

# AUSTRALIAN TRADE AND INVESTMENT COMMISSION

## CORPORATE PLAN

2016–17



**Australian Government**  
**Austrade**



# CONTENTS

Statement of Preparation	3
CEO's Message	4
Purpose	6
Figure 1: Relationship between Portfolio Budget Statements, Corporate Plan and Annual Performance Statements	8
Operating Environment	9
Economic outlook	9
Australia's internationally active businesses	11
Austrade's network	12
Figure 2: Austrade's global network at 30 June 2016	15
Figure 3: Austrade's Australian network at 30 June 2016	16
Strategic partnerships and collaboration	17
Operating structure	18
Figure 4: Austrade's organisational structure at 30 June 2016	20
Performance Planning	21
Develop international markets	21
Win productive foreign investment	24
Promote international education	27
Strengthen Australia's tourism industry	29
Help Australians with consular and passport services	31
Capability	32
Human resources	32
Information and communications technology	33
Security	34
Risk oversight and management	34
Resources	36
Capital investment	36
Operating budget	36

## STATEMENT OF PREPARATION

I, Bruce Gosper, as the Chief Executive Officer, and the accountable authority of the Australian Trade and Investment Commission, present the 2016–17 Austrade Corporate Plan, which covers the four reporting periods from 2016–17 to 2019–20, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* and Part 7 of the *Australian Trade and Investment Commission Act 1985*.

**Bruce Gosper**

Chief Executive Officer

## CEO'S MESSAGE

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

As a government agency, Austrade is in a unique position to help businesses secure trade and investment outcomes, reflecting our status as a government organisation, the commercial acumen of our people, our market knowledge and insight, and extensive connections in overseas markets. These qualities and skills lie at the heart of the value we provide to businesses, institutions and the Australian Government, as does our ability to rapidly adapt to changing economic opportunities and take on new roles and functions.

The past year has been one of achievement, helping Australian business and institutions overcome barriers to successful export into difficult markets, and continuing moving toward deeper sectoral focus on facilitating foreign investment into Australia (reflected in the Government's decision to change our name to the *Australian Trade and Investment Commission*).

This Corporate Plan sets out how Austrade will build on those achievements during the next four years. We will continue to provide our expertise and market insight to Australian businesses and institutions on how to access the significant opportunities arising overseas, including those from Free Trade Agreements (FTAs). We will continue to coordinate ministerial-led business missions in international markets, using the badge of government to open doors, maintaining the successful program of *Australia Week* business events. And we will continue to deepen our capability and capacity to attract and facilitate foreign investment in agreed priority areas.

We will extend our work in the two major service export sectors: education and tourism. With the education and training sector, we will work to implement the Austrade-led *Australian International Education 2025* market development plan to help capture opportunities being created by the huge growth in demand for education and training globally. We will continue to advocate for Australia's tourism sector across government, including through *Tourism 2020*, working to reduce the barriers to growth, and developing policies and programs to continue to strengthen this high-value export sector.

To support the Government's National Innovation and Science Agenda, Austrade is establishing five new landing pads based in the global innovation hotspots of San Francisco, Tel Aviv, Shanghai, Berlin and Singapore. Landing pads will provide market-ready start-ups with a short-term operational base and support to accelerate their commercialisation and market penetration. Building on Austrade's long-standing trade facilitation work with innovative Australian SMEs, in 2016-17 we will also focus on linking exporters into innovation ecosystems which we see as an important new route to international markets.

More generally, with the wave of digital change and innovation that is transforming the world, Austrade must remain adaptable. While we continue to look at how we can support innovative Australian companies, we will also continue the drive to be innovative ourselves, including in the way we deliver our services.

It is important to acknowledge Austrade's activities expose it to risk, in part through a commercial operating environment that is constantly evolving, and also through operating in locations in diverse parts of the world. The ability to recognise and manage risk in a positive way is an important component of our organisational capability. We will continue to strengthen those capabilities to ensure sound risk management is embedded in our business practices.

An important contributor to Austrade's productivity is its relationship with other arms of Government and partnerships with industry bodies. Austrade will continue working collaboratively with the Department of Foreign Affairs and Trade, helping businesses understand the opportunities created through the FTAs and, more generally, translating the opportunities arising from the Department's high-level work on trade negotiations and economic diplomacy into commercial-level trade and investment outcomes. We will also continue working closely with Tourism Australia and Efic.

Austrade has a large agenda over the next four years. Our strategy and operations will remain focused on providing the maximum value to taxpayers and to Australian businesses and institutions, helping organisations to take full advantage of emerging opportunities in markets around the world, and supporting the prosperity and productivity of the Australian economy.

**Bruce Gosper**

Chief Executive Officer

## PURPOSE

The purpose of the Australian Trade and Investment Commission – Austrade – is to contribute to Australia’s economic prosperity by helping Australian businesses, education institutions, tourism operators, and governments to:

- develop international markets
- win productive foreign direct investment
- promote international education, and
- strengthen Australia’s tourism industry

