

managing director's report



The year under review saw two new major free trade agreements (FTAs) come into effect: one with the United States, the other with Thailand. Australian companies have already seen the first export outcomes as a result.

The Australian

Government announced additional funding for the Export Market Development Grants scheme. Australia's participation at World Expo in Aichi, Japan included industry trade missions, and the first Business Club Australia events were held in the lead-up to the Melbourne 2006 Commonwealth Games.

Austrade continued to deliver the Government's agenda to help build Australia's export culture and drive growth in exports. Our dedicated network of staff across the world and in Australia assisted an unprecedented number of Australian businesses gain the benefits from international business opportunities, while at the same time maintaining Austrade's high levels of client satisfaction.

The security of Austrade's clients and staff remains our most important priority. The Australian Government allocated significant additional funding to help Austrade upgrade security at overseas posts.

A core activity throughout the year was helping Australian businesses take advantage of the opportunities arising from **free trade agreements**. The Australia–United States Free Trade Agreement came into effect on 1 January 2005. To help Australian companies gain the benefits, the Australian Government invested additional resources to appoint 30 new export facilitators dedicated to the US market. Many of these have already been appointed, including in Austin, Boston, Denver, Detroit, Honolulu, Houston, Kansas City, Miami and Seattle. A specialist selling-to-government team was established in Austrade's Washington office to assist exporters tap into the \$200 billion US Government procurement market.

A specialist agriculture team, led by the Chicago office, was also established.

In Thailand, Austrade actively targeted specific sectors where opportunities have been opening up as a result of the Thailand–Australia Free Trade Agreement. One major activity was a series of seminars highlighting the agreement held in Australian capital cities and regional areas.

To help businesses understand and benefit from all FTA opportunities, an online guide to Australia's implemented FTAs was launched at www.fta.gov.au. An FTA Export Advisory Panel, comprising senior representatives from a range of business councils and industry groups, was established to determine new ways to extend export opportunities, now and in the future, with Australia's FTA partners.

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Austrade staff in tsunami-affected countries and in Canberra supported the **disaster response effort**, while a task force was set up to manage, inform and coordinate the commercial interests of Australian companies in the later reconstruction phase.

Throughout the year, Austrade's New Exporter Development Program (NEDP) and the TradeStart network continued to build on the strong results delivered last year. In an initiative to further enhance access to services for businesses in regional areas, the Australian Government announced additional funding for the establishment of **eight export hubs** that will offer the services and products of both TradeStart and AusIndustry to assist companies commercialise and grow through internationalisation.

The Export Market Development Grants (EMDG) scheme received a considerable boost with the announcement by the Australian Government of **additional funding of \$30 million** over three years, bringing total funding to \$170 million in 2005–06. In addition, Austrade sought the views of industry and the community on the EMDG scheme as part of a formal review required under the *Export Market Development Grants Act 1997*.

To further extend the reach of Austrade's services to the business community, we expanded our **Corporate Partnerships program**, which works with corporate partners such as accountants, lawyers, financiers and other business advisers to provide advice and support to potential exporters. Through these relationships, Austrade is able to broaden and deepen its reach into a diverse range of industries and businesses.

As part of Australia's participation in **World Expo 2005**, Australian businesses participated in high-profile industry missions to Japan, involving a program of networking and targeted business seminars coordinated by Austrade, the Department of Foreign Affairs and Trade (DFAT), and Invest Australia.

Business Club Australia: Melbourne 2006, the official program seeking to capitalise on international business opportunities through the Commonwealth Games, was launched by the Minister for Trade and the Victorian Government Ministers for State and Regional Development and the Melbourne 2006 Commonwealth Games. In 2004–05, business deals were still being concluded from contacts made during the business program for Rugby World Cup 2003, bringing the total number of companies helped by Rugby Business Club Australia to 183 in trade and investment deals worth over \$344 million.

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Over the coming year, Austrade will continue to help Australian businesses capture export opportunities in markets right across the globe. We will further expand our presence in markets where Australia now has free trade agreements and in markets of growing importance, such as China and India. Exploring new ways of working through our private and public sector allies remains a priority, together with driving international capability in industries of significant export potential.

In realising all of these outcomes, I acknowledge the leadership of the Board of Austrade, including the dedicated contribution of Professor Eileen Doyle and Ms Mary Boydell, who retired from the Board. I warmly welcome Mrs Kerry Sanderson and Mr Ian Knop to the Board. I am grateful for the support of the executive team in pursuing trade objectives and achieving results across the network and I acknowledge the collaboration and support of state and territory governments and key business groups.

Together we are working to grow the exporter community and build a strong foundation for Australia's future economic prosperity.

I would like to convey my appreciation for the energy, dedication and commitment shown by all Austrade staff around the world over the past year, and for the spirit of cooperation we have with our allies and partners. Together we are working to grow the exporter community and build a strong foundation for Australia's future economic prosperity.



Peter O'Byrne
Managing Director