

AUSTRALIAN TRADE AND INVESTMENT COMMISSION CORPORATE PLAN

2019–20



Australian Government
Austrade



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STATEMENT OF PREPARATION

As the Chief Executive Officer, and the accountable authority of the Australian Trade and Investment Commission, it gives me great pleasure to present the 2019–20 Austrade Corporate Plan. The Plan covers the four reporting periods from 2019–20 to 2022–23, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and Part 7 of the *Australian Trade and Investment Commission Act 1985*.

Stephanie Fahey

Chief Executive Officer

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CEO'S MESSAGE

When I joined Austrade two years ago, I asked my leadership team 'What difference would it make if Austrade didn't exist?' That's a provocative question, and deliberately so. But it's also fundamental to defining us: what we do, who we work with, and where and how we work.

Austrade's vision derives from that question. If we had a world where Australian exporters find it as easy to export as they do to sell at home – and where investors can invest in Australia with as few barriers as they face at home – then there would be no need for Austrade.

Of course, that's not the case. We are operating in an unpredictable global environment: the IMF has downgraded its forecasts for nearly 70 per cent of the world's economies, leading to slower macroeconomic conditions, and weaker global trade and investment.

Australian exporters succeeding overseas means more profitability for those firms, which in turn leads to more jobs and higher wages at home, directly contributing to prosperity in Australia. Equally, productive foreign investment in Australia generates employment, contributes foreign exchange and makes our economy more productive. That nexus – exporting, productive investment and Australians' prosperity – isn't always obvious, but explaining it is an important part of what we do. Across the world, there are voices for restricting trade and investment flows, but we will always advocate for Australian prosperity through trade and investment.

The trends we're seeing are not going to change any time soon, although their impact will be felt differentially across the globe. In Austrade, we work at the coalface with business. We see first-hand the impacts of the rapidly changing global environment on our clients. Those impacts can range from consumer demand that shifts even as products are on the way from the factory to the shopfloor, to the overwhelming power of digital technology that is undermining and re-inventing business models in all industry sectors.

What does that mean for how we help our clients? It means that more than ever we must be flexible, nimble, and direct our resources in the most efficient manner to maximise business outcomes for Australia. We no longer operate in a unipolar but a multipolar world. In this environment we need to be strategic and tactical in our international engagement and focus on realising opportunities for Australia.

For the last century, Australia's growth has been driven by the intersection of our natural advantages and international opportunities. For example our gold, wool, wheat, meat, iron, coal and nickel industries have all boomed – some more than once. Looking forward, we need to ask where our future prosperity will come from.

The greatest long-term rewards will flow to those who can spot and capture opportunities. Austrade can play a role here, as we turn our attention to the future. The rest of the world is not standing still and many countries are already creatively positioning their economies. How do we stay competitive when our traditional economic drivers are drying up? Where will our next wave of opportunity come from? Economic prosperity is created by increased productivity, which in turn is delivered by innovation. Australia's prosperity rests on how well we adapt.

That need to adapt also applies to us. Since I joined Austrade, I've embarked on a number of initiatives that identified opportunities for Austrade, but also the work that needs to be done to ensure we are robust enough to meet the increasing expectations of our clients. As an agency we have spent some time reorganising our own business to ensure we're best placed to help others. That change is already starting to bear dividends.

However, our true transformation lies in the redesign of our client services to maximise the influence of our limited resources—people and budget. We know Austrade has the greatest impact when we deliver personalised services to our clients. Working intensively with companies is where our real

competitive advantage lies but we also need to reach more companies, via contemporary and cost-effective channels, to inspire more businesses to engage internationally.

Critical to our strategy and to this Plan is putting our clients at the centre of everything we do. This is being reflected in a sequenced but significant movement in Austrade's strategic direction: from regional strategies (organised around regions and markets), through sectoral strategies (organised around Austrade's sectoral teams), to client-led strategies (organised around our clients' needs). In 2019, we are mid-way through this pivot.

Over the last year we have tapped into the insights and expertise of our clients and people to inform the development of our new service offerings. We have completed the most significant assessment of our client needs since 2006—delivering us a wealth of insights about the opportunities and pain points identified and experienced by our clients. This work has informed our new business model and 'how we play'. We are clear in our understanding of where we are and where we need to be, which is why Austrade's external transformation started with the re-design of our trade and investment service delivery model. We have to understand what our clients need and provide them with the right solution to meet their specific needs. To achieve this, we are introducing a segmented approach to how we work with our clients to deliver a consistent approach to meet the varying needs of our clients and deliver economic prosperity for Australia.

This is anchored in two approaches to client service. One is focused on delivering personalised services cost effectively and at scale, through digital platforms and partners, to many clients. The other will give dedicated, longer-term support to businesses with the greatest potential to contribute to Australia's economic prosperity.

Our business model will thus be a combination of a new and enhanced digital experience, combined with leading customer experience across our face to face and partner-rich channels. We intend to complete this redesign of our client service model by November 2020.

As a service organisation, our people are the key driver of our outcomes. We will invest in our staff both in Australia and overseas, encouraging and supporting them to think creatively, embrace innovation, and take risks, while also bringing new capabilities into Austrade to provide new skills.

We recognise we cannot (and should not try to) achieve our purpose on our own – we must work across government and industry, harnessing our competitive strengths to deliver value to our clients. This is what our clients expect of us, and government as a whole. We must work in new ways, ensuring our internal structures and efforts play to our strengths and we develop symbiotic relationships where we recognise the value in outsourcing to those who are better placed to deliver.

We will continue to bring the voice of business to the policy table to support Federal Government imperatives. We will be in the right conversations at the right time, with the client firmly at the centre. We will continue to have a role in inspiring and supporting Australian companies to engage with the world.

I remain ambitious for Austrade but have the utmost confidence in our ability to meet the challenges we face. I look forward to the next four years of our staff working together to help our clients, and displaying our values of generosity of spirit, transparency, innovation and collaboration.

Dr Stephanie Fahey
Chief Executive Officer

PURPOSE

To deliver quality trade and investment services to businesses to grow Australia's prosperity.

Austrade's vision is a world where Australian businesses can do business as easily as they can at home, and where investors can invest in Australia as easily as in their home countries.

Australian business selling their products successfully overseas, and foreign investment that increases the productivity of the Australian economy, are both major contributors to Australian prosperity. More exports and investment means more profitable Australian companies, more employment at home, and higher wages for Australians.

We can help business navigate the challenging geopolitical environment and spot opportunities to add value, faster and more efficiently. Using our global network, we connect exporters and investors to opportunities, then use our experience within the government and private sector to navigate complexities and get results. We use the badge of the Australian Government to open doors internationally and for the world to access Australian businesses. And we use our deep commercial knowledge in Australian and overseas to reduce the risks involved in trade and investment, as well as contributing to policy discussions on trade and investment issues across Government.