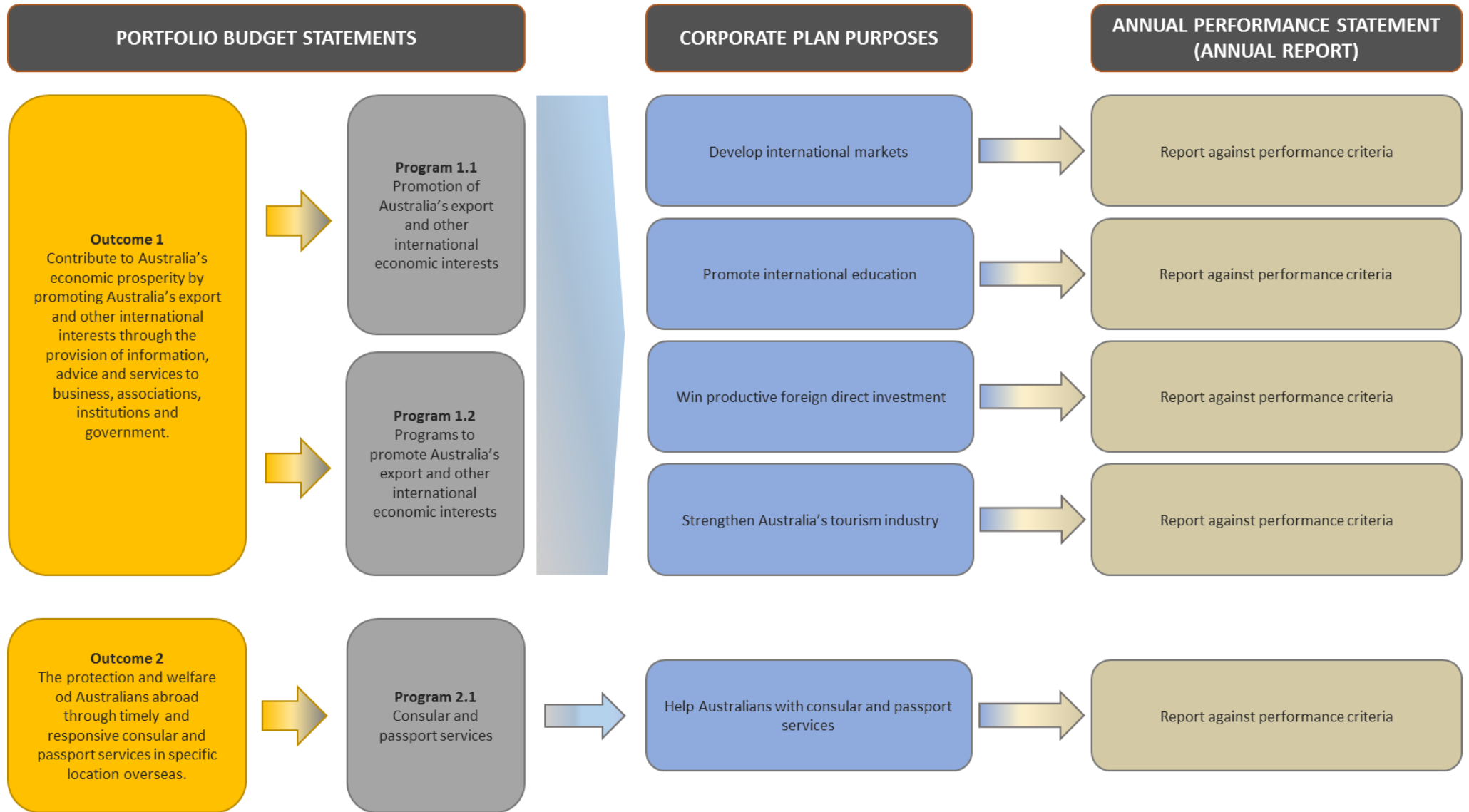
Austrade also helps Australian citizens by providing consular and passport services in designated overseas locations.

Austrade advances Australia's international trade, education, investment, and tourism interests by providing information, advice and services. We aim to create value for businesses and institutions in a way that represents a good investment for the taxpayer and meets or exceeds all appropriate standards of ethical behaviour.

**Table 1: Summary of Austrade’s purposes and activities**

Role	<b>To contribute to Australia’s economic prosperity by helping Australian businesses, education institutions, tourism operators, and governments</b>				
Purposes	<b>Develop international markets</b>	<b>Win productive foreign direct investment</b>	<b>Promote international education</b>	<b>Strengthen Australia’s tourism industry</b>	<b>Help Australian citizens by providing consular and passport services</b>
Activities	<p>Help Australian companies to grow their business in international markets by</p> <ul style="list-style-type: none"> <li>• making meaningful connections for exporters to potential customers through an extensive global network of contacts</li> <li>• promoting Australian export capabilities to those potential customers</li> <li>• leveraging the badge of government offshore</li> <li>• generating market information and insight</li> <li>• providing quality advice and services</li> <li>• administering the Export Market Development Grants scheme and the TradeStart network</li> </ul>	<p>Provide coordinated government assistance to promote, attract and facilitate productive foreign direct investment into Australia</p>	<p>Promote the Australian education and training sector in international markets</p>	<p>Provide advice to the Australian Government on tourism-related policy development and implement programs to strengthen the tourism sector</p>	<p>Deliver Australian consular, passport and other government services in designated overseas locations</p>
	<p>Provide advice to the Australian Government on its trade, tourism, international education and training, and investment policy agendas</p>				
	<p>Through the Brand Australia program, promote awareness of contemporary Australian skills and capability to enrich Australia’s global reputation</p>				
Enabling activities	<p>Corporate services</p>				

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



## OPERATING ENVIRONMENT

### Economic outlook

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

For much of the past decade, Australia's external economic environment has been dominated first by the China-powered resources boom and then more recently by its aftermath. The upswing phase of the boom caused high demand for Australia's mineral exports and contributed to a sharp appreciation in the Australian dollar and its real exchange rate. These shifts transformed the direction and the composition of Australia's trade, with a rise in concentration in export markets (the increasing dominance of China), and in exported products (the key role played by iron ore). At the same time, the higher exchange rate squeezed the relative international competitiveness of the non-resources export sector.

