

The Auditor-General
Audit Report No.39 1999–2000
Performance Audit

Coordination of Export Development and Promotion Activities Across Commonwealth Agencies

Australian National Audit Office

© Commonwealth
of Australia 2000
ISSN 1036-7632
ISBN 0 642 44260 6

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth, available from:

The Manager,
Legislative Services,
AusInfo
GPO Box 1920
Canberra ACT 2601

or by email:
Cwealthcopyright@dofa.gov.au

Canberra ACT
13 April 2000

Dear Madam President
Dear Mr Speaker

The Australian National Audit Office has undertaken an across-agency performance audit in accordance with the authority contained in the *Auditor-General Act 1997*. I present this report of this audit, and the accompanying brochure, to the Parliament. The report is titled *Coordination of Export Development and Promotion Activities Across Commonwealth Agencies*.

Following its tabling in Parliament, the report will be placed on the Australian National Audit Office's Homepage—
<http://www.anao.gov.au>.

Yours sincerely



P. J. Barrett
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office. The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits and financial statement audits of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

Auditor-General reports are available from Government Info Shops. Recent titles are shown at the back of this report.

**For further information contact:
The Publications Manager
Australian National Audit Office
GPO Box 707
Canberra ACT 2601**

**Telephone (02) 6203 7505
Fax (02) 6203 7798
Email webmaster@anao.gov.au**

ANAO audit reports and information about the ANAO are available at our internet address:

<http://www.anao.gov.au>

Audit Team

Alan Greenslade
Tim O'Brien
Kelly Schomaker
Jeanette Baird
Carolyn Lloyd

Contents

Abbreviations	7
Summary and Recommendations	
Summary	11
Assistance to exporters	11
Audit objective and approach	12
Conclusion	13
Agency responses	14
Key Findings	15
Nature and extent of export development and promotion activities	15
Coordination across Commonwealth agencies	15
Identifying agency involvement	17
Accountability, performance measurement and cost recovery	19
Recommendations	21
Audit Findings and Conclusions	
1. Introduction	27
Background	27
Export development and promotion assistance	28
Strategic policy context	29
The audit	31
2. Nature and Extent of Export Development and Promotion Activities	34
Introduction	34
Export development and promotion assistance by agency and sector	35
Cost of export development and promotion activities	39
3. Coordination Across Commonwealth Agencies	42
Introduction	42
Extent of coordination activity	42
Existing coordination mechanisms	44
Avoiding duplication of export development and promotion activities	48
Liaison with industry and State Government departments	49
Austrade's coordination role	50
Austrade's role in assisting agencies to deliver programs	54
4. Identifying Agency Involvement	56
Identifying export development and promotion activities	56
Agency roles and responsibilities for export development and promotion	59

5. Accountability, Performance Measurement and Cost Recovery	63
Mortimer design criteria	63
Mortimer design criteria implementation	65
Performance measurement	66
Charging and cost recovery	70
Appendices	
Appendix 1: Audit Criteria	77
Appendix 2: Export development and promotion activities identified during the audit	78
Appendix 3: Commonwealth Agency Coordination Mechanisms	91
Appendix 4: Key elements of Austrade’s strategy & action plan to implement its role as coordinator of export programs across Commonwealth Agencies	96
Appendix 5: Overseas examples of across-agency performance measurement	100
Index	102
Series Titles	103
Better Practice Guides	106

Abbreviations

ABS	Australian Bureau of Statistics
AC	Australia Council
ACS	Australian Customs Service
ADC	Australian Dairy Corporation
ADFB	Australian Dried Fruits Board
AEI	Australian Education International
AFC	Australian Film Commission
AFFA	Department of Agriculture, Fisheries and Forestry— Australia
AHC	Australian Heritage Commission
ANAO	Australian National Audit Office
APC	Australian Pork Corporation
AQIS	Australian Quarantine and Inspection Service
ATC	Australian Tourist Commission
Austrade	Australian Trade Commission
AWRPO	Australian Wool Research and Promotion Organisation
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DEH	Department of Environment and Heritage
DETYA	Department of Education, Training and Youth Affairs
DFAT	Department of Foreign Affairs and Trade
DHAC	Department of Health and Aged Care
DISR	Department of Industry, Science and Resources
DoCITA	Department of Communications, Information Technology and the Arts
DoFA	Department of Finance and Administration
DRDC	Dairy Research and Development Corporation
DTRS	Department of Transport and Regional Services
EFIC	Export Finance and Insurance Corporation

EIP Branch	Exports and International Programs Branch
EMDG	Export Market Development Grants
FRDC	Fisheries Research and Development Corporation
GDP	Gross Domestic Product
GRDC	Grains Research and Development Corporation
MDTF	Market Development Task Force
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
NTC	National Trade Consultations
PRDC	Pig Research and Development Corporation
TOOS	Trade Outcomes and Objectives Statement
TPAC	Trade Policy Advisory Council

Summary and Recommendations

Summary

Assistance to exporters

1. Australia's economic performance depends, in large measure, on its success in exporting goods and services. One in five jobs were dependent on these exports which contributed to some 19 per cent of GDP in 1998–99.

2. Many factors contribute to export success. They include access to overseas markets; an understanding of the target export markets; competitive products tailored to the demands of markets; and access to export finance and insurance. This audit focuses on another key element of export success—export development and promotion—and the Commonwealth's role in providing export development and promotion services.

3. Austrade is the Commonwealth Government's key export promotion agency. It assists Australian firms to find export and investment opportunities overseas through about 100 offices across Australia and around the world. Much of the export development and promotion assistance provided through Austrade is directed at small and medium sized enterprises.

4. An integrated and coordinated whole of government focus has underpinned the Government's approach to trade policy. In November 1996, the Government announced a comprehensive Review of Business Programs, including the assistance provided to Australian firms to address the time, costs and risks associated with exporting. In June 1997, Mr David Mortimer reported to the Government on the results of his Review of Business Programs entitled *Going for Growth—Business Programs for Investment, Innovation and Export*. The Government's response to that report, *Investing for Growth*, outlined a range of new measures designed to increase Australian exports and promote economic growth as well as announcing the acceptance of design principles for new and reviewed business programs recommended in the Mortimer Report.

5. The Government has charged Austrade with responsibility for coordinating and advising on the development of export programs across Commonwealth agencies to ensure a focussed and consistent approach to winning overseas markets and measuring the outcomes from those programs.

Audit objective and approach

6. The audit objective was to assess the extent to which export development and promotion activities across Commonwealth agencies are managed in a coordinated manner to maximise their effectiveness and transparency, and to minimise duplication. Particular attention was given to:

- Austrade's role in coordinating and advising on the development of export programs across Commonwealth agencies; and
- the design, delivery and evaluation of programs consistent with the Mortimer Review design criteria agreed by Government.

7. The audit addressed services provided directly by, or through, Commonwealth agencies while focussing on export promotion activities such as trade shows, trade missions and in-market support, and on the provision of information and/or advice to assist enterprises to export. The audit did not cover high-level systemic activities to expand market access, such as multilateral and government-to-government bilateral negotiations; export insurance and guarantees; the export of an agency's own goods; and inward investment.

8. The audit examination addressed the relevant activities of the following seven agencies:

- Australian Trade Commission (Austrade)
- Department of Agriculture, Fisheries and Forestry—Australia (AFFA);
- Department of Communications, Information Technology and the Arts (DoCITA);
- Department of Defence;
- Department of Education, Training and Youth Affairs (DETYA);
- Department of Foreign Affairs and Trade (DFAT); and
- Department of Industry, Science and Resources (DISR).

9. In addition, the relevant activities of other Commonwealth providers of export development and promotion assistance were identified by conducting a survey of Commonwealth agencies. This survey identified 18 agencies with export development and promotion activities of relevance to the audit.

Conclusion

10. There is a considerable amount of coordination across Commonwealth agencies, both at a whole of government level and on an agency-to-agency basis. The various whole of government coordination mechanisms are well defined and clearly set out and provide a framework for effective coordination. While there are numerous agency-to-agency coordination mechanisms, many are informal and thus cannot be relied upon in a systematic way to deliver the best outcome for exporters, potential exporters and government. While there was little evidence of the duplication of activities by Commonwealth agencies, weaknesses in coordination present the risk of this occurring.

Austrade's coordination role

11. Austrade has taken some steps towards implementing its formal coordination role but overall progress has been limited. Austrade has developed a strategy for this role which involves a more proactive approach than in the past and, when fully implemented, will provide greater assurance of effective coordination to stakeholders. Austrade, therefore, should give priority to implementing its strategy for better results. In addition, there are a number of key areas that should be addressed by Austrade and other Commonwealth export development and promotion agencies as part of the implementation process as follows:

- Austrade should address any real or perceived tensions that arise between its role of providing advice to Commonwealth agencies on developing export programs and its potential role of helping those agencies deliver their export assistance programs;
- the nature and extent of significant export assistance should be identified and reported to Austrade by the agencies providing such assistance, to support the effective coordination of export development and promotion activities and so enhance Australia's export outcomes;
- agencies should undertake further action to identify and promote their services to overcome stated stakeholder concerns that the roles and responsibilities of agencies are not always clear;
- Austrade, in consultation with other key agencies, should develop a common set of high-level performance indicators that can both meet the needs of individual agencies that have responsibility for significant export development and promotion activities, and allow suitable comparisons across those activities; and

- Austrade should consult other relevant Commonwealth agencies to develop appropriate cost recovery guidelines for export development and promotion activities and agencies should apply those guidelines, where applicable, to their activities.