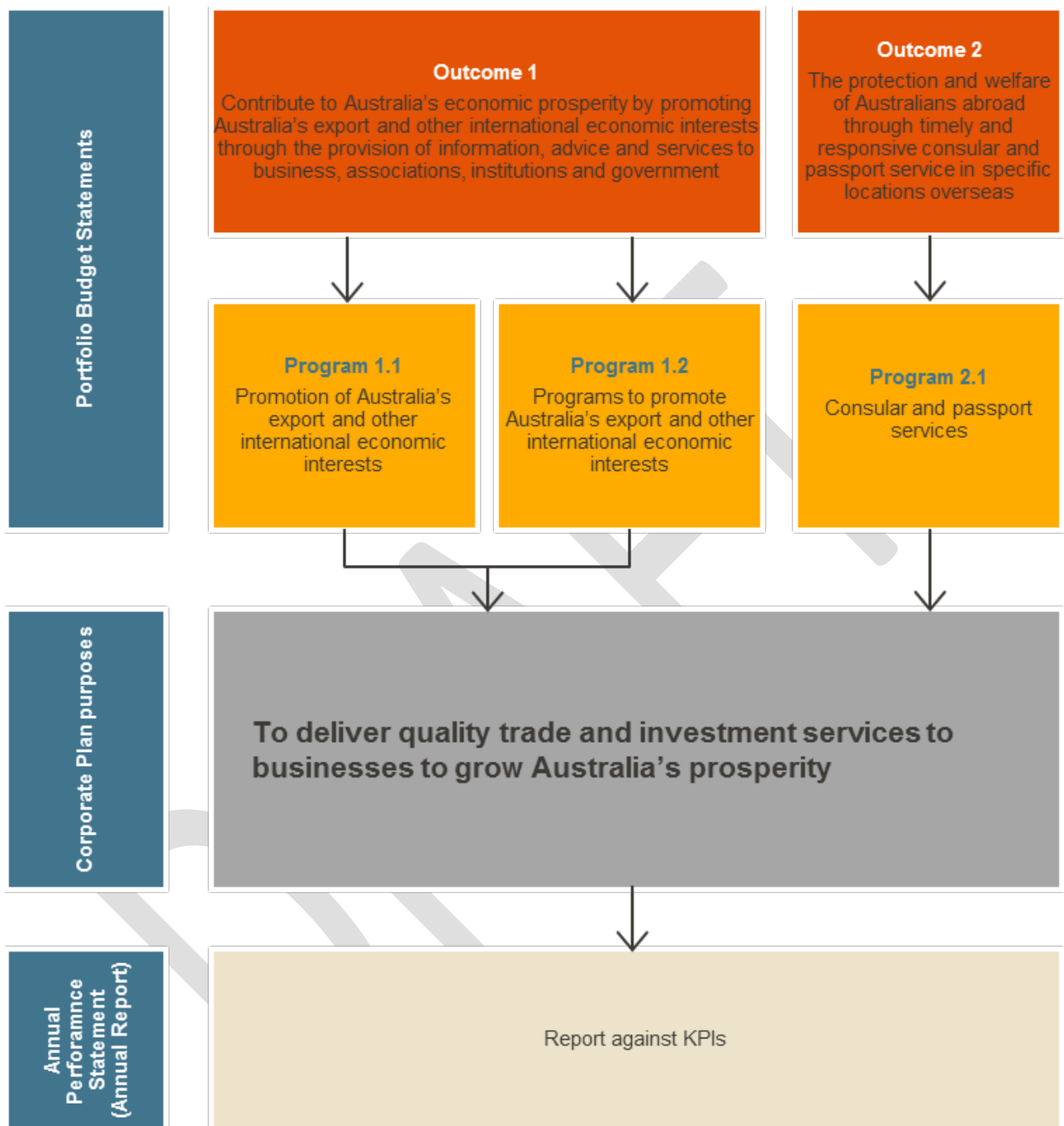
Austrade also helps Australian citizens overseas by providing consular and passport services in designated locations.

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Table 1: Summary of Austrade’s purposes and activities

<p>Purpose</p>	<p>To deliver quality trade and investment services to businesses to grow Australia’s prosperity</p>	
<p>Objectives</p>	<p>Austrade contributes to Australia’s economic prosperity. We leverage the deep commercial knowledge and relationships of our international and domestic networks, and the badge of government, to deliver valued services to our clients. Our clients include exporters of Australian products and services, buyers or possible buyers of Australian products and services overseas, and investors into Australia.</p> <p>The services we provide reflect the changing needs of our clients. These include: generation and provision of market information and insights; promotion of Australian capability; and facilitation of connections through our extensive global network.</p>	<p>Austrade also helps Australian citizens overseas by providing consular and passport services in designated locations.</p>
<p>Activities</p>	<ul style="list-style-type: none"> ● Connect business Using our global network we connect exporters and investors to opportunities then use our experience within the government and private sector to navigate complexities and get results ● Create opportunities We use the badge of the Australian Government to open doors internationally and for the world to access Australian businesses ● Reduce risks Using our deep commercial knowledge in Australia and overseas, we reduce the risks involved in trade and investment and increase growth in revenue and jobs ● Influence policies Using our commercial insights we are uniquely positioned to contribute to policy discussions on trade and investment issues across Government 	<p>Deliver Australian consular, passport and other government services in designated overseas locations</p>
<p>Enabling activities</p>	<p>Corporate services</p>	

Figure 1: Relationship between Portfolio Budget Statements, Corporate Plan and Annual Performance Statement



CAPABILITY

Austrade's ability to achieve our purpose hinges on our organisational capability: the human, technological, and financial capacity to act for the benefit of our clients. Our capability, and how we develop it in response to our changing environment (see Operating Environment section below) and evolving client needs, are key determinants in how we will achieve our purpose.

Austrade has identified four core components that are fundamental to our capability:

- Our client service redesign
- Ensuring that Austrade is a networked organisation
- Developing workforce planning and capability development strategies
- Information and communication technology strategies.

Client service redesign

Austrade is improving the way we work with clients to better meet their needs and in return, deliver stronger benefits to the Australian economy. We are building a service model to reach more clients and to help high-potential clients have greater economic impact.

The first stream aims to inspire and support more companies to win global business. It will provide information and insights to help them make successful international business decisions and connections. This stream will use digital platforms and partner networks to deliver personalised services at scale and cost effectively.

In addition, we are seeking to maximise the economic benefit to Australia of trade and investment by working more intensively with those companies with the greatest potential to have an economic impact (whether exporting from Australia, investing in Australia or buying Australian goods or services). This service stream is focused on delivering higher value-added, longer-term and consistent support to businesses with the greatest potential to contribute to Australia's economic prosperity.

The service re-design project is built on a solid foundation of research to understand what clients value and what pain points they experience on their international business journey. Austrade has already commenced trialling new services in each of the service streams. This will be followed by services for other client segments starting from early 2020, with the rollout completed by November 2020.

Over this period, services will be created for five client groups, each of whom have different needs. The five groups are:

- Expanding exporters – businesses with established revenue from at least one market
- New exporters – established Australian businesses doing business overseas for the first time
- Born globals – high growth businesses with a scalable, market validated business models
- Investors – foreign companies that undertake strategic or innovation-intensive direct investments
- Global leaders – major Australian or foreign multinational companies with international supply chains, exporting from Australia and/or current investor.

A networked organisation

In an increasingly connected marketplace, social and digital spaces are converging, enhancing connections between customers, suppliers and service providers. In this environment, organisations must understand the needs of their customers and bring the power of a network to bear on challenges and opportunities to provide complete solutions. Rarely will a single portfolio or level of government have the solution within its grasp. They require governments, business, researchers and civil society to work together, bringing their individual strengths, knowledge and capabilities to bear on finding solutions.

A networked organisation operates in an eco-system where relationships are optimised to amplify strengths, resources and interconnectivity to achieve value for customers. Networked organisations do not merely acquire the services of their partners or engage with stakeholders – they form symbiotic, outcomes-focused relationships where each organisation focused on what they do best, using their distinct capabilities to develop innovative solutions together, ensuring both the organisation and the network remain at the cutting edge.