Investment flows into Australia were also reshaped by the resources boom, with FDI inflows into the mining sector peaking at more than \$50 billion in 2013. The surge in overall investment was large enough to push Australia into the top ten of FDI destinations worldwide for the four years between 2011 and 2014.<sup>1</sup>

Subsequently, a combination of increased supply of, and slower growth in demand for, resources (the latter mainly reflecting a Chinese economy that is going through an extended period of economic rebalancing) triggered a downswing in world commodity markets and pushed several of the previous trends influencing Australia's export profile into reverse. The sharp fall in the price of key commodities including iron ore, thermal coal and coking coal has meant that the value of Australia's resource exports has fallen. Meanwhile, a fall in the Australian dollar has helped deliver a real exchange rate depreciation that in turn has generated an improvement in Australia's relative competitiveness across the non-resource export sector.<sup>2</sup>

Another important change in the international environment has been the shifting pattern of global trade flows. Not only has the *value* of world trade flows been depressed by the fall in global commodity prices, but there has also been a slowdown in the pace of *volume* growth: Before the global financial crisis, world trade volumes had been growing at roughly twice the pace of world output. But in the years following the crisis, volume growth appears to have lost much of this earlier momentum, with trade volumes now growing in line with (slower) world GDP growth.

Both the drivers and the longevity of this shift are still being debated, but a decline in the pace of emerging market growth in general and of investment in particular, along with evidence of a maturing

---

<sup>1</sup> Based on data compiled by the United Nations Commission on Trade and Development (UNCTAD).

<sup>2</sup> In recent months, the price of iron ore in particular has rebounded following efforts by Beijing to stimulate Chinese growth, and the response of speculative investors to this move. The turn in prices had also seen some strengthening in the value of the Australian dollar – at least up until the RBA cut the cash rate by 25 basis points on 3 May.

(and, more debatably, a shortening) of global value chains are widely seen as strong potential candidates to explain the change. At the same time, there are also signs of a rebalancing in the composition of global trade flows away from goods and towards services. In 2014, for example, for the first time growth in the value of world services trade accounted for a greater share of the overall growth in world trade than did growth in goods trade.

These various developments made their influence felt in last year's Australian export numbers. The total value of our exports of goods and services in 2015 was A\$316.6 billion, which was down by more than A\$10 billion (or more than three per cent) from the 2014 outcome. That fall was driven by a general drop in the overall value of goods exports (down by more than six per cent), and by a particularly sharp drop in the value of exports of resources and fuels. The latter included a fall of more than 25 per cent in the value of iron ore exports (down from about A\$66 billion in 2014 to around A\$49 billion last year), along with smaller declines in the value of coal and gas exports.<sup>3</sup>

At the same time, however, the value of Australia's exports of services increased by around ten per cent (about A\$6 billion) last year. Key contributors included exports of education-related travel services (up more than ten per cent in value terms) and exports of personal travel services excluding education (up more than 12 per cent). Combined exports of all travel services in 2015 were worth more than exports of coal, previously Australia's second-largest export. The more competitive exchange rate plus strong growth in demand from Asia's emerging middle class were two of the factors driving this performance.

Parallel changes have been underway in terms of inward flows of FDI. By the end of 2015, the stock of FDI in Australia had increased to more \$735 billion, up a bit more than seven per cent relative to the 2014 figure.<sup>4</sup> But the level of net investment inflows has fallen significantly over the past two years, dropping from \$59 billion in 2013 to \$43.9 billion in 2014 and to \$29.6 billion last year. Preliminary international data also show Australia falling out of the top ten hosts for FDI flows in 2015. The main cause has been a decline in investment flows into mining, with net FDI inflows falling from \$51.2 billion in 2013 to \$35.4 billion in 2014 and then down to \$15.3 billion in 2015. Still, the impact of this decline on the level of overall inflows has been partially offset by increased investment flows into other sectors, including real estate in 2014 and 2015 and a rebound in investment into the financial and insurance sector last year.

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

A recent challenge to the international economic environment has been posed by the UK's vote for 'Brexit' on 23 June 2016. At this stage, there is still a high degree of uncertainty surrounding the eventual outcomes both for the UK and for the rest of the EU, with some commentators even arguing that the former might not invoke Article 50, which is the trigger for exiting the EU.

---

<sup>3</sup> Based on 2015 export data provided by the Department of Foreign Affairs and Trade.

<sup>4</sup> Australian Bureau of Statistics, *International Investment Position, Australia: Supplementary Statistics, 2015 Cat. No. 5352.0. 11 May 2016.*

The short-term impact of the vote has been an increase in financial market volatility and in overall economic uncertainty, which, all else equal, is unlikely to be good news for trade or investment flows. While the duration of this volatility is still unknown, the impact on Australia's exports should be limited by the fact that the UK accounts for only a relatively small share of the total (less than three per cent of all goods and services exports in 2015) and the EU as whole is only modestly larger (7.4 per cent of exports). Both the UK and the EU are much more important players in terms of FDI, however.

In the longer-term, the impact on trade and investment flows will depend on the nature of the trade and investment agreement(s) that the UK government reaches with the rest of the EU, the impact of Brexit on the solidity of the EU and the integrity of the Single Market, and the future trade policy of the UK government post-Brexit. This uncertain environment is likely to offer Australian exporters a range of challenges but may also generate some opportunities, for example if London were to focus its trade policy attentions towards our region, or if UK businesses were more inclined to look to increase FDI further afield in markets like Australia.