Mortimer design criteria

12. There was little evidence within agencies that Mortimer program design principles were actively considered when new export development and promotion activities were developed or existing activities were reviewed. Agencies should therefore review their administrative procedures to ensure that Mortimer program design principles are addressed whenever new export development and promotion activities are developed and/or existing activities are reviewed.

Agency responses

13. The seven agencies audited have either agreed with the recommendations or agreed with qualification.

14. Responding to the report, Austrade commented:

Austrade considers that the ANAO's report provides a timely fillip for a whole of government approach to export development and promotion. Austrade is pleased to note that the report endorses its Strategy and Action Plan and that the ANAO has acknowledged the difficult issues facing Austrade in undertaking its coordination role. The seven recommendations provide a comprehensive coverage of key issues to be addressed and help to more clearly define Austrade's role. Importantly, the report identifies a responsibility for agencies to identify, measure and report on their export promotion activities.

Key Findings

Nature and extent of export development and promotion activities (Chapter 2)

15. There is no existing arrangement that would identify the nature and extent of all export development and promotion activities and services undertaken or provided by Commonwealth agencies. The ANAO identified 25 agencies involved in export development and promotion activities, which were estimated to cost more than \$400 million in 1998–99. In general, agencies (apart from Austrade) specialise in assisting just a few sectors.

16. Individual agencies were not readily able to supply information on the cost of their involvement in export development and promotion activities for 1998–99. Many agencies were able to provide only the direct costs of specific export development and promotion activities, rather than the full cost. In many cases, it was not possible to separate the amount expended on export development and promotion activities from the amount expended on other related activities within the same program.

Coordination across Commonwealth agencies (Chapter 3)

Existing coordination mechanisms

17. The majority of agencies surveyed indicated that they coordinated their export development and promotion activities with other relevant Commonwealth agencies.

18. Export development and promotion activities are coordinated by Commonwealth agencies through many mechanisms, both at a whole of government level and on an agency-to-agency basis.

19. Whole of government mechanisms focus on a particular sector, or industry within a sector, or focus on a short-term market access strategy. Examples include the Government's Supermarket to Asia Council and the Automotive Market Access and Development Strategy. These mechanisms are well defined and clearly set out, and provide a framework for the effective coordination of export development and promotion activities. Agency-to-agency mechanisms cover a variety of mechanisms set up at the agency level to facilitate export development and promotion activities. Although these involve varying levels of formality, they are generally less structured and have a lower profile

than whole of government mechanisms. These arrangements might involve more than one agency and may also involve industry. Examples range from formal purchaser-provider agreements to informal liaison at officer level.

20. While the numerous agency-to-agency mechanisms assist overall coordination, many are informal and thus cannot be relied upon in a systematic way to deliver the best outcome for exporters, potential exporters and government.

21. Weaknesses in coordination present the risk of two or more Commonwealth agencies seeking to provide the same or a similar service to exporters without adequate knowledge of the others intentions. This may result in a greater than necessary expenditure of Commonwealth resources and runs counter to Government policy. Indeed, one of the Mortimer Design Criteria for new and reviewed business programs accepted by the Government states that *'Programs should avoid duplication with other programs.'*¹

22. In practice there was little evidence of this occurring, but the risk remains given the number of agencies providing assistance to the same sector or involved in similar activities. The risk is heightened by the absence of arrangements which readily identify significant export development and promotion activities across agencies.

Liaison with industry and State Government departments

23. Effective liaison by Commonwealth agencies with industry associations and State Governments, who are also active in assisting exporters, contributes to effective export outcomes for Australia.

24. Most of the State Government departments that responded to the ANAO considered that coordination between the Commonwealth and States is working well, although all considered that there was room for improvement.

25. The ANAO also found that Commonwealth agencies consulted industry associations when developing activities involving export development and promotion; in many sectors, industry bodies were leading the development of integrated industry development strategies.

¹ Mortimer Design Criteria 2. *Investing for Growth*, 1997 p. 83.

Austrade's coordination role

26. *Investing for Growth* outlines the Government's expectation that Austrade play a key role in coordinating and advising on export program development across Commonwealth agencies to ensure a focussed and consistent approach to winning overseas markets and measuring the outcomes from those programs. In addition to these key roles, Austrade also has a role as the Commonwealth's export promotion agency and, as such, may assist Commonwealth agencies in the actual delivery of their programs.

27. During the course of the audit, Austrade developed a formal strategy for implementing its role as coordinator of export programs across Commonwealth agencies. The ANAO found that, while Austrade has taken some steps towards implementing its coordination role, overall progress has been limited. Austrade's strategy involves a more proactive approach than in the past and, when implemented, will provide greater assurance of effective coordination to stakeholders. Austrade has now appointed a senior manager to fully implement and manage the coordination strategy.

28. There was general acceptance and support among agencies for Austrade's coordination role. While there was an expectation that Austrade should initiate action and provide leadership in export programs coordination, a number of agencies commented that they did not want this to result in unnecessary intrusion of Austrade into their day-to-day program management and policy responsibilities. The challenge for Austrade is to implement its coordination role without diminishing existing arrangements that work well.

Identifying agency involvement (Chapter 4)

29. A prerequisite for the effective coordination of export development and promotion activities is adequate knowledge of the nature of export assistance being provided by various agencies. Transparency of activities increases accountability and reduces the possibility of agencies seeking to provide the same or a similar service to exporters. Transparency also facilitates greater agency interaction, potentially contributing to economies of scale and synergies in the assistance that they provide.

30. Identifying and reporting export development and promotion costs across Commonwealth agencies enhances transparent management of these activities. For example, such information can assist inter year comparisons of the amount of assistance provided to a particular activity or sector.

Activities are not always easy to identify and quantify

31. There is no existing arrangement that would enable the nature and full extent of all significant export development and promotion assistance across agencies to be identified. The precise boundaries between export development and promotion activities and other related activities within the same agency program can be difficult to draw; and even where export development and promotion activities were readily identifiable in some agencies, it was not always easy to separate those activities from related functions such as government-to-government liaison.

32. However, the absence of adequate information in respect of significant assistance programs both reduces accountability and increases the likelihood of different agencies providing the same or a similar service to exporters. Better information would facilitate agency interaction, potentially contributing to economies of scale and synergies in the assistance provided, thereby contributing to export outcomes. In addition, better information would facilitate Austrade's coordination and advisory role.

33. The ANAO recognises that the export development and promotion element of a program may be unexpected or incidental to the program, eg. a small element of a much larger program. Any arrangement to ensure that knowledge of export development and promotion activities and costs is identified and appropriately shared needs to recognise and take account of these difficulties.

Agency roles and responsibilities for export development and promotion

34. Effective Commonwealth support and quality client service to exporters requires that stakeholders are able to seek advice and assistance from the most appropriate agency. To achieve this goal, stakeholders need to be able to identify and understand the various roles and responsibilities of the many agencies that provide such services.

35. The ANAO found that State Government departments generally understood Austrade's role but that the roles of DISR, DFAT and DoCITA were less well understood. It was felt that clarifying the roles and responsibilities of some Commonwealth agencies would make appropriate contacts easier to identify. About half of the industry groups consulted by the ANAO also indicated that clarification of Commonwealth agency roles was needed.

36. Austrade has a key role in helping clients identify appropriate Commonwealth contact points for assistance. In this context it is relevant

that Austrade's proposed implementation plan for its role as coordinator of export programs includes discussions with relevant agencies on roles and responsibilities.

Accountability, performance measurement and cost recovery (Chapter 5)

Mortimer design criteria implementation

37. The implementation of a program of activities to address a new export development and promotion need generally involves four stages:

1. *identifying* an export development and promotion opportunity;
2. *designing* an activity to expand this opportunity;
3. *implementing* the activity; and
4. *reviewing* the activity.

38. The ANAO found weaknesses in the second and fourth stages of the export development and promotion process. In particular, there was little evidence within the seven main agencies that Mortimer program design principles were actively considered when new export development and promotion activities were developed, or when existing export development and promotion activities were reviewed.

Performance measurement

39. Mortimer Design Criteria 1 states that '*programs must have clear objectives and measurable performance indicators that focus on end results.*' To assess agency compliance with this requirement, the ANAO examined the performance indicators relating to export development and promotion activities in the seven main agencies and as reported by surveyed agencies.

40. The ANAO found that, in most cases, export development and promotion activities could not be identified from statements of agency outputs and outcomes. For some agencies, performance indicators at the Portfolio Budget Statement level necessarily reflected the core business of those agencies, rather than lower priority export activities. In other agencies, performance indicators were more a restatement of the export activity.

41. It is to be expected that different export development and promotion programs are likely to have different objectives that would require specific program-level performance indicators. However, this would not preclude developing a common set of high-level performance indicators that may be used by agencies with responsibility for significant export programs to evaluate and compare the export assistance that they provide. It would also enable Austrade to construct an across-agency perspective on performance.

