

PART ONE

Agency overview

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Chief Executive Officer's report



Year in review

I am pleased to present the Annual Report of the Australian Trade Commission (Austrade) for the financial year 2010–11. This was a year of major changes and challenges as Austrade assumed significant new responsibilities and underwent a review to produce an organisation which will deliver even greater value to Australian businesses and government.

Austrade continued to progress Australia's trade and investment interests by providing international market information and services to Australian companies and educational institutions; attracting productive foreign investment into Australia; and working with other government agencies to further promote Australia's capabilities. Austrade also continued its delivery of the TradeStart program, in conjunction with state and territory governments and industry bodies, and the Export Market Development Grants scheme.

In July 2010, responsibility for the international marketing and promotion of Australian education and training transferred to Austrade from the Department of Education, Employment and Workplace Relations. Ensuring an effective transition was a key priority for the organisation in 2010–11. This year also saw the launch of a new education brand, *Future Unlimited*, by the Parliamentary Secretary for Trade in June 2011.

Austrade continued the rollout of the Australian Government's Brand Australia program both in Australia and internationally. The *Australia Unlimited* nation brand was implemented at a range of major events, including the China International Small and Medium Enterprises Fair, business events in New Delhi during the Commonwealth Games, and at the Forbes Global CEO Conference in Sydney. In Australia, the brand has been used across a range of sectors, including clean energy, ICT, biotechnology, film, visual arts and publishing.

In 2010–11, Austrade delivered consular advice and information to more than 129,000 people, including assisting Australians during the civil unrest in Libya and the natural disasters in Japan and New Zealand. The 16 consulates managed by Austrade continued to provide passport and consular services in aid of the protection and welfare of Australians abroad. The significant efforts of Austrade staff throughout this challenging period have been commendable.

The Austrade Review and the year ahead

During 2010–11, a major review of Austrade was undertaken, with the outcomes announced by the Minister for Trade in May 2011. Details of the review outcomes are available on Austrade's website, www.austrade.gov.au.

The review's focus was on Austrade's rationale going forward and identification of where and how Austrade delivers the greatest value.

Approach to the review

The conclusions of the Austrade Review reshape the agency's strategy, operating model and structure. The core elements of the new operating model are:

- ▶ a clearer rationale and purpose, predicated on addressing market failure and focusing resources where Austrade, as a government agency, can add the greatest value. As part of that, Austrade

has decided to close a number of offices in North America and Europe, to strengthen resources in a number of existing offices and open a number of new locations in Asia, South America and Africa

- a realigned international network, with differing focus in different markets, reflecting the commercial potential, nature and scale of impediments to business in those markets and the optimal role for government
- a service delivery model, targeting internationally ready firms, supported by simpler packaging and pricing of services
- a focus on identifying and bringing tangible foreign business opportunities to Australian business
- sharper investment promotion, attraction and facilitation priorities
- a more open and contemporary approach to sharing Austrade's information and insights, with new investment in online service delivery and information dissemination and strengthened collaboration with government and commercial service providers
- a commitment to strengthening organisational capability by simplifying the organisational structure, implementing new initiatives to build workforce capacity and streamlining corporate administration.

Another outcome of the Austrade Review was the strengthening of Austrade's governance framework and procedures. These measures, to complement Austrade's existing approach, will be implemented in 2011–12 and include an independent external review of internal audit procedures; the establishment of an Ethics Committee, with an independent member as its chair; the introduction of revised anti-bribery training; and the commissioning of an independent external review of Austrade's overall governance framework.

This package of reforms will be implemented progressively over the coming year to ensure that Austrade delivers the greatest value to businesses and government.

More information on the Austrade Review can be found at Appendix B.