### **Australia's internationally active businesses**

International trade is a significant contributor to the Australian economy. As of the December 2015 quarter, trade in goods and services was equivalent to almost 41 per cent of nominal GDP, while the ratio of exports of goods and services to GDP stood at a little below 20 per cent.<sup>5</sup> Over the year to December, Australian exports of goods and services grew by almost six per cent in volume terms, and contributed 1.2 percentage points to overall annual real GDP growth of three per cent.<sup>6</sup>

According to the Australian Bureau of Statistics (ABS), there were more than 51,000 exporters in Australia in 2014-15. This total included 48,681 exporters of goods and 3,557 exporters of services.<sup>7</sup> The 2014-15 figures showed a jump of more than 4,000 in the number of exporters, following an increase of around 2,000 in 2013-14. The past two years marks a significant break with past experience: for the seven years between 2006-07 and 2012-13, the overall exporter count was relatively flat (although this disguised quite a lot of churn at the smaller end of the exporter size distribution). It seems likely that the improvement in international competitiveness described above is part of the reason for this recent trend.

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. The composition of exporters within this group is relatively stable with modest numbers of entries and exits from year to year. In 2014-15 this group comprised just 425 goods exporters which together accounted for more than 87 per cent of the value of all goods exports that year. Similarly, there were 110 exporters of services in this category, accounting for roughly three-quarters of the total value of service exports for which the ABS provided data on exporter numbers.

---

<sup>5</sup> Australian Bureau of Statistics, *Balance of Payments and International Investment Position, Australia December 2015*, Cat. No. 5302.0. 1 March 2016.

<sup>6</sup> Australian Bureau of Statistics, *Australian National Accounts: National Income, Expenditure and Product December Quarter 2015*, Cat. No. 5206.0. 2 March 2016.

<sup>7</sup> Australian Bureau of Statistics, *Characteristics of Australian Exporters, 2013-14*, Cat. No. 5368.0.55.006. 23 June 2015. The ABS cautions that its total figure is a 'careful estimate' as there is no accurate methodology to calculate the overlap between goods and services exporters. In addition, the count of exporters of services only provides a breakdown by size and number for services exporters accounting for about 35 per cent of service exports by value and excludes from the count exporters of a large range of service exports including consumption by tourists and students in Australia.

- Small to medium exporters (or SMEx)—which generate individual export revenues between \$250,000 and \$50 million. This group comprised more than 9,600 goods exporters in 2014-15. As with large exporters, the composition of this group is relatively stable across each year, although there is more churn than in the mega-exporter category.<sup>8</sup>
- 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.

The fastest-growing sector of Australian export community is the service sector. Austrade places particular emphasis on the largest sub-sectors of education, tourism and financial services as well as on the opportunities arising from cyber security and the digital revolution. The Trade Division is drafting a services strategy which will guide its work in those sub-sectors.

In order to supplement the quantitative data available from the ABS on Australian exporters, Austrade, together with Efic, the Export Council of Australia and the University of Sydney, conducts an annual poll of Australia's internationally-active businesses. Australia's International Business Survey (AIBS) is one of the largest and most in-depth surveys of its kind and the third survey in the series, AIBS 2016, is scheduled for release in August 2016. AIBS 2016 captures the responses of 913 existing exporters as well as 118 aspiring exporters. Some of the highlights from this year's survey include:

- Along with exporting goods and services, the survey confirms many respondents are involved in a wide range of other international activities including importing, making outward investments, receiving inward investments, participating in overseas government tenders, and international research and development activities.
- Some 47 per cent of AIBS 2016 respondents use e-commerce, citing access to new or niche consumer groups, easier payments, more control over brand and easier distribution and logistics as benefits
- Almost one in five of respondents (18 per cent) targeted the United States as their first overseas market. The most popular reason for doing so was the perception of strong growth or profit opportunities. China was the second most popular choice for a first export market.
- The most important markets for AIBS respondents that they find the toughest to operate in were India (cited as much more difficult than Australia by 39 per cent of relevant businesses), China (cited as such by 28 per cent) and Indonesia (25 per cent).
- More than three-quarters of respondents are planning to do business in new markets over the next two years including (in descending order of importance) the United States, China, Indonesia, the United Kingdom and India.
- Among the most valued assistance identified by respondents in targeting overseas markets are information on understanding market compliance and risk, access to EMDG or similar grants, and general information on local customs and border procedures.

---

<sup>8</sup> The 2014-15 ABS data did not provide a breakdown of exporters of services with less than A\$1 million of revenue.

- According to AIBS 2016, the top risks facing Australian businesses' overseas operations over the next three to five years are high domestic costs in Australia, adverse movements in the Australian dollar, increased international competition, and the risk of financial or economic crises in key overseas markets.

## **Austrade's network**

Austrade's overseas network is concentrated in those markets where its services will have the greatest impact.

For trade promotion, the focus is 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 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.

In 2016-17, Austrade expects to re-open its office in Tehran to help Australian businesses access commercial opportunities in Iran following the lifting of most sanctions. It will also open a new office in Makassar, a commercial hub in central Indonesia that is an increasingly popular destination for Australian trade and investment, particularly in the resources, agribusiness and food processing sectors.

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

For investment promotion and attraction activities, Austrade's work is concentrated in North America, Western Europe (including the UK), Japan and greater China (including Hong Kong), as those markets represent strong sources of foreign direct investment. Austrade also increasingly pursues foreign investors in other regions, including ASEAN countries, India, and the Republic of Korea. To support the Government's emphasis on attracting inward investment, Austrade opened offices in Boston in the United States and Zürich in Switzerland during 2015-16.

At 30 June 2016, Austrade's network comprised 118 physical locations, including 10 offices in major Australian centres, which were complemented by 27 TradeStart offices. It also operated 81 offices overseas in 48 different markets, 16 of which also provided consular services. In addition to these locations, Austrade has also established landing pads in San Francisco and Tel Aviv, with Shanghai, Singapore and Berlin expected to open in 2016-17.