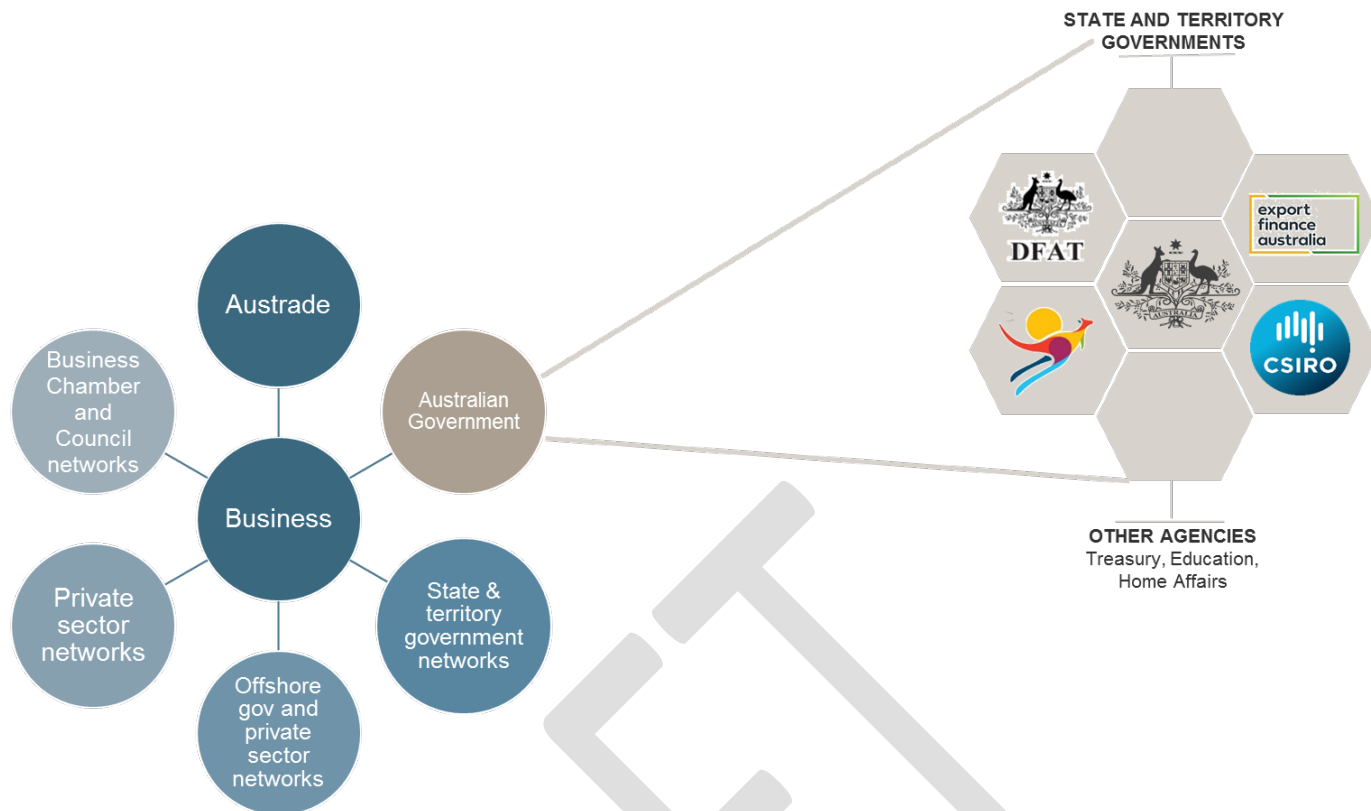
Austrade is no exception to this. We recognise we cannot and should not achieve our purpose on our own: we must work across government and industry, harnessing our competitive strengths to deliver value to our clients. We must work in new ways, ensuring our internal structures and efforts play to our strengths and we develop symbiotic relationships where we recognise the value in outsourcing to those who are better placed to deliver. And to be more competitive on the world stage, Australian businesses need a seamless end-to-end service. To increase value for businesses with our partners, we have three guiding principles:

- Information and services should be delivered at the right time where businesses look for it
- We will work with partners which sign up to the 'no wrong door' approach
- We will focus on what we do best and where we add the greatest value

In other words, we will work with our partners to identify who provides similar service, information, and/or processes as Austrade and then decide jointly who is best placed to deliver it to our clients, reducing duplication and providing our clients with a better and more seamless service.

Austrade is transforming to address challenges and take advantage of opportunities, including our networks – positioning Austrade to grow and continue to deliver in an ever changing environment. Our transformation plans focus on all aspects of the organisation necessary to make us a networked agency, including: our clients and service offerings; partnering; organisational structure; digital first; budget and resource allocation; strategy and planning; reporting and governance; and workforce capabilities.

Austrade's own international network underwent a review to during 2018–19, and the recommendations of that review will be implemented over the life of this plan. Details of the review and of our international network are set out on page [18](#).



Human resources

In 2017–18, we undertook an Organisation Capability Assessment that pointed to the need to develop a comprehensive suite of workforce management and capability development strategies to enable Austrade to build organisation-wide capability and capacity to deliver on Austrade’s objectives. In responding to the OCA’s recommendations, we will focus on the following priority areas:

- *Workforce and Resourcing* – developing and implementing workforce planning strategies to ensure Austrade has a properly skilled workforce and is able to operate and deploy resources in an agile and timely manner in response to changing priorities
- *Workplace and Environment* – providing a safe, healthy and flexible workplace which is diverse and inclusive and supports high performance and engagement globally
- *Capability and Performance* – developing robust and consistent approaches to talent and career management, performance management and capability development to help bring out the best in Austrade’s people and grow their skills and capabilities.

We will also ensure compliance with relevant workplace and employment legislative, regulatory and public sector governance requirements, and monitors the effectiveness of key human resources initiatives and processes.

In FY2019–20 Austrade will be focusing on defining Austrade capability requirements now and into the future, and co-designing a capability development approach with our partners and for our clients. Through this project we will build Austrade capability to become a centre of excellence for the delivery of high quality services, allowing us to meet future demands as operating environment and client needs continue to evolve. In addition, Austrade will take a lead role in building capability for trade promotion agencies around the Nation by co-designing and co-delivering relevant and consistent training to the State and Territories as well as Austrade staff.

At an operational level, Austrade executive and managers are accountable for the effectiveness of workforce decisions in their business areas. Given Austrade’s responsibilities and objectives, Austrade

places particular emphasis on attracting high-quality, talented people, particularly from the corporate sector, to work with the agency. This depth of commercial experience sets Austrade apart from other public-sector bodies.

Austrade actively manages its workforce to meet its objectives and ensure effective and responsible resource management practices. In 2019–20, Austrade’s performance management framework will be revised to ensure individual objectives align with Austrade’s new strategic direction. Individual staff performance agreements will continue to be developed on an annual basis, covering the period from 1 July to 30 June each year. These agreements will align with the market and business plans of the unit in which the individual staff member works and will also include an assessment of the extent to which an individuals’ workplace behaviour aligns with the Austrade Values and the broader Australian Public Service Values and Employment Principles. Under the new performance management framework, Managers and staff will continue to meet regularly to review progress and discuss development requirements and performance will be formally assessed at year end. Where poor performance is identified, performance plans will be developed to improve performance to required standards.

Austrade’s capacity to make better resource deployment decisions and improve talent identification will be significantly enhanced through the development of a comprehensive workforce analytics reporting system as part of a broader Corporate Reporting framework.

In 2019, the Human Resources branch is undergoing a transformation and modernisation process which is expected to take twelve months to complete. At the core, the transformation will introduce increased focussed support for General Managers across the Agency, while also delivering a greater level of consistency for staff globally. Business partners and a help desk are the two main vehicles for this change, in addition to increased automation and transparency of information.

Austrade’s capability development initiatives support development of the core skills and business knowledge required to deliver Austrade’s strategic priorities. We will develop a Capability Strategy with an increased focus on areas such as digital literacy, data analytics, commercial and business nous, client service, collaboration, innovation and entrepreneurial skills. Building leadership and management capability to manage a diverse and agile workforce, drive innovation and manage change will also key areas of focus.

A review of Austrade’s overseas-engaged employment framework was undertaken in 2018–19 to ensure that it is fit for purpose and supports Austrade’s revised strategic priorities both now and into the future. It examined how we attract and retain employees using compensation packages which emphasise benefits, workplace flexibility and opportunities, as well as salary. A key outcome of the review was identifying options to support agile resourcing within the constraints of local labour law.

Information and communications technology

Austrade relies on knowledge and information systems to advance Australia’s trade, investment, international education, and tourism interests. As a global organisation, it is critical that all information assets are available and accessible, any time, from any location, through a channel of choice, for both clients and Austrade operations.

