implementation Plan (2015–2020).
- › Through Tourism Research Australia, deliver a range of statistics, research and analysis to support investment decisions, policy development and marketing for the Australian tourism industry.
- › Management and distribution of funding for tourism programmes Austrade administers in accordance with agreed principals and guidelines.

⁷ Tourism Research Australia, *Analysis of 5249.0 – Australian National Accounts: Tourism Satellite Account, 2013–14*.

Table 3: Key performance measures for strengthening Australia's tourism industry

Category	Measures	Method of assessment	Reporting period
Tourism 2020 objectives	Double overnight visitor expenditure to between \$115 billion and \$140 billion by 2020.	Tourism Research Australia surveys data	Progress tracked quarterly
Tourism 2020 implementation plan	2015 priorities and outputs outlined in the Tourism 2020 Implementation Plan (2015–2020), progressed in accordance with agreed timeframes.	Status report	Annually
Tourism Research Australia users	Proportion of tourism operators which use Austrade's tourism research and information and say it helped support their marketing and business decisions.	Survey	Annually

Seek consular and passport services

Rationale

Austrade provides consular services in designated locations to support and augment the Department of Foreign Affairs and Trade's consular network.

Strategic focus

Assist Australians travelling and working overseas through the delivery of effective consular services, efficient passport services, access to travel advice and preparations for high-risk scenarios through practical contingency planning in locations overseas where Austrade has consular management responsibilities.

Major operational activities

- › Comprehensive, responsive, and high-quality consular services are delivered to an increasing number of Australian travelers and citizens living overseas, including notarial services and assistance with welfare issues, whereabouts enquiries, arrest or detention matters, deaths and medical emergencies.
- › High-quality passport services are provided to Australians, including processing new passport applications, registering lost or stolen passports, issuing emergency passports, and detecting passport fraud.
- › Consular contingency planning is reviewed and updated annually, and effective contingency planning for major events or high-risk scenarios is undertaken through regular reviews of procedures and available resources, staff training and coordination with other government agencies and foreign governments.

Table 4: Key performance measures for the delivery of consular services

Category	Measures	Method of assessment	Reporting period
Passport applications	Normal passport applications are scanned with 24 hours. ¹	DFAT passports database	Annually
Passport applications	Routine passports are issued within three weeks. ²	DFAT passports database	Annually
Passport applications	Urgent passport issues are dealt with in a timely responsive manner. Where a priority processing fee is paid, the passport is to be provided within two working days.	DFAT passports database	Annually
Notarial services	Notarial services are to be delivered within three working days of the lodgement of documents from a client.	DFAT notarial database	Annually

1. In Austrade's Portfolio Budget Statements 2015–16, this KPI included reference to three per cent tolerance, which historically, Austrade has met. This tolerance reference has been removed here to align with the DFAT Passport Client Services Charter, which was changed during the year.

2. In Austrade's Portfolio Budget Statements 2015–16, this KPI stated an issuing time frame of 10 working days. Historically, Austrade has met this KPI. The time frame has been amended here to three weeks to align with the DFAT Passport Client Services Charter, which was changed during the year.

Staff performance agreements

Austrade's performance management framework aligns individual objectives with Austrade's strategic objectives. Individual staff performance agreements are made on an annual basis, covering the period from 1 July to 30 June each year. These agreements are consistent with the market and business plans of the unit in which the individual staff member works which, in turn are consistent with the performance management framework.

Managers and staff meet regularly to review progress and discuss development requirements. At year-end, performance is formally assessed and excellent or improved performance is recognised. Where poor performance is identified, performance plans are developed to improve performance to required standards. Austrade's performance management processes encourage personal development and build organisational and individual capability. Workplace behaviour must be consistent with the Australian Public Service Values and Employment Principles.

Capability

Forward planning and management of Austrade's resources and capability underpins the achievement of Austrade's objectives. To ensure Austrade meets current and future organisational and workforce needs, Austrade has developed workforce planning, capital investment and information communication technology strategies.

Human resources

Austrade's human resources strategy draws on Austrade's strategic objectives and business context to identify key workforce capability needs and directions. The size, shape, skills and mix of Austrade's workforce is actively managed to meet Austrade's objectives and funding parameters. Workforce planning in Austrade has a mid to long-term focus, while being responsive to operational resource planning scenarios.

Austrade has a highly educated workforce with a mix of private and public sector backgrounds, and diverse cultural backgrounds and experience. With a highly dispersed international network, which includes a large number of overseas-engaged staff, Austrade competes around the globe for skills and experience. At an organisation, team, and individual level, Austrade focuses on identifying and building core skills and business knowledge through targeted capability development initiatives.

Austrade invests in scholarships for overseas-engaged staff and work-related study for all staff along with its short term overseas assignment programme. These and other talent and capability development initiatives are central to staff engagement and career progression.

Austrade also considers how to respond to generational opportunities and challenges through refreshing and refining entry and development pathways, flexible work arrangements, mobility and career development, employee engagement, and reward and recognition responses.

