



**Australian Government**  
**Austrade**

# Submission to Reform of Australian Government Administration

# Austrade

*December 2009*

## **Background**

The Australian Trade Commission (Austrade) is the Australian Government's trade and investment development agency. Austrade has three key roles in supporting the Government's economic agenda: enhancing Australia's national prosperity through assisting Australian firms to develop international business opportunities; increasing the capability and capacity of Australian industry and firms to compete globally; and informing policy and actions that address impediments to trade and investment. Austrade also contributes to the protection and welfare of Australians abroad through the provision of consular and passport services in specific locations overseas.

To undertake these roles, Austrade actively engages with more than 15,000 Australian businesses, ranging from Australia's largest companies to small and medium-sized businesses across all industry sectors. Austrade also engages with thousands of overseas buyers to promote Australian goods and services and with foreign investors across its global network. In 2008–09, Austrade assisted 5,908 Australian businesses to achieve over \$22.2 billion in trade outcomes and worked on more than 500 inward investment projects valued at just over \$13 billion. Austrade administers the Export Market Development Grants scheme, providing more than 4,000 grants, worth over \$185 million in 2008–09.

Austrade is geographically dispersed with offices throughout Australia and a presence in over 100 points of service across 53 countries. The composition of Austrade's workforce is also unique with just over half of its 1047 strong workforce comprising locally engaged staff employed overseas for their business skills and knowledge of their particular markets. Similarly, many of Austrade's staff, particular its Industry and Export Advisors are also recruited from the private sector. Together, this means that a large proportion of Austrade's workforce are not "career" public servants and for many their employment with Austrade is their first experience of working in the Australian Public Service.

Austrade's geographic and cultural diversity presents some management challenges including building a culture of public service and embedding the APS values across the organisation. Equally, this diversity presents opportunities to deliver tailored trade and investment programs and services to Australian businesses and to contribute a unique and distinctive perspective to the development of high quality and innovative policy advice.

Austrade welcomes the opportunity to provide a contribution to the 'Reform of Australian Government Administration' review. This submission focuses on three key areas: Austrade's experience as an international organisation with a culturally diverse and dispersed workforce, and the particular requirements that creates; the contribution service delivery agencies can make to the policy process; and "citizen centred" service to Australian businesses.

*The APS values need to be succinct and meaningful to a culturally diverse workforce*

### **Austrade's workforce**

The composition of Austrade's workforce is unique in the APS context. As at 30 June 2009, Austrade employed 1,047 staff in Australia and across its global network. Less than half (43 per cent) of Austrade staff were based in Australia, of which, 15 per cent were in Canberra. Of the remaining employees (57 per cent), 88 per cent were overseas engaged employees, employed for their business skills and market knowledge.

Austrade's spread of staff across many countries and markets has been driven by its service orientation and client focus. The knowledge and expertise of the offshore network provides Austrade with the ability to tailor service delivery to businesses according to their geographical interests and help businesses to export or invest in more than one market. It also enables Austrade to provide unique input into policy development, for instance with respect to developments and directions in overseas markets and in industry sectors.

At the same time, the cultural and geographic diversity of Austrade's workforce has required the organisation to identify appropriate ways to promote and inculcate the Australian Public Service (APS) values to a range of audiences, many of whom, are not Australian citizens and do not have English as a first language.

One approach Austrade has taken is to build the APS values into an Austrade Code of Conduct for its Overseas Engaged Employees and to implement policies and procedures that align with those required by the APS Values and Code of Conduct set out in the Public Service Act but which are culturally appropriate and meaningful to its staff.

Austrade has also designed its performance management framework around three simple principles - 'Know, Share, Succeed'. These principles encourage Austrade staff to set performance objectives around acquiring detailed knowledge and understanding of markets and sectors or important technical areas; working collaboratively and respectfully to share information; and working with a focus on supporting success by Australian businesses in their international business endeavours. Adherence to the APS values of acting ethically, being responsive, professional and accountable are all key elements of Austrade's performance management system.

Austrade would welcome the development of a set of APS values which are succinct and easily explained to a culturally diverse, "international" workforce; and importantly, which recognise the contribution that overseas engaged employees make to the work of the APS and more broadly to the Australian community.