Charging and cost recovery

42. Mortimer Design Criteria 7 states that *'where there is a clear private benefit, programs should adopt a cost recovery regime, with the return put back into the program.'* *Investing for Growth* also requires Austrade *'to ensure a focussed and consistent approach to winning overseas markets...'*

43. The application of a consistent approach across agencies to charging and cost recovery would enable exporters to seek the most appropriate assistance or service rather than one that might be free or less costly than another. Clear and transparent fees support this process.

44. However, the ANAO found considerable variation in policies and practices on fees charged. Some agencies charge for export development and promotion services while others did not see this as a requirement. The ANAO found fee for service guidelines in only three of the seven main agencies examined. Where the other four agencies did charge fees, the fee for service guidelines were not available to clients.

45. Clear, across-agency guidelines would facilitate the application of a consistent approach to charging fees for export development and promotion assistance (other than in instances where Government priorities mean that fees should not be charged as a matter of policy). Such guidelines would need to recognise that there will be circumstances where the small size of an export assistance program would not make it cost-effective to charge fees.

Recommendations

Set out below are the ANAO's recommendations aimed at improving the coordination of export development and promotion activities across Commonwealth agencies. Report paragraph references and abbreviated responses are also included. More detailed responses are shown in the body of the report. The ANAO considers that agencies should give priority to Recommendations 1, 3 and 4.

Recommendation No.1
Para. 3.39
Austrade's coordination role

The ANAO recommends that Austrade give priority to implementing its strategy for coordinating export development and promotion programs across Commonwealth agencies, consistent with its Government endorsed role. Austrade's implementation strategy should:

- be clearly linked to its Operational Plan;
- consider risks to coordination and means to minimise those risks;
- consider the use of existing coordination mechanisms within specific industries or sectors; and
- incorporate key timelines and performance measures.

Austrade response: Agreed

AFFA response: Agreed with qualification

DoCITA response: Agreed

Defence response: Agreed

DFAT response: Agreed

DISR response: Agreed with qualification

Recommendation No.2
Para. 3.49
Austrade’s role in assisting agencies to deliver programs

The ANAO recommends that Austrade establish procedures to address any real or perceived tensions that may arise between its role of providing advice to Commonwealth agencies on the development of export programs, and its potential role of helping those agencies deliver their export assistance programs.

Austrade response: Agreed

AFFA response: Agreed

DoCITA response: Agreed

Defence response: Agreed

DFAT response: Agreed

DISR response: Agreed

Recommendation No.3
Para. 4.11
Identifying export development and promotion activities

To support the effective coordination of export development and promotion activities and enhance Australia’s export outcomes, the ANAO recommends that the nature and extent of significant export assistance be identified and reported to Austrade by the agencies involved in providing such assistance.

Austrade response: Agreed

AFFA response: Agreed with qualification

DoCITA response: Agreed

Defence response: Agreed

DETYA response: Agreed with qualification

DFAT response: Agreed with qualification

DISR response: Agreed

Recommendation No.4
Para. 4.30

The ANAO recommends that agencies clearly identify and communicate to stakeholders their respective responsibilities for export development and promotion activities and services.

Agency roles and responsibilities for export development and promotion activities

Austrade response: Agreed

AFFA response: Agreed

DoCITA response: Agreed

Defence response: Agreed

DETYA response: Agreed

DFAT response: Agreed

DISR response: Agreed

Recommendation No.5
Para. 5.4

The ANAO recommends that Commonwealth agencies review their administrative procedures to ensure that Mortimer program design principles are addressed whenever new export development and promotion activities are developed or existing activities are reviewed.

Implementing Mortimer design criteria

Austrade response: Agreed

AFFA response: Agreed

DoCITA response: Agreed

Defence response: Agreed

DETYA response: Agreed with qualification

DFAT response: Agreed

DISR response: Agreed

Recommendation No.6
Para. 5.22

Performance indicators

To enable an across-agency assessment by Austrade of export development and promotion activities, the ANAO recommends that Austrade develop, in consultation with key agencies and where possible and meaningful, a common set of high-level performance indicators that can both meet the needs of individual agencies that have responsibility for significant export development and promotion activities, and allow comparisons across those activities.

Austrade response: Agreed

AFFA response: Agreed with qualification

DoCITA response: Agreed with qualification

Defence response: Agreed with qualification

DETYA response: Agreed

DFAT response: Agreed

DISR response: Agreed with qualification

Recommendation No.7
Para. 5.37

Charging and cost recovery

The ANAO recommends that, to facilitate a clear and consistent approach to fees, Austrade consult other relevant Commonwealth agencies and develop appropriate cost recovery guidelines for export development and promotion activities and that agencies apply those guidelines, where applicable, to their export activities.

Austrade response: Agreed

AFFA response: Agreed with qualification

DoCITA response: Agreed

Defence response: Agreed with qualification

DETYA response: Agreed with qualification

DFAT response: Agreed with qualification

DISR response: Agreed

Audit Findings and Conclusions

1. Introduction

This chapter provides an overview of the context in which export development and promotion assistance occurs and outlines the audit objective, terminology and methodology used.

Background

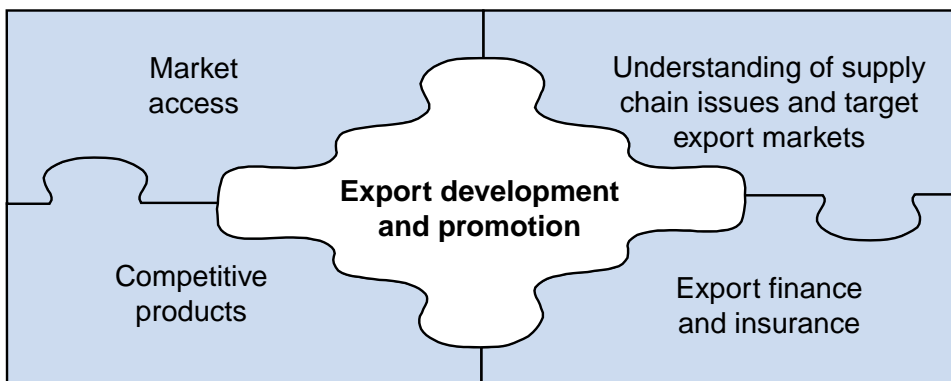
1.1 Australia's economic performance depends, in large measure, on its success in exporting goods and services. In 1998–99 exports of goods and services amounted to \$111.6 billion or 18.8 per cent of GDP, with nearly one in five Australian jobs (1.7 million) dependent on those exports. The Government seeks to facilitate Australia's exports by providing a range of export development and promotion services to Australian enterprises.

1.2 As illustrated in Figure 1.1, effective *export development and promotion* is only one of many factors that contribute to export success. Access to overseas markets and the ongoing elimination of barriers to *market access* is a critical factor and involves government-to-government bilateral negotiation, as well as multilateral negotiations in forums such as the World Trade Organisation.

1.3 An *understanding of supply-chain issues and target export markets* are also significant factors. *Competitive products* (goods or services), tailored to the demands of specific markets, are crucial to export success, as is access to appropriate *export finance and insurance*. No one factor is sufficient for export success: when combined, they provide a strong framework for individual companies and organisations to achieve export sales.

Figure 1.1

Some of the key factors that contribute to export success



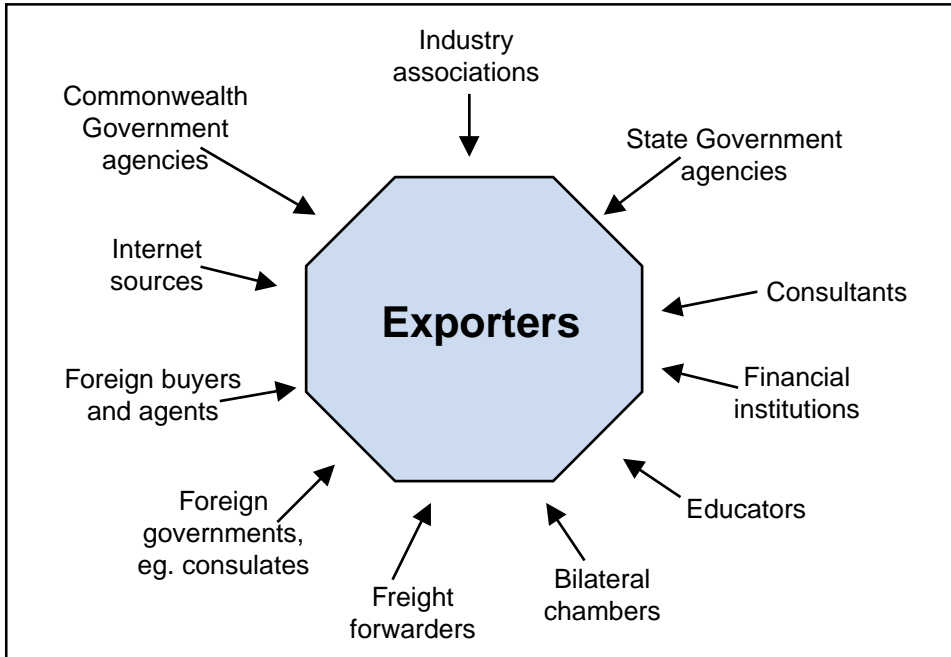
Source: ANAO analysis.