In 2018-19, Austrade created its first Digital and IT Strategy, setting out the vision for a trade and investment organisation which makes effective use of internet-era technology and work practices to meet the needs of our clients and staff.

The Digital and IT Strategy has three priorities:

- Better services for clients: offering digital services that are quick and easy to use and available in the places where businesses already go

- Better tools for staff: equipping Austrade’s global network of staff with tools that save time and make it easier to work with others and partners
- Increased capability: building our agency-wide digital and data skills so we can deliver services that meet user needs in an agile way

The strategy also sets out four enabling areas of work:

- strong data and information systems
- simpler and faster service delivery
- modern, cloud-based platforms
- secure and reliable systems

A review of Austrade’s digital readiness has been completed and Austrade’s digital and Information Technology capabilities were consolidated into the Digital, Information and Technology Division. New multi-disciplinary teams have been established to support more effective delivery of digital products and services to our clients and enable us to continually improve the products and services we offer. Austrade’s strategy will continue to adapt to an evolving digital landscape.

In 2018-19 Austrade delivered its first digital service, the Global Business Support Finder, hosted on business.gov.au which helps businesses who sell services to find information to grow overseas. This initiative was an exemplar for Austrade, demonstrating how government’s digital services are available where our clients are and don’t necessarily need to come direct to Austrade to receive and benefit from them. It also helped to highlight potential opportunities and challenges.

A key component of supporting Austrade’s highly mobile workforce is ensuring seamless access to line-of-business applications and productivity tools. Austrade has rolled out new technologies to support efficient, collaborative and transparent work styles as part of a broader strategy to digitise the workplace and move supporting applications to the cloud. This important step opens up significant potential for us to interact in innovative ways with clients, other governments and stakeholders.

Austrade takes advantage of cloud hosting arrangements where applicable, and its data centres are run in government-approved, co-located facilities. The environment is fully virtual, providing maximum flexibility to migrate appropriate workloads to the cloud in line with the Australian Government’s Secure Cloud Strategy.

A data strategy is being developed to mature our enterprise-wide data capability to strengthen operational, client and investor service delivery through evidence-based research. This strategy will provide the framework for a structured approach to data intelligence and will better position Austrade to target business and relationships, identify market opportunities and drive its strategic priorities.

Austrade has taken further steps to develop a digital workplace, including investments in automation and digital workflows, cloud and mobility, cyber security and enhanced collaboration tools to support modern ways of working. Austrade will continue to develop, scale and strengthen its capabilities to support our strategic goals.

Security

Austrade operates in 48 overseas markets, managing a total of 79 offices in a wide variety of operating environments, where it is responsible for ensuring the safety of staff and security of assets and information. The increased global threat level means that maintaining security for our people, our premises and our information is an essential part of our ability to do business. To sustain this capability, Austrade will continue to enhance its security management framework, including the provision of training and security awareness across all levels of the organisation.

OPERATING ENVIRONMENT

Economic outlook

Introduction

Austrade's clients operate in a global economy. Exporters are to a large extent dependent on economic conditions in the countries to which they are sending their goods and services. Equally, potential investors into Australia are subject to developments in their countries of origin.

These factors are clearly outside Austrade's span of control, but can influence the organisation's ability to achieve its purposes.

Global backdrop

The current global environment is challenging. Following strong growth in 2017 and early 2018, political risks, along with country and sector specific factors have contributed to slowing growth.

An escalation of trade disputes and a tightening of global financial conditions¹ are major contributors to the global slowdown. The top identified risk is the possibility the US–China trade conflict morphs into a full-blown global trade war². A widespread decline in business confidence and higher policy uncertainty have also contributed to reduced global momentum.

Global economic growth weakened to 3.2 per cent in the second half of 2018 from 3.8 per cent in the first half of the year.³ This weakness is expected to persist, with the International Monetary Fund (IMF) projecting 3.3 per cent world GDP growth for 2019⁴. Despite the overall weaker outlook, improvements are expected in the second half of 2019 with global economic growth projected to return to 3.6 per cent in 2020, largely bolstered by growth in Emerging and Developing Asia and their increasing weights in world income⁵.

Australian outlook

The Australian economy is currently in its 28th year of recession-free growth, and is the only major developed economy to have recorded consecutive economic growth for the last 27 years. According to the latest Treasury estimates, relatively weak GDP growth is predicted for 2018–19 at 2¼ per cent, falling from an outcome of 2.8 in 2017–18. This is expected to pick up however, with growth rates forecast to be 2¾ per cent per cent in 2019–20 and 2020–21. Solid growth in business investment and exports are major supports for the economy, with growth in Australia's major trading partners outpacing global growth over the past decade⁶.

¹ United Nations, World Economic Situation and Prospects 2019

² Economic Intelligence Unit, Top 10 Global Risks 2019

³ International Monetary Fund, World Economic Outlook, April 2019, Chapter 1, Global Prospects and Policies

⁴ International Monetary Fund, The Global Economy: A Delicate Moment, April 2019

⁵ International Monetary Fund, World Economic Outlook Database, April 2019

⁶ *Budget 2019-20*, Budget Paper No. 1, Statement 2: Economic Outlook

International trade and FDI

Rising trade tensions and increased economic uncertainty has created weaker outcomes for trade volume growth for goods and services. The IMF is expecting it to fall to 3.4 per cent in 2019 down from 3.8 per cent in 2018. Last year the IMF projected a much more positive view, forecasting 5.1 per cent growth for goods and services trade before expecting a modest slowdown to 4.7 per cent in 2019. This year's April release revised both those figures, down 1.3 points from last year's projections.

This narrative of weaker trade and GDP growth is also consistent with global foreign direct investment (FDI) inflows. The United Nations Conference on Trade and Development (UNCTAD) reported that global FDI flows continued their slide, the third consecutive year's decline in FDI in 2018.⁷ One of the main factors contributing to this result was large-scale repatriations of accumulated foreign earnings by United States multinational enterprises in the first half of 2018, after the introduction of tax reforms in that country at the end of 2017.

While FDI flows to developed economies reached the lowest point since 2004, falling by 27 per cent, FDI flows to developing countries remained relatively stable. In particular, FDI flows to developing Asia were solid, rising by 4 per cent. Looking forward, the UNCTAD is expecting a rebound in developed economies as the effect of the tax reforms winds down. Greenfield project announcements – indicating forward spending plans – also indicate an increase. Despite this, the UNCTAD is projecting a modest recovery of 10 per cent to about \$1.5 trillion, below the average over the past decade.

Looking further ahead, the outlook for international trade and investment flows reflects a familiar mix of challenges and opportunities. On the 'challenging' side of the ledger is what continues to be a problematic international political environment for trade policy, along with rising protectionist pressures more generally that have been showing up in the form of a trend rise in the prevalence of non-tariff barriers to trade. The IMF estimates that the recently announced and prospective US-China tariffs could deduct 0.3 per cent from global GDP in 2020, largely due to business confidence effects and negative financial market sentiment.

More optimistically, the decline in trade costs triggered by technological innovation continues to lower the barriers to access international markets for small and medium enterprises (SMEs) in particular, and at the same time innovation has also helped encourage the growing importance of cross-border trade in services and data. Both trends should support trade growth in the medium-term, although the latter in particular raises some important measurement issues around the ability of our current trade statistics to accurately capture new modes of international exchange.

Another important stimulus to both trade and FDI flows is the continued rapid expansion of a new global middle class, representing a rise in global prosperity that creates an important ongoing opportunity for new market growth, particularly in emerging Asia. The size of the global middle class is set to increase to 3.2 billion by 2020 and 4.9 billion by 2030⁸.

⁷ United Nations Conference on Trade and Development (UNCTAD), World Investment Report 2019

⁸ Pezzini, An emerging middle class, OECD Observer May 2019

Australian exports and inward FDI

International trade is a significant contributor to the Australian economy. Australian goods and services exports reached a record value of \$438 billion in 2018, up from \$387 billion in 2017⁹. Austrade's total exports accounted for 23 per cent of Australia's economic production, with one in five jobs in the Australian economy involving trade-related activities.¹⁰ Australia's top export markets for 2018 were China, Japan, Republic of Korea, United States and India. Collectively, the top five markets accounted for 61 per cent of Australia's total exports of goods and services in 2018.