Austrade's managers have accountability for workforce planning, capability development and performance management for their business areas and for the effectiveness of workforce decisions. Managers and employees have joint responsibility for capability and career development, and have access to core skills and leadership development through a blend of learning options (on-the-job, coaching, mentoring, online, and internal/external courses) to cater for learning styles, geography, and budget.

Capital investment

Austrade's four-year capital investment plan supports strategic objectives and operational requirements. It identifies and prioritises investments across a range of asset classes, including IT hardware and software, property, corporate websites and online support for entities which interact with the agency. Investment decisions are based on consideration of strategic and operational priorities, investment risk, and benefits associated with the investment.

Whilst the capital investment plan covers a four-year period, it is reviewed and updated on a six-monthly basis.

Key investments for 2015–16 include:

- › upgrading IT communication and video conference equipment to provide enhanced capability and mobility
- › enriching longitudinal research databases to expand knowledge of the exporter community and inform strategy
- › upgrading or replacing Austrade's leasehold property portfolio to accommodate changing business and security requirements
- › refreshing Austrade websites and developing new collateral.

Information and communications technology

Austrade's knowledge and information systems underpin its role in advancing Australia's trade, investment, international education and tourism interests through information, advice and services to businesses, the education sector and government. Austrade's information technology connects staff across its widely dispersed network overseas (including in less developed markets), as well as in Australia.

Austrade's ICT Strategic plan is a four-year plan updated annually and outlines the overarching approach to the management of Austrade's ICT resources to meet the future needs of Austrade. Key considerations include:

- › accessible and available Austrade information to clients and stakeholders
- › improved capture and use of Austrade information to improve effectiveness, provide insight and guide decisions
- › a 'better connected Austrade' by providing flexible ways to communicate and collaborate
- › improved service delivery over the network
- › improved management of information security and compliance activities.

Austrade takes advantage of cloud computing and hosting arrangements where applicable. Austrade's data centres are run in government approved externally managed offsite facilities, using an internal cloud approach. The Austrade IT environment is 100 per cent virtual, and ICT workloads are not tied directly to the hardware resources and infrastructure they run on. This provides greater efficiency and flexibility, along with better use of ICT resources.

Austrade has adopted a new cloud service policy consistent with the Government's Cloud Computing Policy, which requires all initiatives to be reviewed for compatibility in situations where they demonstrate value for money and adequate security.

Another key component of Austrade's ICT strategy is to support the highly mobile Austrade workforce that requires out of office access, and to provide contemporary IT solutions for the changing nature of the way Austrade staff work. A continued focus on delivering an enterprise mobility programme called 'Austrade-on-the-Go' will provide further convenient and flexible access to information to support staff in performing their individual roles.

Risk oversight and management

Risk management is integral to successfully achieving Austrade's outcomes and its risk management plan is a key part of Austrade's governance process.

Austrade's CEO has established an Audit and Risk Committee in compliance with section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and PGPA Rule section 17, Audit Committees for Commonwealth Entities. The committee provides independent assurance and advice to the CEO on Austrade's financial and performance reporting responsibilities, risk oversight and management, and internal control systems. The committee has an independent chair, an external member, and one internal senior manager member.

Within this context, Austrade's 2015–2016 internal audit programme has been developed to provide assurance that it is achieving its strategic priorities, is managing the transition of new responsibilities, continues to deliver its operational requirements, and aligns with agency risks. Internal audit within Austrade is an independent, objective, assurance and consulting activity designed to add value and improve Austrade's operations. It assists Austrade to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control effectiveness and governance processes. The internal audit function is part of a broader assurance and compliance framework that includes internal review through Austrade's Managers Finance and Administration network, external audit activities and other management controls.

Austrade also conducts an annual risk assessment, and implements and manages an annual risk management plan. The Agency Risk Management Plan 2015–16 has been prepared in accordance with AS/NZS ISO 3100:2009 – risk management principles and guidelines, and section 16 of the PGPA Act.

The risk management plan outlines the processes for monitoring and reporting the management of key organisation-wide risks, and risk identification and mitigation activities are ongoing throughout the year. The agency risk management plan and internal audit programme are subject to quarterly risk review and monitoring by the Audit and Risk Committee, and revisions are made to meet emerging risks if required.

Quarterly reports are made to Austrade's Audit and Risk Committee and to its Executive and CEO.

Resources

Table 5: Austrade's resources 2015–16 to 2018–19

	2015–16 \$'000	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000
Departmental operating budget from Government	207,055	203,797	198,095	199,947
Department budget from other sources ⁹	20,000	20,000	20,000	20,000
Total department operating budget	227,055	223,797	218,095	219,947
Total capital budget from Government ¹⁰	16,878	15,312	14,348	14,482
Total departmental resources	243,933	239,109	232,443	234,429
Export Market Development Grants budget	137,900	137,900	137,900	137,900
Other administered programmes budget	7,377	2,814	2,258	2,046
Total administered budget	145,277	140,714	140,158	139,946
Employees (average staffing)	1,018	Not available	Not available	Not available

9. Includes sales of goods and services revenue and other sources of non-taxation revenue.

10. 2015–16 includes \$2.718 million Bill 2 equity injections and 2017–18 includes \$0.995 million Bill 2 equity injections.