Export development and promotion assistance

1.4 As illustrated in Figure 1.2, many agencies and organisations provide advice and assistance to Australians seeking to export, including State and Territory Governments and private providers.

Figure 1.2

Sources of advice and assistance to Australian exporters



Source: ANAO analysis.

1.5 Commonwealth Government policies and programs play an important role in determining market access and in setting export controls. For example, the Commonwealth Government is a significant provider of export finance and insurance, through the Export Finance and Insurance Corporation (EFIC). EFIC complements banks and other financial institutions by providing internationally competitive insurance and finance services that the commercial market may not have the capacity to bear.

1.6 Austrade is the Commonwealth Government's key export promotion agency. It assists Australian firms to find export and investment opportunities overseas through the operation of about 100 offices across Australia and around the world. Much of the export development and promotion assistance provided through Austrade is directed at small and medium sized enterprises.

1.7 Austrade works closely with a number of Commonwealth departments and bodies, including the Department of Foreign Affairs and Trade (DFAT), the Department of Industry, Science and Resources (DISR), the Department of Agriculture, Fisheries and Forestry—Australia (AFFA) and EFIC to implement the Government’s trade agenda and promote Australia as a destination for foreign investment. Austrade also maintains contact with State and local government bodies, chambers of commerce and industry groups to extend its reach into regional Australia.

1.8 The nature and intensity of assistance provided by Austrade varies considerably depending on an exporter’s knowledge, capability and experience in a particular overseas market. For example, a first-time exporter may require information and guidance on either choosing an appropriate market or exhibiting at a trade show. On the other hand, an experienced exporter may require more intensive and sophisticated assistance to design long-term strategies for the expansion of its export business or may need help to form an alliance with a network of local business people overseas. The same firm may require different levels of assistance for exports to different markets. This tailored approach to the provision of services by Austrade is reflected in its Client Service Policy².

1.9 Many other Commonwealth agencies and statutory bodies also assist exporters. Some assist a specific industry or sector—eg. wool or education—while others, like Austrade, have a broader focus, eg. Department of Industry, Science and Resources and the Department of Foreign Affairs and Trade.

Strategic policy context

1.10 The Government’s trade and industry policy objectives include:

- increasing the international competitiveness of Australian industry;
- improving existing market access for Australian goods, services and investment overseas; and
- identifying and developing new markets and promoting Australian business and exports overseas.

² Austrade introduced its Client Service Policy in July 1995 to address a number of deficiencies in its service delivery. The ANAO reported on this policy in Audit Report No. 4 of 1998–99, *Client Service Initiatives*.

1.11 An integrated and coordinated whole of government focus underpins the Government's approach to trade policy. For example, the Government has sought to better coordinate and focus the two arms of trade policy—access and promotion—through initiatives such as the Market Development Task Force (MDTF) and the *Trade Outcomes and Objectives Statement (TOOS)*. The MDTF coordinates and prioritises market access, market development and trade promotion activities while TOOS sets out and reviews annually the Government's trade objectives.

1.12 In November 1996, the Government announced a comprehensive Review of Business Programs, including the assistance that is provided to Australian firms to address the time, costs and risks associated with exporting. The Review was '*about getting the mix of business programs right to assist industry meet the challenges of an increasingly competitive global market.*' In June 1997, David Mortimer presented to the Government his Review of Business Programs entitled *Going for Growth—Business Programs for Investment, Innovation and Export*. The Government's response to that report, *Investing for Growth*, was announced in November 1997.

1.13 *Investing for Growth* outlined a range of new measures designed to increase Australian exports and promote economic growth. The Government charged Austrade with responsibility for coordinating and advising on the development of export programs across Commonwealth agencies. Austrade's responsibilities in this regard are set out in Figure 1.3.

Figure 1.3
Austrade's responsibilities

Business programs to promote trade
<p>A key component of the Government's trade strategy is the assistance it provides Australian firms to address the time, costs and risks associated with exporting.</p> <p>If Australia is to reap the full benefits of trade liberalisation, we must have export oriented firms that can compete effectively in the global marketplace. The government is facilitating export activity to this end.</p> <p>The Government will require the Australian Trade Commission (Austrade) to play a key role in coordinating and advising on the development of export programs across Commonwealth agencies to ensure a focussed and consistent approach to winning overseas markets and measuring the outcomes from those programs.</p> <p>The Government is committed to business programs that promote exports but are fully consistent with our international obligations, including those under the WTO. The trade initiatives announced here are designed to better support exporters while they are securing new markets, to increase export participation and to expand community awareness of the need for Australians to become active players in export and investment. They are focussed particularly on the needs of small and medium sized enterprises (SMEs) and regional companies. Austrade will continue to be charged with raising awareness of the export assistance services provided by the Government.</p>

Source: *Investing for Growth*, p. 54 (emphasis added)

The audit

Audit objective and criteria

1.14 The audit objective was to assess the extent to which export development and promotion activities across Commonwealth agencies are managed in a coordinated manner to maximise their transparency and minimise duplication. Particular attention was given to:

- Austrade’s role in coordinating and advising on the development of export programs across Commonwealth agencies; and
- the design, delivery and evaluation of programs consistent with the Mortimer Review design criteria agreed by Government.

1.15 The audit addressed services provided directly by, or through, Commonwealth agencies while focussing on export promotion activities such as trade shows, trade missions and in-market support, and on the provision of information and/or advice to assist enterprises to export. For the purpose of the audit, export development and export promotion were defined as:

Activities which assist Australian industry to make export sales of goods and services (including activities undertaken in Australia such as tourism and education), by providing or funding the following:

- *general advice about exporting and doing business internationally;*
- *advice on export readiness;*
- *identification of export opportunities;*
- *advice on and assistance in selecting, understanding and entering export markets;*
- *international market research and market intelligence;*
- *trade promotion;*
- *export marketing; and*
- *market development initiatives to expand overseas business including major international project activity.*

1.16 The audit scope broadly matched categories used internationally³ to describe export services:

- 1) *awareness and advisory services*—such as general advice on exporting, publications, education seminars;

³ UK National Audit Office: *Overseas Trade Services: Assistance to Exporters*, HC 293, April 1996; Category IV of the *US National Export Strategy—Information/Counselling/Export Assistance Services*; 1999 *Core Characteristics Survey of APEC Trade Promotion Organisations*, prepared by Austrade for APEC Working Group on Trade Promotion.

- 2) *market information*—such as providing a piece of intelligence for a specific market; and
- 3) *in-country assistance*—such as trade shows or trade delegations.

1.17 As the audit focussed on the provision of specific assistance to Australian enterprises, it did not cover high-level systemic activities to expand market access, such as multilateral and government-to-government bilateral negotiations. Similarly, the audit excluded export insurance and guarantees, the export of an agency's own goods or services and efforts to attract overseas investment into Australia.

1.18 The audit criteria addressed the efficiency and administrative effectiveness of the plans, systems and controls in place to coordinate the design, delivery and evaluation of selected Commonwealth export assistance activities. The criteria were based on the Mortimer Review business program design criteria and the whole of government perspective introduced by reviews such as *Investing for Growth*. Full audit criteria are shown at Appendix 1.

Audit methodology

1.19 The audit was conducted in accordance with ANAO auditing standards. The cost of the audit to report tabling was \$398 000.

1.20 As noted above, export programs are spread over many Commonwealth agencies. The ANAO sought to identify and assess relevant activities by direct audit examination and interviews in the following seven agencies considered most extensively involved in trade and/or industry development:

- Australian Trade Commission (Austrade);
- Department of Agriculture, Fisheries and Forestry—Australia (AFFA);
- Department of Communications, Information Technology and the Arts (DoCITA);
- Department of Defence;
- Department of Education, Training and Youth Affairs (DETYA);
- Department of Foreign Affairs and Trade (DFAT); and
- Department of Industry, Science and Resources (DISR).

1.21 The relevant activities of other Commonwealth providers of export development and promotion assistance were identified by conducting a survey of 65 Commonwealth agencies considered to be potentially involved in these activities. Eighteen of these agencies identified relevant export development and promotion activities. The ANAO did not undertake fieldwork in, or for the most part seek to verify the information provided by, the 18 surveyed agencies.

1.22 Letters were written to industry peak bodies and State Government departments seeking their views on the effectiveness of the current arrangements for the coordination of export development and promotion activities.

1.23 To identify international practice relating to the coordination of export development and promotion, the ANAO also examined relevant audits undertaken in the United States, the United Kingdom and Canada.

2. Nature and Extent of Export Development and Promotion Activities

This chapter sets out the nature and extent of export development and promotion activities undertaken by Commonwealth agencies. The ANAO's fieldwork and survey revealed 25 agencies undertaking activities estimated to cost more than \$400 million in 1998–99. Chapter 4 examines issues involved in identifying the information set out in this chapter.

Introduction

2.1 Export programs are spread over many Commonwealth agencies. There is no existing arrangement that would identify the nature and extent of all export development and promotion activities and services undertaken or provided by Commonwealth agencies. The ANAO sought to identify relevant activities by direct audit examination in the seven agencies considered to be more extensively involved in trade and/or industry development. Other Commonwealth providers of export development and promotion assistance were identified through the survey of Commonwealth agencies. This resulted in 25 agencies involved in export development and promotion activities identified and reported to the ANAO. These agencies are set out in Figure 2.1.