Top ranking commodities in export value include coal, iron ores and concentrates, and natural gas. Australia is a world-leading producer of iron ore, gold, bauxite, coal and uranium. On current projections, Australia will edge past Qatar as the world's largest LNG exporter (on an annual basis) in 2019¹¹. Resources accounted for 49 per cent of Australia's total export value in 2018, growing 21 per cent from 2017¹².

Australia also punches above its weight in major services exports associated with education-related travel and personal travel (excluding education). Services exports accounted for 21.2 per cent of total exports, valued at \$93 billion. They are fast growing, up 9 per cent from 2017.

Australia's stock of foreign direct investment (FDI) is now worth \$968 billion, having grown by an average 8.5 per cent per year since 2011¹³. For 2018, Australia was the eighth largest recipient in the world for FDI inflows. The European Union and North America contribute almost half of all the investment that arrives on Australian shores. FDI from the EU surged by 14 per cent to \$226 billion in 2018. Investment from the US rose 11 per cent to \$214 billion, while Canadians increased investment by 15 per cent to \$37 billion. Japan is Australia's second largest investor. With a total FDI stock of over \$106 billion in 2018, Japanese investors now hold 11 per cent of the total stock of overseas investment in Australia. Japan has been Australia's second largest source of FDI since 2015, when it overtook UK.

In 2018, Australia's mining sector garnered 38 per cent of the total stock value of FDI in Australia. This means that overseas investors have stock worth \$366 billion invested in Australian mining. Next most popular among overseas investors are Australia's manufacturing and financial services sectors, followed by real estate. Together, these three sectors account for one third of total FDI stock value. Some of the less traditional destinations for overseas capital are also exciting interest. Australia's utilities sector holds \$22 billion in overseas owned assets. Meanwhile, foreign investors hold stakes worth \$9 billion in Australia's vibrant accommodation and food services sector.

Australia's internationally active businesses

According to the Australian Bureau of Statistics (ABS), there were 53,015 goods exporters in Australia in 2018–19.¹⁴

The 2017–18 figures showed a modest rise of 2 per cent in the number of exporters, continuing the upward trend seen in the number of exporters from 2013–14 onwards.

⁹ Department of Foreign Affairs and Trade, Australian Trade Indicators Factsheet

¹⁰ Department of Foreign Affairs and Trade, How Trade Benefits Australia

¹¹ Department of Industry, Innovation and Science, Resources and Energy Quarterly, March 2019

¹² Department of Foreign Affairs and Trade, Australian Trade Indicators Factsheet

¹³ Australian Bureau of Statistics, International Investment Position, Australia: Supplementary Statistics, 2018 cat. no. 5352.0, 8 May 2019.

¹⁴ Australian Bureau of Statistics Cat. No. 368.0.55.006 Characteristics of Australian Exporters, 2017-18 (Released 21 August 2019)

Exporters can broadly be classified into three groups:

- Large (or 'mega') exporters—which generate individual export revenues of \$50 million or more, and account for most of Australia's export value. In 2017–18, this group comprised just 470 goods exporters which together accounted for more than 88 per cent of the value of all goods exports that year.
- Small to medium exporters (or SMEx)—which generate individual export revenues between \$250,000 and \$50 million. This group comprised 11,049 goods exporters in 2017–18. The SMEx category accounted for about 11 per cent of goods export value in 2017–18.
- 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 very low share of total exports by value, and membership of this group exhibits a large amount of churn. In 2017–18, for example, this category accounted for about 78 per cent of goods exporters but generated less than 0.5 per cent of goods exports by value.

Austrade's network

Austrade's overseas network is concentrated in those markets where its services will have the greatest impact. During 2018–19, Austrade conducted an international network review, which it is using to test and validate its current settings. In summary, the review proposed maintaining the same overall level of resourcing in the overseas network, but with a greater degree of concentration in larger points of presence, and the closure of some smaller one-person offices. Some support functions are also proposed to be repatriated to Australia. During 2019–20, Austrade will be implementing the recommendations. With respect to Austrade's footprint, optimisation of the South Asia and Middle East and Africa networks are underway including the closure of sub-offices in Kochi, Ahmedabad, Chandigarh and Jaipur and the repositioning of Austrade's (vacant) Port Louis position.

For trade promotion, the focus remains on growth and emerging markets, including East Asian 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 in 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. See also 'Client Services – Trade Promotion – Strategic Focus' on page 26.

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.

Austrade's investment promotion and attraction activities will continue to be concentrated in North America, Western Europe and Japan, along with the high-growth and emerging markets of China, India, ASEAN, the Republic of Korea and the Middle East.

At 30 June 2019, Austrade's network comprised 117 physical locations, including 10 offices in major Australian centres, which are complemented by 28 TradeStart offices. Overseas, it operates 79 points of presence overseas in 48 different markets, 14 of which also provide consular services. In addition to these locations, Austrade has also established Landing Pads (see on page 26 below) in San Francisco, Tel Aviv, Shanghai, Singapore and Berlin, which are in separate locations to Austrade. Austrade also operates the Australian Trade and Defence Office in West Jerusalem.

Figure 2: Austrade’s global network at 30 June 2019



Figure 3: Austrade's Australian network at 30 June 2019



Strategic partnerships and collaboration

Austrade has a number of formal, strategic partnerships and works collaboratively with other agencies and organisations.

Austrade strategically engages with industry associations and chambers of commerce and industry, particularly those which operate in sectors where Australia has a comparative advantage. It works with business chambers and councils such as the Export Council of Australia, the Australia China Business Council, the European Australian Business Council, and the Asia Society. Among the industry associations that Austrade works with are Wine Australia, Dairy Australia, Meat & Livestock Australia, and Austmine. This approach helps increase Austrade's reach into the business community and leverages external resources, knowledge and skills.

Austrade maintains close and productive working relationships with agencies within the Foreign Affairs and Trade portfolio such as Tourism Australia and Efic, coordinating international engagement and agency activity to support broad portfolio outcomes. Austrade and DFAT continue to improve the coordination of their complementary activities, both on and offshore, particularly through joint development of commercial diplomacy at posts. The Department of Industry, Innovation and Science and Austrade also enjoy close co-operation.

Austrade maintains close working relationships with a number of other Australian government departments, including the Department of the Prime Minister and Cabinet, the Treasury, the Department of Education, the Department of Home Affairs, the Department of Agriculture, the Department of Industry, Innovation and Science, the Department of Defence and the Department of Infrastructure, Transport, Cities and Regional Development.

Over the next four years, Austrade will intensify its co-operation with the states and territories. In particular, this will involve greater co-ordination in business planning. All parties have limited resources, and by working intelligently together, we can avoid duplication and achieve more. This approach will be communicated to our partners, and we will reinforce our internal capabilities in co-design techniques through training. Overseas, all Austrade posts will be required to work collaboratively with the states and territories.

Austrade also engages with state and territory agencies through the following:

- The Senior Officials' Trade and Investment Group (SOTIG) is co-chaired by Austrade and DFAT. The group implements decisions from the Trade and Investment Ministers' meetings and helps improve coordination between the Australian Government and state and territory governments on trade and investment. SOTIG also provides strategic direction to the operationally-focused National Trade Working Group and the National Investment Advisory Board.
- The Australian Standing Committee on Tourism (ASCOT) is chaired by Austrade and develops and coordinates 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.
- The International Education Forum is chaired by Austrade and comprises state and territory agencies responsible for promoting international education and training, increasing alignment and cooperation in the strategies and market activities of different jurisdictions.

Operating structure

Austrade's operations are divided into three groups, whose heads report to the CEO. The structure of these groups is provided below.