**Figure 2: Austrade's global network at 30 June 2016**



\*As at 30 June 2016, Landing Pads in San Francisco and Tel Aviv were open.

Figure 3: Austrade's Australian network at 30 June 2016



## Strategic partnerships and collaboration

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

Austrade also 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 Agriculture, the Department of Education and Training, the Department of Immigration and Border Protection, the Department of Industry, Innovation and Science, and the Department of Infrastructure and Regional Development.

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

- 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.

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

## Operating structure

Austrade's operations are divided into three groups, whose heads report to the CEO. The structure of these groups at 30 June 2016 is provided below. The Head of the Executive Branch and the Chief Economist also report to the CEO.

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

This group comprises:

- Austrade's **international network**, the primary channel for Austrade's international activities and work programs, with 81 offices overseas located in 48 markets managed through three divisions (see pages 14-16).
- **Trade Division**, which provides strategic and operational support to the international network to achieve objectives across international business and market development, and manages relationships with government and non-government partners and stakeholders. It also manages the landing pads program.
- **Marketing, Communications and FTA Program Division**, which supports Austrade's objectives through marketing activities, management of the nation brand, Brand Australia, administration of Austrade's websites, business communications, internal communications, market research and major events as well as encourage Australian exporters to use the recently signed North Asia FTAs.
- **International Issues Branch**, which coordinates the international trade and business missions led by Government ministers and the Prime Minister, as well as engagement with portfolio and other Australian Government agencies on international business and foreign policy issues.

### Tourism, Investment, Education, and Programs Group, headed by Jane Madden, Executive Director

This group comprises:

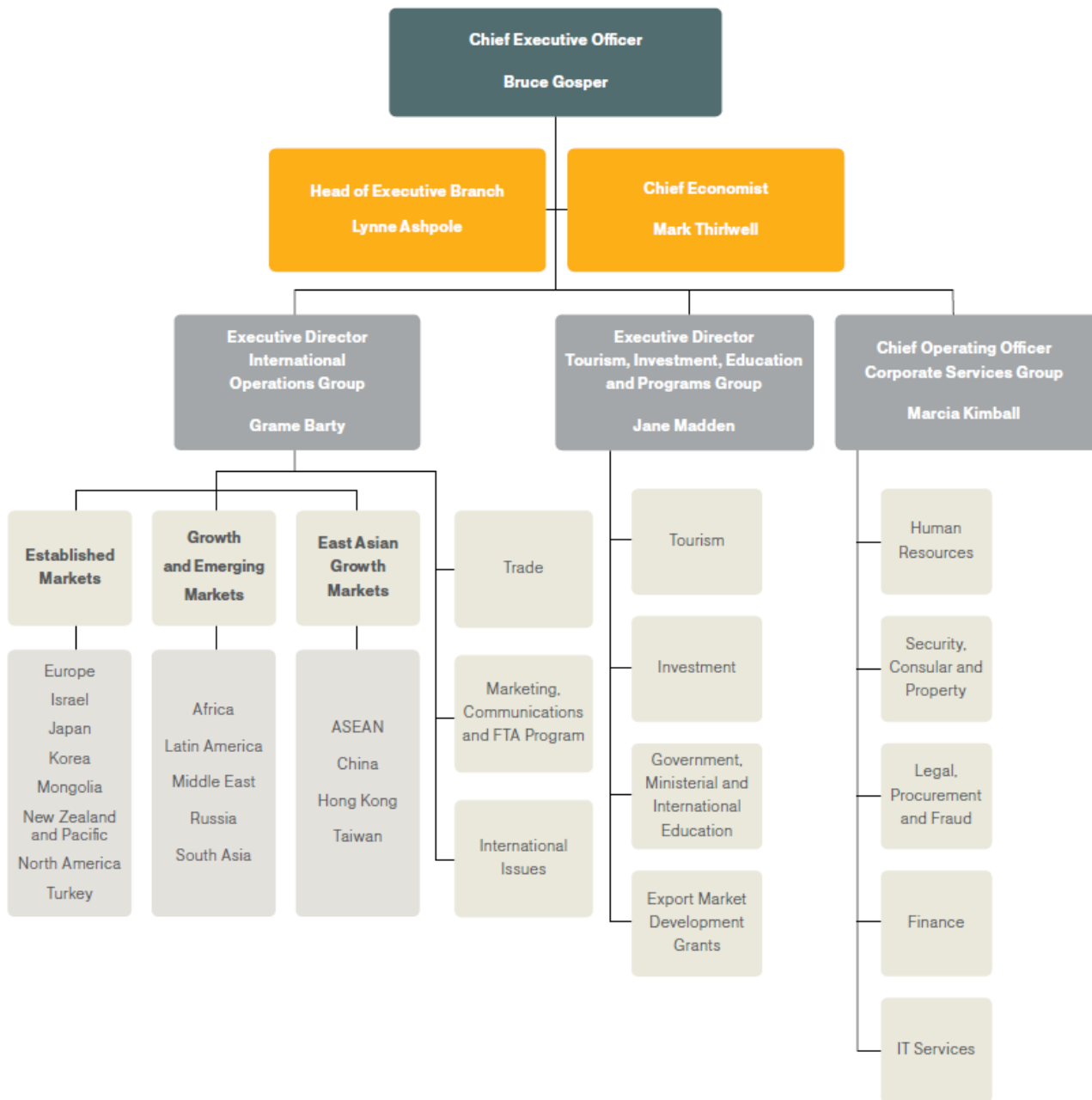
- **Tourism Division**, which implements the Government's tourism policy, *Tourism 2020*, and works on tourism policy, projects, programs and research to strengthen Australia's tourism industry and grow Australia's tourism market share.
- **Investment Division**, which leads the development and implementation of strategies to support the Government's foreign investment attraction priorities, working in partnership with the states and territories. It provides strategic and operational support to the international network's investment activities and work programs.
- **Government, Ministerial and International Education Division**, which leads the development and implementation of international education and training strategy and priorities, including the implementation of the *Australian International Education 2025* long term market development roadmap. It provides strategic and operational support to the international network's activities and work programs on education and training. It also coordinates Austrade's relationship with the Minister for Trade, Tourism and Investment, his office, other ministerial offices and the Parliament.
- **Export Market Development Grants Division**, which administers the Australian Government's financial assistance program for aspiring and current exporters.