*Service delivery agencies can help build a more integrated response in Australian government policy and programs*

### **High quality, forward looking and creative policy advice**

Insights and lessons from program and service delivery can make a significant contribution to the delivery of high quality, forward looking and creative policy advice. In terms of trade and investment, good policy outcomes are those that address barriers to trade at the border (e.g. tariffs and quotas), behind the border (e.g. technical regulations, standards and competition policy), as well as those that promote and facilitate export and investment flows. Capturing the practical experiences of businesses engaged in export and investment aids the development of evidence based trade policy by highlighting the key focus for negotiations, as well as the impacts of trade policies and restrictions on investment.

Austrade is increasingly seeking to contribute its program delivery experience and its unique perspective of the needs of Australian businesses engaged in international trade and investment into relevant policy forums.

The Government's desire to see a more holistic and integrated approach to trade and investment policy development has reinvigorated Austrade's interactions and relationships with other Commonwealth agencies on a wide range of issues. Recent examples include Austrade input to the development of the Government's energy green paper; the research and development tax incentive and work on Australia's innovation system and the establishment of Commercialisation Australia.

To play this role, Austrade has needed to reallocate some resources, reassess priorities and reframe responsibilities across its domestic and international network. Austrade's employees are being asked to actively contribute their knowledge of international trade and investment issues into policy discussion both in Canberra and at overseas posts and missions.

Ensuring that processes, mechanisms and systems are implemented to foster integrated policy development and the contribution of broader perspectives would be a positive outcome of the Review's deliberations of measures to achieve high quality, creative and forward looking policy advice e.g. including service delivery agencies on appropriate "policy IDC" processes or in potential "strategic policy hubs". In their consideration, the Review should note that an ongoing challenge for small agencies is having the appropriate resources to provide relevant input into policy.

### **High quality, effective programs and services, focused on the needs of its citizens**

For Austrade, as for a small number of other Commonwealth agencies, the key group of "citizens" with whom we deal with are Australian businesses. It is important in the Review's consideration of 'citizen-centric' approaches and issues that it takes account of this key group in its own right, given that their interests differ significantly from the interests of some other citizen groups and relate less to individuals than to enterprises and industry sectors.

***Australian  
businesses are a  
key citizen group  
for Austrade and  
the Australian  
Government***

For Austrade, the key driver in delivering high quality and effective programs and services is ensuring these are focused on the needs of its key “citizen group” and are delivered in ways that meet those needs.

*Citizen Engagement*

As the vast majority of Austrade’s clients engage globally through a range of different business models, a challenge has been to determine where to focus efforts to maximise trade and investment outcomes that will contribute to Australia’s national prosperity, and defining the services and programs that will generate the most benefits and returns for individual Australian businesses.

In 2007 Austrade undertook a major research project, entitled ‘Journey to Export and International Business (JTE&IB)’ to identify the needs of Australian businesses engaging internationally and the services they would most value from Austrade. The research found that the best way to characterise the service delivery needs of businesses is by their stage of internationalisation rather than company size or location (e.g. rural, regional and metropolitan). Based on this research, Austrade has redefined its service offering to provide a more responsive, targeted and cost effective service to Australian business based on whether they are new to export; expanding their export activity; or moving beyond export to broader international engagement such as joint ventures, franchising, or direct investment.

In addition to this in-depth research, Austrade continues to enhance its knowledge of business needs through a broad annual program of stakeholder engagement at the regional and organisational level. Some examples of relevant activities include:

- a series of annual International Business Roundtables conducted between Austrade and representatives from key industry sectors including agribusiness; infrastructure; automotive; mining; and education. The meetings are focused to gain input on Austrade’s strategies and initiatives in various markets and also to seek advice on the emerging issues affecting the particular industries.
- the *Trade 2020* series of discussions with business, academics and government on the nature of trade and investment over the next decade. Conducted in the second half of 2009, the *Trade 2020* series was designed to stimulate discussion on issues for future policy attention to build Australia’s trade and investment outcomes in a changing global environment.

