

chief executive officer's report



In the year under review Austrade achieved a continuing strong performance in providing support to the international business effort of Australian enterprises while implementing significant changes to its governance arrangements.

In 2006–07, Austrade worked with 15,000 Australian companies. During the year clients reported 10,800 export deals in which Austrade provided assistance. These were achieved by 5,417 Australian companies, with an anticipated value of \$22.4 billion. Over the past six years the number of clients reporting that Austrade has assisted them to make export sales has grown from 1,168 to 5,417, as the organisation extended its reach internationally and across the Australian business community.

The Hon Warren Truss MP, Minister for Trade, led two Austrade-managed, high level business missions to key markets during the year. Fifty-two delegates visited four cities in India from 26 February to 2 March 2007, following on from the Prime Minister's mission to India in 2006. In June 2007 representatives of 35 companies met senior Indonesians to pursue business opportunities as part of the bilateral Ministerial Trade Talks. This was the largest Australian business delegation to visit Indonesia in over 10 years.

Austrade maintained a focus on helping businesses take advantage of opportunities in Free Trade Agreement markets, and in the growing markets of China and India. In May, the Australian Government renewed funding for the US Trade Facilitators Program. Austrade now provides support for Australian businesses in the United States through representation in 19 cities, with eight specialist industry networks, including dedicated agribusiness and selling-to-government teams.

To strengthen business links with India, Austrade launched *Utsav Australia* (Celebrate Australia), a three-year program of trade promotion activities to help deepen Australia's commercial engagement with this rapidly growing market. The Government provided funding to open a new Austrade-managed Consulate-General in Chennai, expanding the on-the-ground network for helping businesses access opportunities in the important commercial centres of South India.

In 2006–07, the Export Market Development Grants scheme (EMDG) delivered 3,548 grants totalling \$145.1 million to eligible businesses. Almost 80 per cent of recipients reported annual income of \$5 million or less reflecting the Government's commitment for the EMDG scheme to focus on helping smaller businesses and less-experienced exporters. The Government has extended the EMDG scheme until 2010–11. It has also introduced enhancements which will first apply to applications in 2007–08.

Austrade has continued to focus on working closely with other organisations to maximise the reach of Australian Government trade development services. TradeStart and the Corporate Partnerships program are two examples. Last year, the Australian Government provided an additional \$23.3 million to extend TradeStart to 2009–10. During 2006/07, Austrade completed the re-tender of the program, with 20 providers now involved covering 42 locations, including 31 in regional areas. Austrade finalised an additional seven Corporate Partnership arrangements in 2006/2007, bringing the total number of formal Corporate Partnership agreements to 15. These include arrangements with major accounting firms, banks and professional associations. Through this program, Austrade assists these partners to provide export information, contacts and opportunities to their business clients.

During the year Austrade continued to assist exporters to build business by leveraging sporting events through the Business Club Australia (BCA) program.

BCA hosted a business matching program at the 2006 Melbourne Cup and prepared to take the program offshore around the Rugby World Cup 2007 in France. In June, Minister Truss launched BCA's program for the Beijing 2008 Olympic Games. BCA Beijing has been endorsed by the Australian Olympic Committee as the official Australian International Business Program for the Games.

In 2006 the Australian Export Awards program attracted a record number of entries. This high-profile business awards program, co-presented with the Australian Chamber of Commerce and Industry, recognises and celebrates the achievements of Australia's leading export businesses and highlights the important contribution exporting makes to economic growth and employment in our community.

As part of our processes to ensure that our services are effectively targeted, Austrade continued its regular consultations with industry groups and conducted eight Export Advisory Panels. Austrade is also part of the Australian Trade Minister's newly-formed Trade Advisory Council and its Trade Development sub-committee. The Council will be an important source of advice from business to the Minister on trade and international business issues.

Austrade is also continuing to work closely with a range of government agencies to assist exporters. For example, Austrade is working with the Department of Industry, Tourism and Resources to assist in the delivery of the new *Global Opportunities* program announced by the Government as part of its Industry Statement in May 2007.

During 2006–07, to better understand the needs of businesses looking to succeed in international markets Austrade conducted an in-depth research project, *Journey to Export and International Business*. Over the coming year we will use the findings of this research project, along with our ongoing consultations with business and Government, to more closely target the

programs and services we offer to maximise our support for the Australian business community.

In April, Austrade hosted the 20th Asian Trade Promotion Forum in Sydney. This meeting drew together senior representatives from our counterpart trade development organisations from across Asia and provided a chance to compare best practice in all areas of trade promotion.

With Australia hosting APEC 2007, Austrade organised or contributed to events held in the first half of the calendar year, and prepared for a series of client events to be held during the APEC 2007 Leaders Week. Activities included Austrade chairing the APEC Working Group on Trade Promotion, Women in Trade Day as a lead-in to the APEC Women Leaders Network, and related client briefings and events.

This year Austrade implemented changes to its governance arrangements, in line with the Government's response to the Uhrig review. Austrade transitioned from a statutory authority with a board of directors to a statutory agency with an executive management structure, reporting directly to the Minister for Trade. These changes were completed successfully while maintaining effective delivery of Austrade services to Australian businesses and growing the value of our contribution to the exporter community.

I convey my appreciation for the energy and dedication shown by Austrade staff over the past year, in Australia and around the world. Together with our allies and partners we are working to grow the community of Australians involved in export and international business. This work contributes to building a strong foundation for Australia's future economic prosperity.

Peter O'Byrne
Chief Executive Officer