Business Partnerships and Support

This group comprises:

- **Government and Partnerships**

- › **Policy and Coordination** is responsible for improving Australia's international capability, and delivery of services to clients through better policy outcomes; taking a lead role in disseminating information between government and client about policy and regulatory challenges and opportunities. It is also responsible for providing advice to government on tourism policy.
- › **Partnerships** is responsible for engaging and collaborating with government agencies and private entities on issues relevant to international trade and investment, and working with partners to deliver a coordinated 'Team Australia' position.
- › **Ministerial, Economic and International Engagement** is responsible for leading Austrade's engagement on international trade, economic and foreign policy issues, and coordinating Ministerial briefing and correspondence, Cabinet and parliamentary processes.

- **Strategy and Business Transformation**

- › **Strategy** is responsible for supporting the development of Austrade's strategies and initiatives; managing strategic business planning; and undertaking business transformation and redesign.
- › **Program and Change Management Office** is responsible for monitoring and reporting on Austrade's divisional plans and transformational projects; corporate planning and reporting; implementing change management; and strategic resource planning.
- › **Research and analysis** is responsible for creating and managing agency-wide research and analytics, and delivering macro and micro economics research and analysis.

- **Corporate Services Group**

- › **Human Resources** works across Austrade to support people leaders and our people to achieve Austrade's business objectives. They support the development and implementation of workforce planning and capability development strategies and ensure that Austrade has appropriate global workplace and employment arrangements in place to meet the agency's priorities.
- › **Security, Consular and Property** has responsibility for managing and coordinating security, property, business continuity and insurance functions and supporting Austrade's consular network.
- › **Legal, Procurement and Fraud** 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** 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.

- › **Governance** has responsibility for ensuring Austrade meets its legislative, policy and accountability requirements through management committees; internal and external audit; and risk management.
- **Digital, Information and Technology Services** has responsibility for the planning, development, maintenance and management of Austrade’s corporate information and communications systems. It includes Digital and data, which is responsible for developing digital and data strategies; driving and embedding innovation and digital capabilities into strategic priorities and operations.

Global Markets and Industry Engagement

This group comprises:

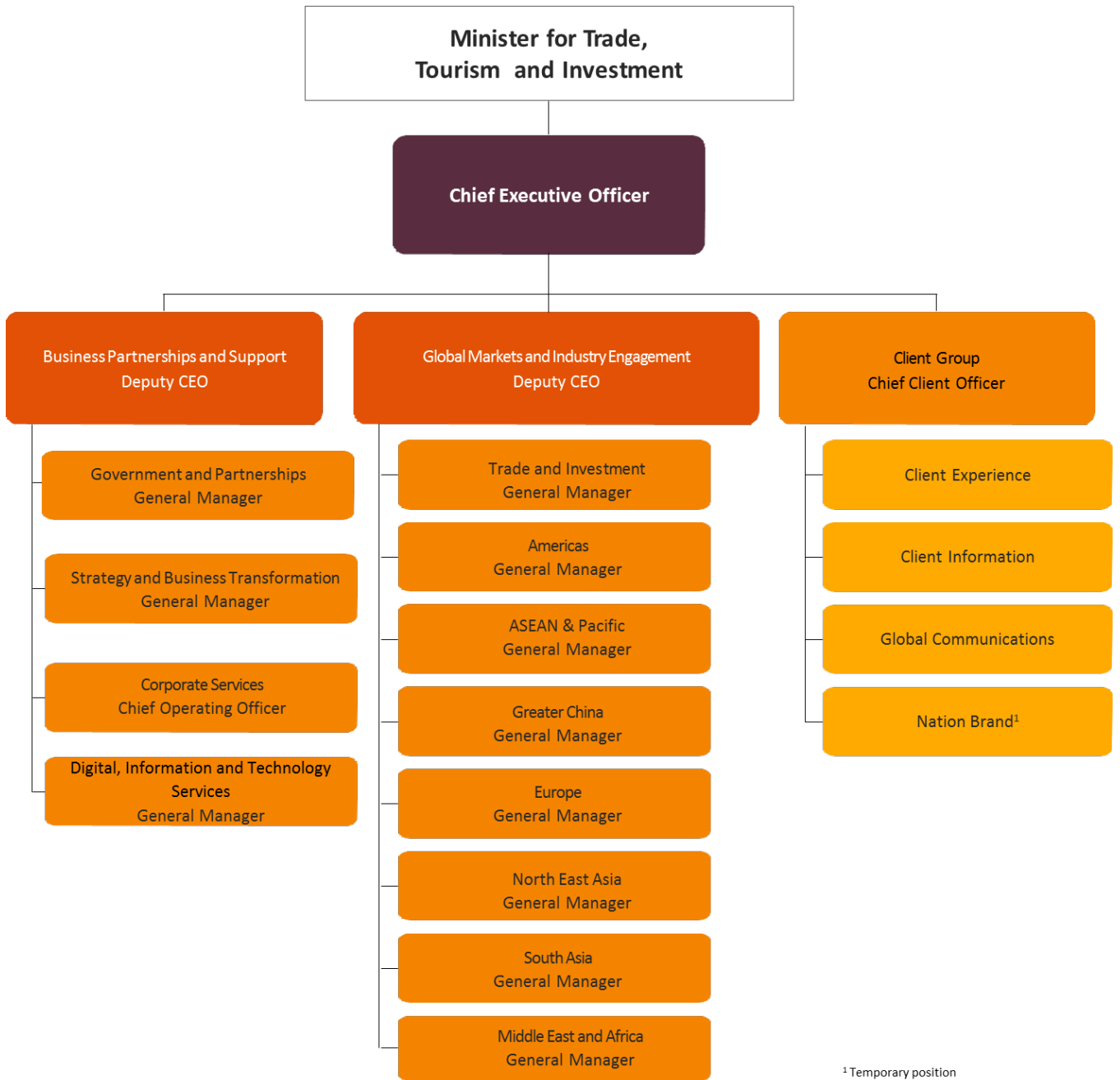
- **Global Operations:** Austrade’s international network, the primary channel for Austrade’s international activities and work programs, with 79 locations overseas in 48 markets. The network is split into seven regions:
 - › **The Americas**, covering North and South America and the Caribbean.
 - › **Europe**, covering all of Europe plus Israel.
 - › **Middle East and Africa**, covering all of Africa, and the Middle East including Turkey, but excluding Israel.
 - › **Greater China**, covering the PRC, Hong Kong and Macao SARs, and Taiwan.
 - › **ASEAN and Pacific**, covering the ASEAN countries and the Pacific region, including Papua New Guinea and New Zealand.
 - › **South Asia**, covering Pakistan, India, Bangladesh and Sri Lanka.
 - › **North East Asia**, covering Japan, Korea and Mongolia.
 - › **Trade and Investment** is responsible for identifying opportunities with high growth capacity, and positioning Australia’s capabilities internationally; developing market entry and investment strategies, in partnership with offshore, states and territories; and providing specialist advice to clients and investors. It also includes the **Client Programs** branch, which is responsible for delivering Export Market Development Grants and tourism programs.

Client Group

This group comprises the following:

- **Client Experience** is responsible for understanding the needs of our current and future clients; developing tiered services model, products and services catalogue; ensuring effective service delivery, and implementing export and investment capability development programs.
- **Client Information** is responsible for delivering first-tier services to clients, including implementing use of technology to streamline service delivery; working with partners to develop and deliver seamless client services; developing, packaging and disseminating information and insights to clients. It also delivers FTA seminars.
- **Global Communications** is responsible for developing and delivering global communications, media, marketing and promotion; and delivering large scale events and business missions.
- **Nation Brand** is responsible for leading the development of the brand in consultation with Australian business, industry groups, government and the broader community.