Figure 2.1**Agencies involved in export development and promotion activities⁴**

Australian Trade Commission (Austrade)
Department of Agriculture, Fisheries and Forestry—Australia (AFFA)
Department of Communications, Information Technology and the Arts (DoCITA)
Department of Defence
Department of Education, Training and Youth Affairs (DETYA)
Department of Foreign Affairs and Trade (DFAT)
Department of Industry, Science and Resources (DISR)
Australia Council (AC)
Australian Bureau of Statistics (ABS)
Australian Customs Service (ACS)
Australian Dairy Corporation (ADC)
Australian Dried Fruits Board (ADFB)
Australian Film Commission (AFC)
Australian Heritage Commission (AHC)
Australian Pork Corporation (APC)
Australian Tourist Commission (ATC)
Australian Wool Research and Promotion Organisation (AWRPO)
Commonwealth Scientific and Industrial Research Organisation (CSIRO)
Dairy Research and Development Corporation (DRDC)
Department of Environment and Heritage (DEH)
Department of Health and Aged Care (DHAC)
Department of Transport and Regional Services (DTRS)
Fisheries Research and Development Corporation (FRDC)
Grains Research and Development Corporation (GRDC)
Pig Research and Development Corporation (PRDC)

Export development and promotion assistance by agency and sector**Sectors assisted by agencies**

2.2 Table 2.1 summarises agency export development and promotion assistance by sector identified by the audit. Although most agencies specialise in assisting one or two sectors, some agencies provided assistance to a number of sectors. Austrade provides assistance to all sectors.

⁴ Direct fieldwork was undertaken in the shaded agencies. Other agencies reported their export development and promotion activities in the survey of agencies.

Table 2.1

Agency export development and promotion assistance by sector

Sector	Agribusiness	Arts	Automotive	Aviation	Biotechnology and Science	Building and Construction	Defence and aerospace	Education	Environment	Financial services	Health and pharmaceutical	Heavy engineering	IT and communications	Infrastructure	Legal and business services	Manufacturing	Marine	Mining	Small business	Sport	Textiles, clothing and footwear	Transport and railways	Tourism	Other
Agency ⁵	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Austrade	✓																							
Dept of Agriculture, Fisheries, Forestry-Aust	✓																							
Dept of Communications, Info Tech and the Arts		✓											✓											
Dept of Defence			✓			✓															✓			
Dept of Education, Training and Youth Affairs							✓																	
Dept of Foreign Affairs and Trade ⁶	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dept of Industry, Science and Resources			✓		✓	✓																		
Australia Council		✓																	✓					
Australian Bureau of Statistics																								
Australian Customs Service																								
Australian Dairy Corporation	✓																							
Australian Dried Fruits Board	✓																							
Australian Film Commission		✓																						
Australian Heritage Commission																								
Australian Pork Corporation	✓																							
Australian Tourist Commission																								
Aust Wool Research and Promotion Organisation	✓																							
CSIRO	✓		✓		✓	✓																		
Dairy Research and Development Corporation	✓																							
Dept of Environment and Heritage																								
Dept of Health and Aged Care																								
Dept of Transport and Regional Services	✓		✓																					
Fisheries Research and Development Corporation	✓																							
Grains Research and Development Corporation																								
Pig Research and Development Corporation	✓																							

⁵ The seven main agencies audited are shaded. Other agencies were surveyed and the table reflects results as reported to the ANAO.

⁶ DFAT advises that it provides generic assistance relevant to all sectors, including analysis of trends and assistance from its network of overseas posts.

Activities in which agencies are involved

2.3 Export development and promotion activities were most readily identified in three of the seven agencies in which fieldwork was conducted: Austrade, DETYA and Defence.

2.4 **Austrade** is the Commonwealth's export facilitation and promotion agency, established by the *Australian Trade Commission Act 1985*. Austrade's mission is to '*help Australians win export business and generate inward and outward investment*'. It aims to:

- represent the trading and commercial interests of Australia in foreign countries;
- assist Australian organisations in trade negotiations;
- participate in projects designed to promote Australian export trade;
- obtain and disseminate information about current and future opportunities for Australian exporters;
- support and facilitate investment in foreign countries and facilitate foreign investment in Australia; and
- administer the *Export Market Development Grants Act 1997*.

2.5 In **DETYA**, the Australian Education International (AEI) Branch promotes the export of Australian education and training services around the world. AEI has a number of responsibilities in the areas of marketing, government-to-government coordination, research, facilitating access to markets, providing information and awareness raising. AEI services are provided through an overseas network.

2.6 In **Defence**, the Exports and International Programs (EIP) Branch facilitates exports. Through the EIP, the export of defence and related products is encouraged and supported within export control guidelines.

2.7 In both DETYA and Defence, export development and promotion is undertaken by small well-defined sections and accompanies other functions in government-to-government liaison and cooperation through bilateral agreements.

2.8 Export development and promotion activities were found across several areas in each of **AFFA**, **DFAT**, **DISR** and **DoCITA**, most commonly in divisions responsible for industry development, or, in DFAT, for market development.

2.9 Of the 65 agencies that were surveyed, 18 were able to identify activities relevant to the audit.

Table 2.2

Agency involvement in export development and promotion activities

Activity	Awareness and advisory services			Market information					In-country assistance		
	General advice on exporting and doing business internationally	Advice on export readiness	Export education	Advice/assistance - understanding export markets	Advice/assistance - selecting export markets	Identifying export opportunities	Inter-national market research and intelligence	Market development initiatives to expand overseas business	Advice/assistance - entering export markets	Trade Promotion	Export Marketing
Agency⁷											
Austrade	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dept of Agriculture, Fisheries, Forestry—Aust	✓ ⁸	✓ ⁹		✓	✓	✓	✓	✓	✓ ¹⁰	✓	✓
Dept of Communications, Info Tech and the Arts											
Dept of Defence	✓			✓	✓	✓	✓	✓	✓	✓	✓
Dept of Education, Training and Youth Affairs	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Dept of Foreign Affairs and Trade	✓			✓	✓	✓	✓	✓	✓	✓	✓
Dept of Industry, Science and Resources	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Australia Council	✓	✓		✓		✓	✓	✓	✓	✓	
Australian Bureau of Statistics											
Australian Customs Service	✓										
Australian Dairy Corporation	✓			✓		✓	✓	✓	✓	✓	✓
Australian Dried Fruits Board	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Australian Film Commission	✓										
Australian Heritage Commission	✓										
Australian Pork Corporation	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Australian Tourist Commission	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Aust Wool Research and Promotion Organisation				✓		✓	✓	✓	✓	✓	
CSIRO											
Dairy Research and Development Corporation					✓						
Dept of Environment and Heritage	✓					✓	✓			✓	
Dept of Health and Aged Care	✓			✓	✓	✓	✓			✓	
Dept of Transport and Regional Services	✓			✓	✓	✓	✓				
Fisheries Research and Development Corporation	✓			✓	✓	✓	✓	✓	✓	✓	✓
Grains Research and Development Corporation				✓			✓				
Pig Research and Development Corporation									✓		

⁷ The seven main agencies audited are shaded. Other agencies were surveyed.

⁸ Through the Supermarket to Asia Council (STA)

⁹ Through the Supermarket to Asia Council (STA)

¹⁰ Through Australian Quarantine and Inspection Service

2.10 To compare the wide range of assistance that is provided by agencies to exporters, the ANAO grouped that assistance into the export development and promotion activities defined in Chapter 1. Table 2.2 provides a summary of agency involvement by activity. It includes activities that are funded by the identified agency but delivered by other agencies through purchaser-provider agreements or by private sector providers under contract.

2.11 Appendix 2 provides greater detail on the agency's export development and promotion activities.

Cost of export development and promotion activities

2.12 The ANAO sought information from individual agencies on the cost of their export development and promotion activities for 1998–99. The ANAO found that this information was not readily available:

- many agencies were able to provide only the direct¹¹ cost of specific export development and promotion activities, rather than the full cost; and
- in many cases, the amounts expended on export development and promotion activities were not possible to separate from the amounts expended on other related activities within the same program.

2.13 Table 2.3 provides a summary of the costing information obtained from agencies. Given that much of this information is not currently collected, some of the information provided is necessarily qualified. These qualifications are detailed in the notes to the table. The difficulty in obtaining consistent cost information is dealt with in a broader context in Chapter 4.

¹¹ Direct cost refers to those cost items that could be assigned specifically to the production of an output (including staff costs, travel, consultants, etc.). Direct costs exclude indirect costs, which also contribute to producing an output, but are not incurred exclusively for that one output. Indirect costs are also referred to as overheads and corporate support costs (eg. property expenses, IT, management salaries, etc.).