Austrade also monitors the delivery of its services through the use of an annual client survey. The aim of the survey, which is conducted by an external provider, is to assess satisfaction with Austrade’s service delivery and the contribution it makes to the achievement of business trade and investment outcomes. In the last client survey in 2009, client satisfaction with Austrade’s services remained high at 89 per cent.

Austrade’s experience is that citizen centric service delivery is not only about designing services that meet the needs of “citizens” but also about how and where the service is delivered. It is also about identifying innovative

ways to do more with less, including by collaborating with other agencies to extend service delivery and making better use of technology.

*Partnering with other Agencies*

***Extending  
service delivery  
through  
collaboration  
and partnerships***

There are a range of Commonwealth and State/ Territory agencies with an interest in trade and investment development. By working with a number of these agencies, Austrade has implemented a range of initiatives to extend the delivery of its services. For example, Austrade is working in partnership with the Department of Innovation Industry Science and Research to facilitate the delivery of a wider suite of advisory services for small and medium enterprises through the Enterprise Connect Innovation Centres (Enterprise Connect).

Austrade has also established partnerships with state and territory governments, industry associations and local private and public sector organisations, to facilitate the delivery of services to businesses in regional, rural and metropolitan Australia through its TradeStart network. The TradeStart program, with offices in metropolitan and regional Australia, assists small and medium sized enterprises to undertake export on a regular basis and helps to convert irregular exporters to regular sustained exporters.

Through its Corporate Partnerships program, Austrade has also established relationships with professional service organisations in the business advisory, accounting, legal, logistics and financial sectors. Through these relationships Austrade has been able to extend its service delivery reach by providing assistance and training to these firms to support the international trade and investment efforts of their clients.

Internationally, many Commonwealth, State and Territory agencies have a presence; Austrade works in partnership with a number of these agencies and in a small number of locations, Austrade employs staff on behalf of State and Territory organisations. Austrade sees this collaborative approach benefiting both Austrade and State/ Territory governments and is looking to extend this model to more locations.

*Extending Influence through Technology*

***Supporting  
service delivery  
through  
innovative use of  
technology***

Austrade also has invested significantly in the operation and ongoing development of a high quality and reliable ICT infrastructure and technologies that support the information technology needs of its geographically dispersed and mobile workforce.

A key element of Austrade's infrastructure includes extensive use of video conferencing facilities which enables Austrade staff to facilitate collaboration in international business between overseas buyers and Australian businesses. In doing so, it shortens the time to market for Australian businesses, reduces travel costs and provides a degree of face-to-face contact that otherwise would not be possible.

Through its IT infrastructure, Austrade has also been able to cost-effectively extend its overseas presence through the establishment of 'virtual offices'. Under the virtual office model, Austrade employs local staff who work from home but who are equipped with full access to Austrade's IT systems, processes and information and therefore remain fully in contact with the rest

of the Austrade network. This model has enabled Austrade to establish temporary arrangements to assess demand in new and emerging overseas markets prior to committing a higher level of resources and establishing more permanent office arrangements.

Austrade's ICT infrastructure also supports the work of other Commonwealth, State and Territory agencies operating in overseas markets. For example, Austrade has provided the Department Education, Employment and Workplace Relations staff with access to its ICT services in a number of overseas locations.

Enhancements to Austrade's web presence have also provided the opportunity to extend on-line service delivery and business engagement with clients, customers and investors, to industry, across government, the media and the general community. Austrade has also recently established a presence on all social network sites including Facebook, LinkedIn, MySpace, Twitter, and uses a number of tools such as webinars as a means of providing seminars for businesses that are available any time of the day.

As a service delivery agency, one of the most significant challenges facing Austrade is managing the impact of increasing pressure to find ongoing efficiencies and savings while delivering high quality client service. This is mainly due to the fact that as a highly dispersed agency – both in Australia and overseas, Austrade's cost base comprises largely property, infrastructure and staff costs. In addressing financial pressures facing government and taking a whole-of-government and strategic approach, it is highly desirable to take a calibrated approach which recognises that one size does not always fit all in regard to savings measures. Equally, approaches also need to provide incentive and encouragement for greater innovation, as well as participation and commitment, to "across public sector" provision of services to Australian enterprises seeking to participate in international business.