Figure 4: Austrade’s organisational structure at 30 June 2019



PERFORMANCE PLANNING

Austrade’s performance planning underpins our strategy and operating environment, enabling us to fulfil our role of contributing to Australia’s economic prosperity over the four-year life of this plan. It ensures Austrade provides maximum value to the taxpayer, as well as to Australian businesses, while working to the highest ethical standards. Austrade’s planning process draws on a number of sources: the organisation’s own [Strategy 2018–22](#), the Portfolio Budget Statements, the *Australian Trade and Investment Commission Act 1985* and the *Public Governance Performance and Accountability Act 2013*.

Austrade’s KPIs have been grouped into the following major categories to reflect the diverse nature of Austrade’s business:

- **Client Services (Trade promotion and Investment attraction)**
- **Policy**
- **Passport and Consular Services**

Austrade will continue to develop its performance management framework, and is undertaking a significant re-examination of how it works with clients (see Capability section above). Because of this, Austrade’s performance framework is still in a process of transition, with new performance measures being trialled and refined. In particular, Austrade is examining a meaningful way of demonstrating the organisation’s efficiency, and an authoritative and useful way of reporting on staff engagement. Austrade expects to roll these measures out internally during 2019–20 in order to develop appropriate benchmarks for subsequent years. Similarly, an appropriate target for Trade outcomes (see below) will be developed during FY 2019–20, and will appear in the 2020–21 Corporate Plan.

To accompany Austrade’s ongoing transition to a client-centric organisation, Austrade is currently undertaking work to develop accurate and timely measures of its own impact on clients, and clients’ satisfaction with its services. This work is likely to bear fruit during 2019–20, and will result in new performance measures to be included in the 2020–21 Corporate Plan.

Table 2: Key performance measures for Client Services

KPI	Target				Source
	2019-20	2020-21	2021–22	2022–23	
High level of satisfaction for Ministers, Australian business community, institutions and key partners with Austrade’s services.	Austrade expects this level of satisfaction to be at least 85%, as measured in surveys and feedback.				Survey
Proportion of Australian businesses and institutions which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities.	70% of Australian business and institutions which have engaged with Austrade say Austrade made a positive contribution to their international business activities.				Survey

KPI	Target				Source
	2019-20	2020-21	2021-22	2022-23	
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.	70% of Australian businesses and institutions which have engaged with Austrade say they achieved some form of commercial outcome within 12 months of working with Austrade.				Survey
Number and value of trade outcomes	N/A	An appropriate target for 2020–21 and following years will be determined during 2019–20, and will appear in the 2020–21 Corporate Plan.			Client notification
The number and value of investment outcomes facilitated, measured in terms of investment value, jobs created/retained and anticipated annual exports.	At least 80 investment outcomes facilitated				Investor notification
EMDG recipients report that the receipt of a grant encouraged them to increase their export promotion activities.	Austrade expects at least 70% of EMDG recipients to report that receiving a grant encouraged them to increase their export promotion activities.				Survey
Proportion of FTA seminar and roadshow attendees reporting an increased understanding of how to use and benefit from FTAs.	Austrade expects at least 85% of seminar and roadshow attendees to report an increased understanding of how to use and benefit from FTAs, as measured by feedback forms.				Survey

Client services – Trade promotion

Rationale

The lack of access to relevant information about international markets and economic changes can make it difficult for Australian businesses to identify emerging commercial opportunities, limiting their ability to enter those markets. Drawing on Austrade’s deep commercial knowledge, its international network, and relationships and ties to international customers and decision-makers within markets, Austrade identifies valuable international business opportunities, customers and connections for Australian businesses. Austrade provides practical advice and services to help Australian businesses to take advantage of those opportunities.

Strategic focus

Austrade provides advice and services to eligible Australian businesses. As set out in the Capability section above, Austrade has identified four key components that are fundamental to its success in delivering its services. These are:

- Client service redesign
- A networked organisation
- Human resources and
- Information and communications technology

In addition to these, Austrade's International Network Review (see also Capability section above) proposed the following changes to Austrade's focus:

- Pivot toward South Asia (specifically India) aligning to the India Economic Strategy to 2035
- Pivot toward ASEAN and the Pacific
- Repositioning resources in the Middle East & Africa to support growth in India and the Expo 2020 initiative in Dubai
- Repositioning resources between New Zealand, the Pacific and ASEAN to bolster service delivery

Austrade's move towards a client-centric approach will involve the gradual roll-out of a redesigned service model to assist exporting clients. As per the 'Client service redesign' in the Capability section above, the goals of the new service models are for all businesses who work with us to export faster, to more markets, and to be more successful. Equally, investors who work with us will be able to invest in the most productive parts of the economy and bring more skills and innovation, while multinational companies who work with us will be enabled to buy more Australian goods and services.

As set out in the Capability section above, we are developing two segments of services: one focused on giving dedicated, longer-term support to businesses with the greatest potential to contribute to Australia's economic prosperity, and the other on personalised services cost effectively and at scale, through digital platforms and partners.

In addition to these, Austrade also has a comprehensive service offering for Australian startups, scale ups and innovative SMEs. Through the Landing Pads program, capability mapping and cross-sectoral services export strategy, Austrade is able to provide information on international opportunities and introductions related to product/service development, R&D, commercialisation, productive capital investment, global partnerships and accessing global technology platforms. Austrade's cross-border e-commerce strategy also assists smaller companies to export, often for the first time.

Austrade focuses its resources on sectors where Australia has a comparative advantage and where Austrade can add value in helping businesses to gain access to those 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 the rise of multinational corporation global value chains
- Australian businesses 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:

- Resources and Energy
 - › focussed on extractive industry technology services, mineral resources investment, clean energy, hydrogen, and oil/gas/LNG investment
- Agribusiness and Food
 - › focussed on future food positioning, future food production and processing, and future food regions
- International Health
 - › focussed on growing exports from Australia's health services, digital health trade and investment partnerships, and supporting bench-to-bedside research
- Defence, Advanced Manufacturing and Space
 - › focussed on defence, civil security, aerospace/aviation, space, commercial marine, next-generation automotive manufacturing, and disruptive manufacturing solutions
- Infrastructure and Cities
 - › focussed on major infrastructure, future transport, rail technology and services, future cities and international development
- Digital Technology
 - › focussed on fintech, cyber security, blockchain and enterprise technologies, AI, extended reality, gaming and emerging enterprises.
- International Education
 - › focussed on diversifying higher education, industry aligned training and services, growing R&D commercialisation, schools, pathways and ELICOS, edtech and online, and transforming Australia's relationship with referral partners.
- Regional Investment and Tourism
 - › focussed on regional investment project identification and promotion, capability building with regional development agencies, regional economic growth partnerships and second-tier cities, as well as regional tourism investment, tourism investment in capital and secondary cities, leisure and attractions and tourism trade.

Major operational activities

- For our new service targeting high growth businesses that meet the targeting criteria, Austrade will offer a dedicated Austrade client manager who will get to know their needs, and coordinate support and services globally to help them expand internationally, invest in Australia, or buy more Australian goods and services.
- Assist Australian businesses to gain access to in-market, high-value opportunities by identifying and establishing contact with regulatory authorities, potential partners, service providers and customers, along with providing global value chain and e-commerce access advice and programs, and linking into innovation ecosystems. Austrade also provides relevant and commercially useful information and market-related services and advice. This includes services advising individual exporters on the most promising markets for their business, identifying potential customers and providing market research.
- Develop a nation brand to increase Australia's ability to attract productive FDI and to increase trade. A stronger national brand makes it easier for Australia and Australian companies to attract international customers, investors, students and visitors.

- FTA outreach programs, 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 used.
- Administer the Export Market Development Grants scheme, a key government financial assistance program for aspiring and current exporters.
- Assess applications for tax exemption under section 23AF of the *Income Tax Assessment Act 1936*. This frees Australians working outside Australia for at least three months from paying Australian income tax, and can enhance the competitiveness of international tender bids by Australian organisations.
- Work with the international education sector and the Council for International Education to implement the game-changing activities under the AIE2025 roadmap. Together with the sector, Austrade will establish mechanisms for assessing the impact and evaluating the effectiveness of initiatives.
- Manage digital channel engagement, including the *Study in Australia* website and Facebook page, promoting the benefits of Australian education and training to potential international students and other influencers.