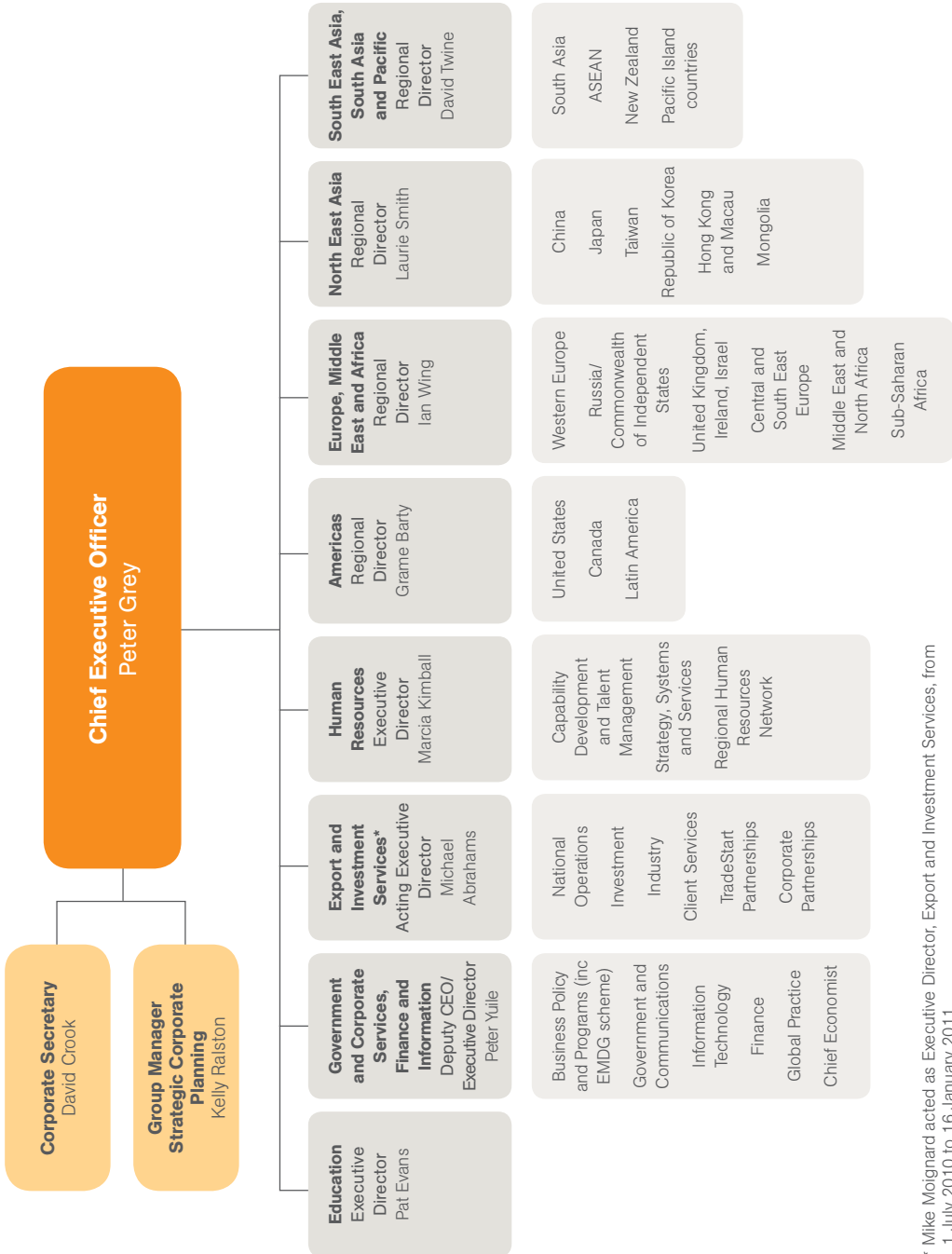
I would like to thank my colleagues at Austrade for their dedication during 2010–11. Through their work, Austrade will continue to play its role in advancing Australia's economic interests in the year ahead.

Peter Grey

Chief Executive Officer
Austrade

Organisational structure

Figure 1: Organisational structure at 30 June 2011



* Mike Maignard acted as Executive Director, Export and Investment Services, from 1 July 2010 to 16 January 2011.

About Austrade

Austrade's role

The Australian Trade Commission (Austrade) is the Australian Government's trade and investment development agency.

In 2010–11, Austrade set three strategic objectives to achieve its outcomes and responsibilities:

- enhance Australia's national prosperity by assisting Australian enterprises to capture international business opportunities to sustain growth, employment and investment
- increase the capability and capacity of Australian industry to compete in international markets through attracting productive foreign direct investment and supporting the sustainable development of Australia's international education and training services
- provide a commercial, international perspective that can inform policy development, including by identifying barriers to trade and investment.

In addition, Austrade helps Australian exporters with a comprehensive range of exporter services; administers the Export Market Development Grants (EMDG) scheme; provides international investors with key industry and government contacts; and assists international buyers in identifying the right Australian suppliers.

Austrade also promotes Australia's education and training sector internationally. Austrade's framework aims to position Australia as a provider of high-quality education services and contribute to the growth and sustainability of demand for Australian education.

Legislation

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

Onshore and offshore network

At 30 June 2011, Austrade operated in 102 locations in 55 countries. Austrade delivered consular, passport and other government services in 13 consulates and three honorary consulates. Austrade's overseas locations are shown in Figure 2.

In 2010–11, Austrade's offshore network was divided into four regions: Americas; Europe, Middle East and Africa; North East Asia; and South East Asia, South Asia and Pacific. For more details on Austrade's offshore network, see page 14.

Within Australia, Austrade's services and programs were delivered through 14 Austrade locations and a network of 31 TradeStart locations in metropolitan and regional areas. These offices operate in partnership with state and territory governments, industry associations and regional development bodies. Austrade's Australian offices are shown at Appendix C.

Access to Austrade's services and overseas network is provided through partnerships with the private sector, chambers of commerce, industry associations, other federal agencies, state, territory and local governments, and regional development bodies.

Staffing and financial performance

At 30 June 2011, Austrade employed 1,087 staff, 77 per cent of whom were employed in Austrade's overseas regions and client-focused operations in Australia. Further staffing information is provided at Appendix A.

Financial performance and funding information is detailed in Part 4 of this report, starting on page 104.

Austrade Review

Austrade's structure and functions were reviewed in 2010–11. The outcomes will be the subject of a phased implementation from 1 July 2011. For more detail on the Austrade Review, see page 2 and Appendix B.

Austrade's network

Figure 2: Austrade's network



Note: Due to civil unrest, Austrade's office in Tripoli is closed until further notice.
 Austrade had temporary representation in Ulaanbaatar, pending the opening of a permanent office in the second half of 2011.



Performance framework

Austrade's Portfolio Budget Statement 2010–11 identified key deliverables and associated performance indicators to demonstrate its contribution to the Government's outcomes. In the reporting year, Austrade contributed to the achievement of the following outcomes:

- Outcome 1: Advance Australia's trade and investment interests through information, advice and services to businesses, industry and governments

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

This report summarises Austrade's performance in achieving its outcomes and the efficiency of its programs during the year. A comprehensive range of performance indicators, presented in Part 2 of this report, measure the extent to which these outcomes have been achieved. Figure 3 shows the outcome and program framework for 2010–11.

Figure 3: Austrade's outcome and program framework for 2010–11