Table 2.3**Indication of direct costs of export development and promotion activities in 1998–99**

<i>Agency(a)</i>	<i>Direct costs to agencies (excluding any cost recovery)</i>	<i>Direct costs to agencies funded by cost recovery from clients</i>	<i>Total direct costs to agencies</i>	<i>Cost recovery as a proportion of total direct costs</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>%</i>
Austrade (b)	271.9	31.8	303.7	10
Dept of Agriculture, Fisheries and Forestry—Aust (c)	4.3	0	4.3	0
Dept of Education, Training and Youth Affairs (d)	6.2	1.0	7.2	14
Defence (e)	1.3	(g)	1.3	4
Dept of Foreign Affairs and Trade (f)	1.4	0.1	1.5	9
Dept of Industry, Science and Resources	9.3	0	9.3	0
Dept of Communications, Info Tech and the Arts	0.1	0	0.1	0
Aust Wool Research and Promotion Organisation (h)	63.9	21.0	84.9	25
Aust Dairy Corporation	4.0	4.2	8.2	51
Aust Tourist Commission	0.7	7.0	7.7	91
Aust Customs Service	2.9	0	2.9	0
Australia Council	2.7	0	2.7	0
Aust Bureau of Statistics	1.3	0.3	1.6	20
Aust Film Commission	1.2	(g)	1.3	2
CSIRO	0.5	(g)	0.5	9
Grains Research and Development Corporation (h)	0.4	0	0.4	0
Aust Pork Corporation (h)	0.3	0	0.3	0
Dept of the Environment and Heritage	0.3	0	0.3	0
Other (i)	0.5	(g)	0.5	1

Notes:

- a) Seven main agencies audited are shaded.
- b) This figure is the cost of producing Austrade's outputs. Hence, total, not direct costs have been provided.
- c) This figure only includes the specific export development and promotion activities outlined in Appendix 2. It is not possible for AFFA to separate readily the direct costs associated with export development and promotion from other trade-related activities undertaken by the department.
- d) These figures include 1998/99 expenditure on Australian Education Centres (AECs), offshore promotional activity and a 50 per cent split of expenditure on maintaining the overseas network

(the other 50 per cent being applied to government to government work). The figures also include all national office expenditure as it is primarily directed at promoting international education and training. Partial cost recovery occurs in respect of the AEI Industry Web Site (around 80 per cent), the AECs (around 75 per cent) and some generic activities with specific commercial benefits to industry. Contracted services are 100 per cent cost recovered.

- e) This figure excludes government-to-government (defence-to-defence) liaison and cooperation.
- f) This amount includes specific export development and promotion activities undertaken by the Market Development Division and the salaries of State Office Managers whose duties are primarily business liaison and trade information. This figure is based on data currently available and may be refined in a forthcoming review of DFAT's output costs. It is not, at this stage, possible for DFAT to separate readily the direct costs associated with export promotion activities from other trade-related and promotional activities undertaken by overseas posts and geographic divisions of the Department.
- g) Less than \$50 000.
- h) AFFA advises that these organisations are funded through levies on industry produce and in the case of R&D corporations, additional funding through matching Commonwealth special appropriation.
- i) Agencies surveyed that identified direct costs of less than \$200 000 on export and development activities are not shown separately in the table.

2.14 The detailed information underpinning this summary table can be found at Appendix 2. That Appendix lists export development and promotion activities identified by the ANAO and/or agencies as falling within the audit scope and, where possible, also provides a breakdown of the direct costs of agency export development and promotion by activity.

3. Coordination Across Commonwealth Agencies

This chapter examines arrangements for coordinating export development and promotion activities across Commonwealth agencies and identifies some weaknesses in those arrangements. It also addresses Austrade's coordination role and concludes that Austrade has made only limited progress in implementing its role.

Introduction

3.1 An integrated and coordinated whole of government focus underpins the Government's approach to trade policy. For example, the Government has sought to better coordinate and focus the two arms of trade policy—access and promotion—through initiatives such as the Market Development Task Force (see Figure 3.2) and the *Trade Outcomes and Objectives Statement* (see Appendix 3).

3.2 Similarly, with trade and industry development issues becoming more intertwined, the Government has sought an integrated policy approach across relevant Commonwealth agencies.

3.3 A coordinated whole of government approach to export development and promotion activities could be expected to enhance export outcomes for Australia.

Extent of coordination activity

3.4 The ANAO sought to gauge the extent of coordination activity across Commonwealth agencies by collecting information to identify which of those agencies coordinate with other agencies. This information is summarised in Table 3.1. The table reveals that there is a considerable amount of coordination, with the majority of the 18 surveyed agencies indicating that they coordinated their export development and promotion activities with other relevant Commonwealth agencies. The surveyed agencies indicated that agencies they most commonly coordinated with were DFAT, Austrade, DISR and AFFA, and that coordination most commonly took place at the planning phase.

Table 3.1

Coordination activity across Commonwealth agencies

AGENCY ¹²	Agency coordinated with							
	Austrade	AFFA	DETYA	Defence	DFAT ¹³	DISR	DoCITA	Other
Austrade	✓	✓	✓	✓	✓	✓	✓	✓
Dept of Agriculture, Fisheries, Forestry—Australia	✓				✓	✓		✓
Dept of Education, Training and Youth Affairs	✓				✓	✓		✓
Dept of Defence	✓				✓			✓
Dept of Foreign Affairs and Trade	✓	✓	✓	✓	✓	✓	✓	
Dept of Industry, Science and Resources	✓	✓	✓	✓	✓	✓	✓	✓
Dept of Communications, Information Tech and the Arts	✓				✓	✓	✓	✓
Australia Council	✓				✓		✓	
Australian Bureau of Statistics	✓	✓			✓	✓		
Australian Customs Service		✓		✓	✓			✓
Australian Dairy Corporation		✓						✓
Australian Dried Fruits Board		✓						
Australian Film Commission	✓				✓	✓	✓	✓
Australian Heritage Commission					✓			
Australian Pork Corporation	✓	✓						✓
Australian Tourist Commission	✓				✓	✓		
Australian Wool Research and Promotion Organisation	✓	✓						✓
Commonwealth Scientific and Industrial Research Organisation		✓						
Dept of Environment and Heritage	✓				✓	✓		✓
Dept of Health and Aged Care	✓				✓	✓		
Dairy Research and Development Corporation		✓						✓
Dept of Transport and Regional Services	✓	✓			✓	✓		✓
Fisheries Research and Development Corporation	✓	✓						✓
Grains Research and Development Corporation		✓						✓
Pig Research and Development Corporation		✓						✓

¹² The seven main agencies are shaded. Other agencies were surveyed.

¹³ DFAT advises that its broad trade and investment promotion and facilitation responsibilities and the whole of government approach adopted at its overseas missions mean that it would be unusual for any significant export activity undertaken by the other agencies to occur without the active support of DFAT.

Existing coordination mechanisms

3.5 Many mechanisms, both at a whole of government level and on an agency-to-agency basis, coordinate trade and industry development activities across Commonwealth agencies. Trade-related mechanisms, for example, coordinate Commonwealth Government trade policy, multilateral trade negotiations and the development of short-term market access strategies, including export promotion. Other mechanisms aim to enhance coordination specifically with regard to export development and promotion activities.

3.6 Mechanisms that contribute to the coordination of export development and promotion can be grouped under three main headings, as illustrated in Figure 3.1. Appendix 3 provides more detail.

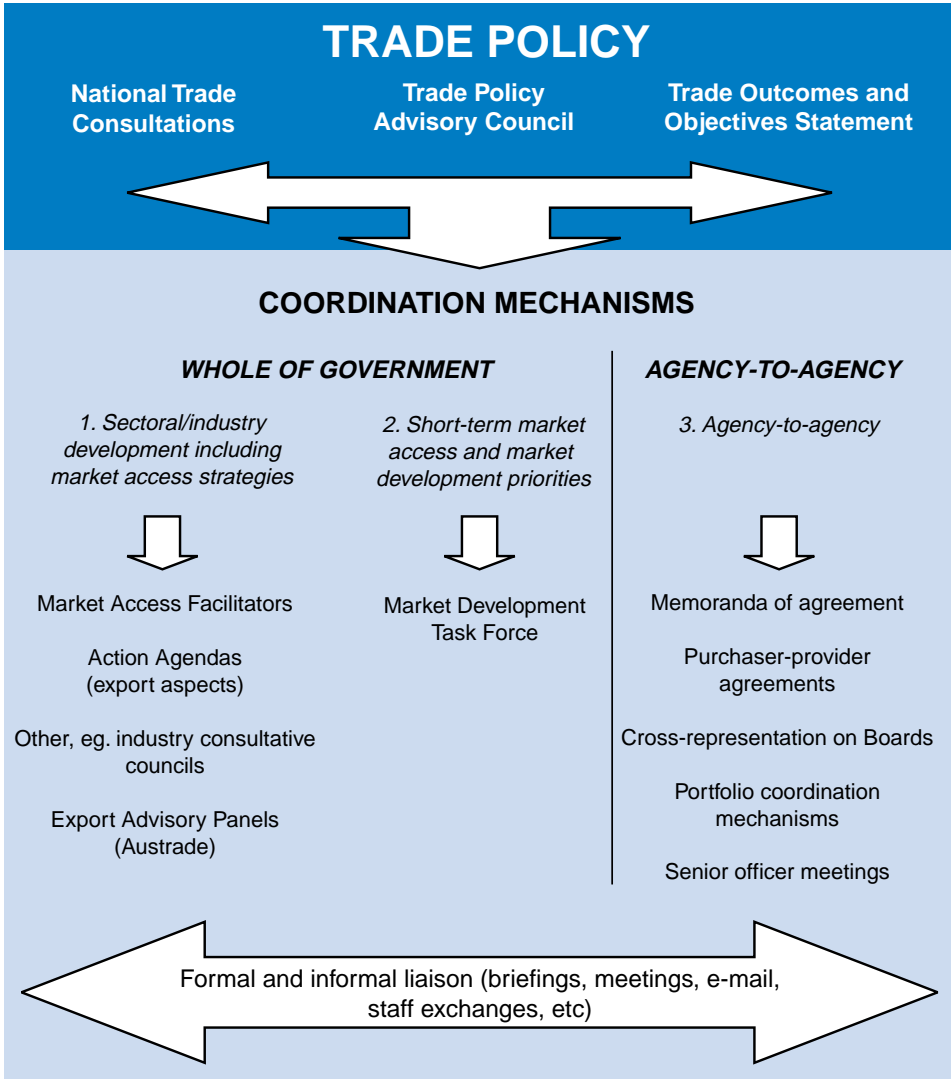
3.7 As illustrated in Figure 3.1, the first two groupings of coordination mechanisms generally operate on a whole of government basis and are more structured in nature. The third coordination mechanism (agency-to-agency) tends to be comparatively less formal and less well structured. Both whole of government and agency-to-agency mechanisms are examined in more detail below.