Client services – Investment attraction

Rationale

Australia—with its relatively small population, open economy and thin capital markets—has always relied on Foreign Direct Investment (FDI), 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 to potential investors as a destination for FDI, facilitating potential investments, and working with existing investors to provide aftercare services and encourage reinvestment.

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 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. Austrade is focused on the promotion, attraction and facilitation of productive FDI that supports job creation and retention, economic growth, innovation and development of new industries; encourages competition; drives exports; and supports the integration of Australian companies into global value chains. In general, Austrade’s investment activities do not support real estate investments, acquisitions, or sales offices unless such investments demonstrate clear connection to commercial activity or future growth and development. Austrade does not provide support for hostile takeovers.

Reinforced by Austrade's International Network Review, the organisation's proactive investment promotion and attraction activities continue to be concentrated in those markets representing the largest source of foreign direct investment: North America, Western Europe (including the UK), Japan and greater China (including Hong Kong), and Singapore.

Austrade helps potential investors to navigate the investment environment 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 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 support.
- Austrade continues to support Australia's innovation ecosystem through promoting Australia's research and innovation capabilities to foreign investors and facilitating collaboration between foreign businesses and the Australian research sector. It will continue to attract innovative firms to support the development or transfer of new technology, skills and knowledge and will facilitate investment in early stage commercialisation.
- Austrade also continues to help inform government policy development through the provision of industry insights and identification of impediments to FDI, as well as undertaking research and advocacy to highlight the importance and benefits of foreign investment to Australia.
- Austrade connects the tourism sector across the wider spectrum of work supporting Australian businesses and the attraction of investment into Australia.

Policy

Table 3: Key performance measures for Policy

KPI	Target				Source
	2019–20	2020–21	2021–22	2022–23	
Effective contribution to whole-of-government policy development including using Austrade’s commercial insights.	Not applicable				Internal assessment; case studies where appropriate
Deliver policy priorities and outputs for which Austrade has responsibility including in the Foreign Policy White Paper, Tourism 2020 Implementation Plan (2015–2020), and Australian International Education 2025.	For Tourism, double overnight visitor expenditure to between \$115 billion and \$140 billion by 2020.		Austrade is currently working on the next long-term tourism strategy, the successor to Tourism 2020.		Tourism Research Australia survey data

Rationale

Austrade provides a global and commercial perspective in its policy advice to government. The agency's insights are informed by its presence in the commercial capitals of international markets. Through its people, in-house economic research and analysis, access to firm-level commercial knowledge, and partnerships with other Australian Government agencies, state and territory governments, and industry stakeholders, Austrade can distil insight in a way that is informed and relevant to the audience.

Austrade uses the intelligence and insights gained from its network and interactions with investors, exporters and customers to inform and contribute to Australian Government policymaking. In particular, Austrade works across government to coordinate and provide input into domestic reforms to make the Australian tourism industry and education sector more competitive, while feedback from its large offshore network enables Austrade to help shape Australia's export and investment agendas.

Austrade also has a specific remit on tourism policy and strengthens the tourism sector through implementing the national tourism strategy, Tourism 2020, and by ensuring tourism interests are taken into account in government policy development and implementation, including in visa reform, aviation capacity, labour and skills, infrastructure development, and regulatory issues.

Strategic focus

Austrade supports the tourism sector by 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. Austrade is currently working on the next long-term tourism strategy, Beyond Tourism 2020, and is developing areas of focus for its policy development activities.

Major operational activities

- Austrade uses the intelligence and insights gained from its global network and interactions with investors, exporters and international businesses to inform and contribute to Australian Government policymaking, and has identified a number of areas where it will concentrate its efforts. Austrade also works across government to provide input into domestic reforms designed to contribute to the Australian tourism industry and education sector being more competitive.
- Austrade provides advice to government directly through the Minister for Trade, Tourism and Investment, and through officials-level forums with a range of Australian Government and state and territory government departments with an interest in trade, tourism, investment and international education.
- 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.

Consular and passport services

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

KPI	Target				Source
	2019–20	2020–21	2021–22	2022–23	
Effective delivery of consular and passport services to Australians overseas.	97% of routine passport applications are processed accurately as per Australian Passport Office benchmark				DFAT passport and Consular Information System databases

Rationale

Austrade provides consular and passport services in designated locations where the Department of Foreign Affairs and Trade does not have a presence.

Strategic focus

Assist Australians travelling and working overseas through the delivery of effective consular services, and efficient passport services.

Major operational activities

- Comprehensive, responsive, and high-quality consular services are delivered to Australian travellers 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.

RISK OVERSIGHT AND MANAGEMENT

The ability to recognise and manage risk in a positive way in order to take advantage of innovative opportunities is an important component of Austrade's organisational capability. The risk appetite statement forms part of Austrade's overall Risk Management Framework and is considered together with organisational objectives, risk policies and the risk matrix.

Over the four-year life of this plan, Austrade will continue to regularly identify, assess and manage the risks associated with achieving its organisational objectives. With operations that span the globe, and engagement with a range of commercial organisations both on and offshore, Austrade faces unique challenges. This is particularly the case in some of the overseas markets in which Austrade operates where standards of transparency, governance, security, and health and safety differ from those in Australia, and where the risk of bribery and corruption may be higher. An effective system of risk management is critical to effectively managing those challenges. Austrade staff are encouraged to understand the risks they are managing and to actively engage in managing them effectively, without becoming risk-averse.

The main features of Austrade's internal control framework are:

- policies and procedures which support compliance with legislative and administrative requirements, including through the Chief Executive Instructions
- a management environment which is supported by an effective delegations schedule and a culture of ethical conduct, driven from top management
- an internal audit program which aligns with the Agency Risk Management Plan
- an Audit and Risk Committee which provides independent advice to the CEO
- leadership by Austrade's Executive in ensuring an effective risk management framework, which includes: a People and Values Committee; a Digital, Data and Information Committee; and a Resources Committee which report more generally to Austrade's Executive
- education and awareness raising with staff of their obligations through a compulsory annual governance refresher training module, and
- Awareness raising amongst staff and outreach program to Australian business on the risk of corruption in low governance international markets.

As required by section 16 of the PGPA Act and the Commonwealth Risk Management Policy, Austrade will continue to manage its exposure to risk, and mitigate adverse consequences through the implementation of risk management principles and practices, as outlined in the Chief Executive Instruction on risk management, Austrade's risk management policy and procedures, and the corporate governance framework. This includes preparing an annual Agency Risk Management Plan which identifies key strategic and operational risks with the potential to affect Austrade's ability to achieve its objectives and priorities, and establishes how these risks will be mitigated and managed. Austrade's senior executives play an important role in identifying risks, developing mitigation strategies and actions, and reporting progress on implementing those strategies to the Audit and Risk Committee and Executive on a quarterly basis.

Austrade's Audit and Risk Committee's role is to provide independent advice to the CEO on the appropriateness¹⁵ of Austrade's financial reporting, performance reporting, system of risk oversight and management, systems of internal control, and other functions relevant to the Committee's operation.

Austrade's Legal, Procurement and Fraud team helps manage legal and commercial risks within Austrade through its legal advisory services and its management of Austrade's obligations under the Commonwealth Procurement Rules and fraud mitigation policies. The team has precedents and business systems in place to help it provide legal advice to the rest of the organisation and help ensure new functions which Austrade takes on are implemented successfully. The team will continue to refine its methods of advising and training staff, particularly in relation to procurement processes and contracting more generally, as well as raising awareness of fraud risk. The Legal unit also engages in raising awareness amongst staff and Australian business, via its outreach program, of the risks of bribery and corruption in some markets.

¹⁵ For the purposes of the PGPA Act, PGPA Rule, and consistent with the rules of statutory interpretation, 'appropriateness' has its ordinary meaning of 'suitable or fitting for a particular purpose'.