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

This group comprises:

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

**Figure 4: Austrade’s organisational structure at 30 June 2016**



## PERFORMANCE PLANNING

Austrade's performance planning underpins its strategy and operating environment. It ensures Austrade provides maximum value to the taxpayer, as well as to Australian businesses and institutions, while working to the highest ethical standards. Austrade's planning process draws on a number of sources: the Portfolio Budget Statements, the *Australian Trade and Investment Commission Act 1985* and the *Public Governance Performance and Accountability Act 2013*. Austrade has five areas of strategic focus, enabling it to fulfil its role of contributing to Australia's economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens.

### Develop international markets

#### 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. It also uses its global perspective and commercial acumen to inform policy advice and economic insight provided to Government.

#### Strategic focus

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

- › assisting Australian SMEs to gain access to multinational corporation value chains especially in the Mining Equipment Technology and Services (METS), oil and gas and renewables sectors
- Food and Agribusiness
  - › focussed on premium food and beverage and food security
- International Health
  - › focussed on intelligent health solutions and senior health and living
- Advanced Manufacturing
  - › focussed on assisting Australian SMEs to access multinational corporation value chains especially in the aerospace, marine and automotive sectors
- Infrastructure
  - › focussed on urban sustainable development and transport solutions
- Services and Technology
  - › focussed on financial services (including fintech), cyber security and the fourth industrial revolution – the digital revolution.

### **Major operational activities**

- 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 tailored services advising individual exporters on the most promising markets for their business, identifying potential customers and providing market research.
- Take the lead role in coordinating ministerial-led overseas business missions, including Australia Week events.
- Administers Brand Australia 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.

**Table 2: Key performance measures for the development of international markets**

<b>Category</b>	<b>Measures</b>	<b>Method of assessment</b>	<b>Reporting period</b>	<b>PBS page</b>
Australian businesses	Proportion of Australian businesses which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities.	Survey	Annually	84
Australian businesses	Proportion of Australian businesses which have engaged with Austrade, and say they achieved some form of commercial outcome as a result of working with Austrade.	Survey	Annually	84
FTA seminar attendees	Proportion of Free Trade Agreement (FTA) seminar and roadshow attendees reporting an increased awareness of FTAs.	Survey	Annually	89
FTA seminar attendees	Proportion of FTA seminar and roadshow attendees reporting an increased understanding of how to use and benefit from FTAs.	Survey	Annually	89
EMDG recipients	Proportion of EMDG scheme recipients reporting that the receipt of a grant supported their business to become a more sustainable exporter.	Survey	Annually	89
EMDG recipients	Proportion of EMDG scheme recipients reporting that the receipt of a grant enabled them to grow their international revenue.	Survey	Annually	89

## Win productive foreign investment

### Rationale

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

Austrade's proactive investment promotion and attraction activities will continue to be concentrated in those markets representing the largest source of foreign investment: North America, Western Europe (including the UK), Japan and greater China (including Hong Kong) as those markets represent Australia's largest sources of foreign investment. However, emerging investment source markets, including India, ASEAN countries, Gulf Cooperation Council countries and the Republic of Korea, are growing focus areas.

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 to facilitate their investment in Australia.
- Austrade's Senior Investment Specialists in Australia work with Austrade's onshore investment teams, and with states and territories, to identify specific investment opportunities in Australia, facilitate investment projects, and provide aftercare and reinvestment support.

- On 1 July 2015, Austrade became a nominating entity for the Significant Investment Visa program, complementing state and territory government roles as nominators. Austrade is also be the sole nominating entity for the Premium Investment Visa program. All nominations are provided to the Department of Immigration and Border Protection for assessment.
- Austrade is undertaking a number of activities to support the development of Northern Australia, including the operation of a grants program to commercialise Australian research in new therapeutics and diagnostics in tropical medicine, providing business -friendly information on different land titles across northern Australia, and running the second Northern Australian Investment Forum in 2017.
- Austrade will continue 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 (for example, early stage R&D investment or collaboration). In 2016/17 Austrade will host an Innovation Forum to position Australia as an attractive destination for investment in research and development, collaboration and entrepreneurship, and to showcase Australian research and industry capability.