Whole of government coordination mechanisms

3.8 Whole of government coordination mechanisms are generally designed to bring together relevant agencies and a specific sector/industry targeted for assistance. Examples include the Government's Supermarket to Asia Council and the Automotive Market Access and Development Strategy, both of which were developed through the Action Agenda mechanism. Another example is the Market Development Task Force. Two of these mechanisms are illustrated in Figure 3.2.

Figure 3.1

Coordination mechanisms across Commonwealth agencies relevant to export development and promotion



Source: ANAO analysis.

Figure 3.2

Examples of whole of government coordination

Automotive Market Access and Development Strategy
<p>The Strategy has four main elements: Industry Development and Technical Collaboration; Market Access; Export Promotion; Industry Performance.</p> <p>Under the oversight of the Automotive Trade Council, three agencies—DFAT, Austrade and DISR—have responsibilities for different aspects of the Strategy. Austrade delivers a four-year Automotive Market Development Program under contract to DISR (purchaser-provider agreement), while DFAT has carriage of market access issues, centred on an Automotive Market Access Facilitator. The Strategy also includes the appointment of the Prime Minister's Special Automotive Envoy and funding through the Automotive Market Access and Development Fund.</p>
Market Development Task Force
<p>The Market Development Task Force (MDTF) was established in 1996 and comprises DFAT, Austrade, DISR and AFFA. The Task Force coordinates and prioritises market access, market development and trade promotion activities. The MDTF seeks to achieve outcomes within a six to twelve month period. The MDTF reports to the Minister for Trade and is chaired by the Secretary of DFAT.</p>

3.9 The ANAO concluded that the various whole of government coordination mechanisms for trade and industry development for particular industry sectors and for specific activities are well defined and clearly set out. These whole of government mechanisms, which are generally high-level and high profile, provide a framework for the effective coordination of export development and promotion activities.

3.10 Notwithstanding this conclusion, regular review and renewal of these mechanisms would reflect good practice. In this context, DFAT has advised that, during the last quarter of 1999, the MDTF Chairman (DFAT Secretary) initiated a review of the MDTF and, from March 2000, the Task Force has adopted a new focus and format to heighten the effectiveness of the MDTF process. There will be 10 high priority opportunities identified in each of two market groups: Asian markets; and markets in Europe, the Americas, Middle East, Africa and the South Pacific. Indeed, DISR also commented that it would probably be timely to freshen and refocus forums such as MDTF¹⁴.

Agency-to-agency coordination mechanisms

3.11 Agency-to-agency mechanisms also seek to facilitate export development and promotion activities. They are generally less structured and have a lower profile than whole of government mechanisms. Agency-to-agency mechanisms might involve more than one agency and may also involve industry. They might involve a more formal purchaser-provider

¹⁴ DISR letter of 27 September 1999 to ANAO.

agreement or memorandum of understanding or, more simply, informal liaison between agencies. Figure 3.3 outlines an example of agency-to-agency coordination.

Figure 3.3

Example of agency-to-agency coordination

Austrade/Defence coordination
<p>Coordination of export development and promotion activities is achieved through:</p> <ul style="list-style-type: none"> • A Memorandum of Agreement on Cooperative Activities (International Defence Exports Agreement). • A Purchaser-provider agreement for Defence Trade Commissioners. • Other agreements on international defence exhibitions. • Regular ongoing liaison among officers of the Export and International Programs Branch (Defence) and the Major Opportunities Group (Austrade).

3.12 The ANAO found that purchaser-provider arrangements establish a framework for accountability—defining roles, responsibilities and outputs required, and that they also facilitate the use of across-agency performance measures. The ANAO concluded that purchaser-provider agreements provide effective mechanisms for the coordination of service delivery for export development and promotion activities. The ANAO notes that Austrade strongly supports the use of purchaser-provider agreements to effectively deliver its services on behalf of other agencies.

3.13 The ANAO found that formal meetings between senior officers of agencies provide a forum to address matters such as the alignment of priorities and across-agency coordination. For example, DISR and Austrade have used these meetings as a vehicle to more closely align their respective priorities. In briefing their senior officers for these meetings, Austrade, DETYA and DISR noted that there is scope for closer coordination and cooperation among agencies involved in export development and promotion activities.

3.14 The ANAO found evidence of extensive day-to-day contact among agencies at officer level. In a number of areas there are well-established networks, a sharing of information and participation by relevant staff in across-agency meetings. However, in general there is no requirement in agency guidelines or procedures to coordinate efforts with other agencies or any listing of agencies that need to be consulted routinely within agency work processes. Instead, many liaison mechanisms rely on personal relationships and organisational memory. The ANAO noted as an example of better practice that some DISR and AFFA planning documents list key stakeholders or the agencies to consult on particular tasks.

3.15 The ANAO also found that Austrade officers make frequent efforts to liaise and work with staff of agencies where export activities have been initiated independently of Austrade.

3.16 The ANAO concluded that, while there are numerous agency-to-agency mechanisms assisting overall coordination, many are informal and thus cannot be relied upon in a systematic way to deliver the best outcome for exporters, potential exporters and government. Implementing Austrade's coordination role, as set out at Recommendation No.1, will enhance existing agency-to-agency coordination arrangements and provide greater assurance to stakeholders that effective coordination will take place.

Avoiding duplication of export development and promotion activities

3.17 Weaknesses in coordination present the risk of two or more Commonwealth agencies seeking to provide the same or a similar service to exporters without adequate knowledge of the other's intentions. This may result in a greater than necessary expenditure of Commonwealth resources and runs counter to Government policy. Indeed, one of the Mortimer Design Criteria for new and reviewed business programs accepted by the Government (see Chapter 5 of this audit report) states that *'Programs should avoid duplication with other programs.'*¹⁵

3.18 The ANAO considers that there is the potential for duplication given:

- the number of agencies providing assistance to the same sector (see Table 2.1 in Chapter 2);
- the number of agencies involved in similar activities (see Table 2.2 in Chapter 2); and
- the absence of an arrangement which readily identifies significant export development and promotion activities across agencies (addressed in Chapter 4).

3.19 In practice, for the major agencies audited, the ANAO found few examples of specific activities being duplicated. However, the need to address the risk of duplication is illustrated by the example at Figure 3.4.

¹⁵ Mortimer Design Criteria 2. *Investing for Growth*, 1997, p. 83.

Figure 3.4
Risk of duplication

Austrade/DETYA and international education
<p>DETYA's AEI Branch and Austrade both offer export assistance for educational services in some specific Asian markets. Industry peak bodies told the ANAO there was competition for clients and this hindered effective cross-referral of those clients. In discussion, however, both DETYA and Austrade advised that their roles in Asian markets were complementary rather than competitive.</p> <p>While noting this advice the ANAO considers that the perception of peak industry bodies reinforces the need for agencies to clearly identify and communicate to stakeholders their respective responsibilities for export development and promotion activities (discussed in Chapter 4).</p> <p>In this context the ANAO notes that during the course of the audit, the Minister for Education, Training and Youth Affairs wrote to relevant Ministers, including the Minister for Trade, promoting a whole of government approach to pursuing Government goals in international education. The Minister proposed establishing a high-level interdepartmental committee (IDC) that would, among other things:</p> <p style="padding-left: 40px;"><i>...coordinate activities across Commonwealth agencies to ensure that the Government's objective of enhancing the export of Australian education services is achieved with maximum efficiency and effectiveness.</i></p> <p>DETYA has since advised that the IDC has been successfully established, with its inaugural meeting in December 1999 being addressed by the Minister for Education, Training and Youth Affairs.</p>

3.20 Most of the surveyed agencies indicated that they had processes in place to avoid duplication. The majority indicated that these processes involved coordination with other Commonwealth agencies. The ANAO notes Austrade's advice that while progress has been made to avoid duplication between programs and activities, it accepts that further work will need to be done to achieve its objective of eliminating duplication¹⁶.