**Table 3: Key performance measures for the attraction of foreign direct investment to Australia**

<p><i>Austrade works with other Australian government agencies and state and territory governments to deliver a coordinated national approach to promoting, attracting and facilitating investment and as such, shares a common set of key performance indicators.</i></p>				
Category	Measures	Method of assessment	Reporting period	PBS page
Foreign investments	The number of investment outcomes facilitated.	Investor notification	Annually	86
Foreign investments	The amount of investment value associated with foreign direct investment outcomes facilitated.	Investor notification	Annually	83
Foreign investments	The number of new jobs created/retained (ongoing full-time equivalents) as a direct result of investment outcomes facilitated.	Investor notification	Annually	86
Foreign investments	The anticipated annual exports from investment outcomes facilitated.	Investor notification	Annually	86
Positioning the north as a global leader in tropical health	Funds and advice provided to the Department of Industry and Science, consistent with agreed principles, to increase foreign investment in the commercialisation of Australian tropical medicine research and development.	Internal assessment	Annually	90
<p><b>Austrade-specific measures</b></p> <p><i>Noting that investments can have gestation times that span multiple years, from the initial investor contact to actual investment commitment, results will not be fully realised in the short-term. Therefore, in accordance with the protocols developed with the states and territories, Austrade is responsible for proactively promoting Australia as an attractive investment destination, which is measured by:</i></p>				
Potential foreign investors	The number of information, project and visitation requests, and stakeholder introductions generated from potential investors.	Internal assessment	Annually	87

## Promote international education

### Rationale

International education is currently one of Australia's top service exports, valued at \$19.65 billion in 2015, supporting over 130,000 jobs in cities and regions throughout Australia. Major demographic shifts coupled with significant restructuring in the global economy mean the scale of the international education market is likely to increase dramatically. At the same time, technology and market liberalisation are opening up new opportunities. The Australian education sector's high quality and expertise in critical industries together with Australia's geopolitical position and multicultural society, mean Australia is well positioned to capitalise on those opportunities.

### Strategic focus

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

Australia's onshore delivery of international education is the strongest it has ever been. However, current competitive strengths will not automatically translate into the realisation of future opportunities. International education is hotly contested globally, and existing and new competitors are equally focused on increasing their share of the international education market.

Over the life of this plan, a major priority for Austrade will be the implementation of *Australian International Education 2025*, a 10-year market development roadmap for the education and training sector. The roadmap will maximise the sector's contribution to Australia's economy, society and international standing by both seeking to grow the number of international students in Australia and, increasingly to reach many millions more in their home markets with Australian-developed education, training and skills courses.

### Major operational activities

- Work with the international education sector and through the Coordinating Council for International Education to implement the first of a series of rolling activation plans under the AIE2025 roadmap. Together with the sector, Austrade will establish arrangements for assessing the ongoing impact and effectiveness of initiatives.
- Assist Australian businesses and institutions to gain access to in-market, high-value opportunities through identifying and establishing contact with potential partners, service providers and customers. Austrade will also provide relevant and commercially useful information and market-related services and advice, including through the Market Information Package (MIP). This includes advising exporters on the most promising markets for their business, and tailored services such as market research.
- Manage the *Study in Australia* website, which promotes the benefits of studying in Australia to potential international students, provides information on courses, accreditation and quality assurance standards in their own country, guidance on study costs, and information about living in Australia.

**Table 4: Key performance measures for the promotion of international education**

<b>Category</b>	<b>Measures</b>	<b>Method of assessment</b>	<b>Reporting period</b>	<b>PBS page</b>
Australian education institutions	Proportion of Australian education institutions which have engaged with Austrade, and say Austrade made a positive contribution to their international business activities.	Survey	Annually	86
Australian education institutions	Proportion of Australian education institutions which have engaged with Austrade, and say they achieved some form of commercial outcome as a result of working with Austrade.	Survey	Annually	86

## Strengthen Australia's tourism industry

### Rationale

The tourism industry is a significant driver of Australia's economic prosperity. In 2014–15, it contributed \$47.5 billion to Australia's GDP. It directly employs more than 580,000 people, and accounts for more than nine per cent of Australia's total export earnings, making it Australia's largest service export industry.<sup>9</sup> However, the Australian tourism industry is diverse in nature and is characterised by the prevalence of small and medium-sized enterprises. The industry is facing a challenging environment and competitive pressures and is vulnerable to factors beyond its direct influence.

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

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

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

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

---

<sup>9</sup> Tourism Research Australia, *Tourism Satellite Account, 2014–15*

### Major operational activities

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

**Table 5: Key performance measures for strengthening Australia's tourism industry**

Category	Measures	Method of assessment	Reporting period	PBS page
Tourism 2020 objectives	Double overnight visitor expenditure to between \$115 billion and \$140 billion by 2020.	Tourism Research Australia surveys data	Progress tracked quarterly	87
Tourism 2020 implementation plan	Priorities and outputs outlined in the Tourism 2020 Implementation Plan (2015–2020), progressed in accordance with agreed timeframes.	Status report	Annually	87
Tourism Research Australia users	Proportion of tourism operators which use Austrade's tourism research and information and say it helped support their marketing and business decisions.	Survey	Annually	87

## Help Australians with consular and passport services

### Rationale

Austrade provides consular 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.

**Table 6: Key performance measures for the delivery of consular services**

Category	Measures	Method of assessment	Reporting period	PBS page
Passport applications	Normal passport applications are scanned with 24 hours.	DFAT passports database	Annually	93
Passport applications	Routine passports are issued in a timely and responsive manner.	DFAT passports database	Annually	93
Passport applications	Urgent passport issues are dealt with in a timely and responsive manner.	DFAT passports database	Annually	93
Notarial services	Notarial services are to be delivered when the correct documents are lodged by a client.	DFAT notarial database	Annually	94

## CAPABILITY

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

The shared and common services program, being led by the Department of Finance, will consolidate shared and common services across government to provide efficiencies and cost savings. Austrade has elected to be a receiver of shared services (a customer), given it has neither the capacity nor appetite to be a shared services provider. It has indicated a medium term implementation timeframe (three to five years) because its global business operations add complexity to both transition and planning.

Austrade has nominated three viable providers. However, with differentiated services offerings a full due diligence exercise will be necessary to allow Austrade to ascertain which services should be sourced from which provider. Cost alone cannot be a determinant. Austrade established a shared services steering group in October 2015 to oversee its shared services activities, due diligence and decisions. Austrade expects to embark on detailed provider due diligence during the next six to nine months (July 2016 to March 2017).

### Human resources

Austrade's Human Resources Strategy 2015–17 establishes workforce strategies and programs to respond to the organisation's future directions and challenges. The strategy focuses on the following themes:

- *Workforce and Resourcing* – ensuring Austrade has a properly skilled workforce and organisation structures that reflect and respond to shifting business priorities
- *Workplace and Environment* – providing a safe, healthy and flexible workplace supporting high performance and engagement globally
- *Capability and Performance* – bringing the best out in Austrade's people, drawing on their ideas and growing their skills and capabilities.

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

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

Managers and staff meet regularly to review progress and discuss development requirements. At year-end, performance is formally assessed and excellent or improved performance is recognised. Where poor performance is identified, performance plans are developed to improve performance to required standards. Austrade's performance management processes encourage personal development and build

organisational and individual capability. Workplace behaviour must be consistent with the Australian Public Service Values and Employment Principles.

Human Resources works with business areas to ensure organisation structures and workforce composition align with strategic directions. This enables the agency to better support and position Australian exporters and organisations in foreign markets and to identify and attract foreign direct investment into Australia.

Austrade's capability development initiatives support the development of the core skills and business knowledge required to deliver Austrade's strategic priorities, including by developing skills to:

- build and share market and economic intelligence
- modernise service offerings and business practices
- develop leadership and management skills
- identify and nurturing the next generation of talent, and
- engage constructively and sensibly with risk.

As part of the ongoing implementation of the Human Resources Strategy, in 2016–17 the global human resources team will:

- further develop the agency's workforce analytics capability and capacity so to make better resource deployment decisions and improve talent identification and development
- attract and retain employees using compensation packages which emphasise benefits, workplace flexibility and opportunities, as well as salary
- review transition points and career pathways for Austrade's globally mobile workforce.

## **Information and communications technology**

Austrade's knowledge and information systems underpin Austrade's roles by providing information, advice and services to businesses, the education sector and government. Austrade's information technology connects staff across its widely dispersed network overseas, as well as in Australia.

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

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

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

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

Another key component of Austrade's ICT strategy is to support Austrade's highly mobile workforce which requires out-of-office, mobile access, as well as to provide contemporary IT solutions for the changing way Austrade staff work. There is a continued focus on enhancing mobile and digital communication and visualisation services to provide convenient and flexible access to information for both staff and external stakeholders.

Austrade has adapted its strategy and service delivery model to meet a constantly evolving digital landscape and to meet whole-of-government requirements from the Digital Transformation Office's Digital Services Standard. Austrade has adopted a bi-modal delivery model, blending the stability of proven governance standards and management processes with the agility of a user-centred and agile approach.

## Security

Austrade operates in 48 overseas markets, managing a total of 81 offices in a wide variety of operating environments, where it is responsible for ensuring the safety of staff and security of 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.

## RISK OVERSIGHT AND MANAGEMENT

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 bribery and corruption may be prevalent. 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-adverse.

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
- an internal audit program which aligns with the Agency Risk Management Plan
- leadership by Austrade's Executive in ensuring an effective risk management framework, which includes:
  - › an Audit and Risk Committee and an Ethics Committee which provide advice to the CEO, and
  - › a Workplace Relations Committee, Security Advisory Group and Capital Committee which report more generally to Austrade's Executive, and
- education and awareness raising with staff of their obligations through a compulsory annual governance refresher training module.

As required by section 16 of the PGPA Act 2013 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 provides independent assurance and advice to the CEO on Austrade's financial and performance reporting responsibilities, risk oversight and management, and its system of internal control. The Committee also reviews the proposed internal audit coverage, ensuring it takes into account Austrade's key risks, before endorsing it for approval by the CEO.

Austrade's Legal, Procurement and Fraud team helps manages 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.

## RESOURCES

### Capital investment

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

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

Key investments for 2016-17 include:

- projects to continue to provide more of Austrade's services online
- Enhancing network security architecture and malware protection, and
- Modernising shared drives.

### Operating budget

Finance is working on a strategy to meet budgetary constraints without diminishing the services provided to Australian businesses and institutions. This strategy will include improving administrative processes in areas such as delegations, travel, and procurement.

**Table 7: Austrade's resources 2016–17 to 2019–20**

	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000
Departmental operating budget from Government	197,340	199,168	200,541	199,236
Department budget from other sources <sup>9</sup>	25,110	25,100	25,100	25,100
<b>Total department operating budget</b>	<b>222,450</b>	<b>224,268</b>	<b>225,641</b>	<b>224,336</b>
Total capital budget from Government <sup>10</sup>	16,121	14,321	14,633	14,589
<b>Total departmental resources</b>	<b>238,571</b>	<b>238,589</b>	<b>240,274</b>	<b>238,925</b>
Export Market Development Grants budget	137,900	137,900	137,900	137,900
Other administered programs budget	2,814	2,258	2,046	0
<b>Total administered budget</b>	<b>140,714</b>	<b>140,158</b>	<b>139,946</b>	<b>137,900</b>
Employees (average staffing)	1,020	-	-	-

<sup>9</sup> Includes sales of goods and services revenue and other sources of non-taxation revenue.

<sup>10</sup> 2016–17 includes \$1.595 million Bill 2 equity injections and 2018–19 includes \$0.190 million Bill 2 equity injections.