3.21 The ANAO concluded that implementing Austrade's coordinating role, as set out in Recommendation No.1, and clarifying agency responsibilities, as set out in Recommendation No.4, would reduce the potential for duplication across Commonwealth agencies.

Liaison with industry and State Government departments

3.22 Effective liaison by Commonwealth agencies with industry associations and State Governments, who are also active in assisting exporters, contributes to effective export outcomes for Australia.

¹⁶ See Austrade's Draft Strategy and Action Plan at Appendix 4.

3.23 Most of the State Government departments that responded to the ANAO considered that coordination between the Commonwealth and States is working well, although all considered that there was room for improvement. An example of better practice is the Memorandum of Understanding (MoU) on international exhibitions signed by Austrade, each State and Territory Government and two major industry associations. This is intended to promote a 'team Australia' approach to participation in international exhibitions.

3.24 The ANAO also found that Commonwealth agencies consulted industry associations in activities development involving export development and promotion; in many sectors, industry bodies were leading the development of integrated industry development strategies.

Austrade's coordination role

3.25 The Government's expectation of Austrade is set out in *Investing for Growth*:

The Government will require the Australian Trade Commission (Austrade) to play a key role in coordinating and advising on the development of export programs across Commonwealth agencies to ensure a focussed and consistent approach to winning overseas markets and measuring the outcomes from those programs.¹⁷

3.26 As illustrated in Figure 3.5, the audit identified a wide range of potential benefits that could accrue from a more proactive coordination of export development and promotion activities across Commonwealth agencies. Many of these benefits were identified or endorsed by the main agencies audited.

Figure 3.5

Potential benefits of coordination

- ✓ Reduced likelihood of duplicating activities; improved use of scarce resources.
- ✓ Better organisation of activities such as trade missions.
- ✓ Improved transparency and across agency reporting.
- ✓ Improved client tracking and cross referral of clients.
- ✓ A more uniform approach to fee-for-service arrangements.
- ✓ Better communication and consultation with the States and industry.
- ✓ A more positive image overseas, eg. by avoiding situations where two or more agencies seek to assist or represent a potential exporter.
- ✓ Improved access to information about programs, markets and other assistance.
- ✓ Improved results through targeted inter-agency effort; synergies across agencies.
- ✓ The adoption of better practice in the provision of export development and promotion services across agencies.

¹⁷ *Investing for Growth*, 1997 p. 54.

Progress with implementing Austrade's coordination role

3.27 Austrade's coordinating and advising role is clearly identified in key accountability and planning documents including its 1999–2000 Portfolio Budget Statements, 1999–2000 to 2000–2001 Corporate Plan and 1999–2000 Operational Plan.

3.28 During the course of the audit, Austrade developed a formal strategy for implementing its role as coordinator of export programs across Commonwealth agencies (see Appendix 4). The strategy identifies 17 actions for Austrade to take in cooperation with other agencies.

3.29 Austrade has implemented the first four of the 17 actions that it has identified:

- writing to all portfolio Ministers flagging Austrade's coordination role;
- informing all Austrade staff of its coordination role;
- establishing a list of contacts/positions within Austrade and providing ongoing briefings on coordination policies, priorities and processes; and
- establishing a list of contacts in all Commonwealth agencies.

3.30 In April 1999, the then Minister wrote to his colleagues outlining Austrade's coordinating role and seeking the nomination of a key contact officer for all agencies. Austrade has now appointed a senior officer to specifically implement and manage its coordination function.

3.31 The 13 outstanding actions range from mailouts advising of Austrade activities to developing performance measures that all agencies can use.

3.32 When fully implemented, Austrade's strategy should result in a more proactive approach on the part of Austrade than in the past, providing greater assurance of effective coordination to stakeholders. Notwithstanding this, the ANAO considers that Austrade can strengthen its coordination role. In particular:

- clearly linking Austrade's coordination strategy to its Operational Plan would help integrate the strategy into day-to-day organisational activities and programs;
- identifying risks to coordination and the means to minimise those risks would introduce a systematic and prudent risk management approach, reducing potential disruption to the implementation process;
- considering the use of existing coordination mechanisms within specific industries or sectors would be an efficient use of those mechanisms and would avoid overlap and demarcation issues; and

- incorporating key timelines would assist the progressive implementation of outstanding actions and introduce a discipline to the process. Similarly, identifying performance measures would facilitate a periodic qualitative and quantitative assessment of performance against the strategy.

The role of agencies in contributing to coordination

3.33 Austrade believes that developing an awareness and acceptance of its role by other agencies is a key success factor to its coordination and advisory role.

3.34 The ANAO found general acceptance and support among agencies for Austrade's coordination role. While there was an expectation that Austrade should initiate action and provide leadership in coordinating export programs, a number of agencies commented to the ANAO that they did not want this to result in unnecessary intrusion of Austrade into their day-to-day program management and policy responsibilities.

3.35 The challenge for Austrade is to implement its coordination role without diminishing existing arrangements that work well. Indeed, a number of agencies commented to the ANAO that the informal arrangements that they had established with other agencies provide a flexible and responsive mechanism to meet quickly evolving industry and export environments. For example, DISR commented that *'excessive coordination of activities across agencies will create more process rather than allow agencies to find innovative ways to address their clients' needs.'*¹⁸

3.36 Although Austrade has prime responsibility for coordinating of activities across Commonwealth agencies, the ANAO considers that other agencies responsible for export development and promotion activities should facilitate coordination wherever possible. An example of this occurring is the August 1999 letter from the Minister for Employment, Training and Youth Affairs (see Figure 3.4) promoting a whole of government approach to international education.

3.37 The ANAO also considers that portfolio departments have a role to play in ensuring that their portfolio agencies are aware of coordination arrangements and, in some instances, a role in facilitating coordination of export development and promotion among portfolio agencies. An example is the DoCITA discussion paper to develop an integrated marketing strategy for Commonwealth film agencies, with an emphasis on greater agency cooperation.

¹⁸ DISR letter of 27 September 1999 to ANAO.

Conclusion—Austrade’s coordination role

3.38 The ANAO concluded that Austrade has taken some steps towards implementing its coordination role but that overall progress has been limited. Austrade’s strategy involves a more proactive approach than in the past and, when implemented, will provide greater assurance of effective coordination to stakeholders. Notwithstanding this, the ANAO considers that there is scope to strengthen Austrade’s strategy to provide better outcomes.

Recommendation No.1

3.39 The ANAO recommends that Austrade give priority to implementing its strategy for coordinating export development and promotion programs across Commonwealth agencies, consistent with its Government endorsed role. Austrade’s implementation strategy should:

- be clearly linked to its Operational Plan;
- consider risks to coordination and means to minimise those risks;
- consider the use of existing coordination mechanisms within specific industries or sectors; and
- incorporate key timelines and performance measures.

Austrade response

3.40 Agreed.

AFFA response

3.41 Agreed with qualification. Provided, as acknowledged in the report, the implementation strategy does not impede portfolio policy processes/responsibilities or existing arrangements that are working well.

DoCITA response

3.42 Agreed.

Defence response

3.43 Agreed. Defence supports the role of Austrade as the Government endorsed agency for coordinating export development and promotion programs. To this end Defence and Austrade have entered into a revised Global Cooperation MOA (The MOA) and a Purchaser Provider Agreement for the Defence Industry Specialists (successor to the Defence Trade Commissioner) Program. In addition the Defence Exporters Council (DEC), which is the principal advisory forum to the Minister on defence export issues, has a senior Austrade officer as a permanent member.

DFAT response

3.44 Agreed.

DISR response

3.45 Agreed with qualification. DISR supports Austrade's coordination role, but strongly reiterates the report's comments that Austrade's coordination role should not result in it 'intruding' into other agencies' everyday work, and should not preclude individual agencies taking responsibility for coordinating the inter-agency activities that they are involved in. DISR also believes that an excessive emphasis on formal coordination processes between agencies may limit the flexibility and rapidity of response that is facilitated by current agency-to-agency coordination arrangements.

Austrade's role in assisting agencies to deliver programs

3.46 As described above, Austrade has a key role in coordinating and advising on export program development across Commonwealth agencies. This involves providing advice to agencies at the design stage of a new program. The design stage normally involves advice on proposed program delivery methods. Austrade also has a role as the Commonwealth's export promotion agency. As such, Austrade may assist Commonwealth agencies in the actual delivery of their programs. Indeed, the ANAO notes that Austrade's implementation strategy refers to holding '*discussions with agencies where relevant about use of Austrade for project delivery on a purchaser-provider basis...*'

3.47 The second role is one that Austrade does not routinely expect to perform. Indeed, Austrade has advised that it would not competitively tender for the job of assisting Commonwealth agencies to deliver their programs in view of the Government's policy that services should be provided by the private sector wherever possible. Notwithstanding the expectation that programs will be delivered by the private sector wherever possible, a situation may arise where the private sector is unable to deliver the program or where other considerations—such as intergovernmental or defence imperatives—require delivery by the Commonwealth.

3.48 The possible outcome of performing its two roles is that Austrade may recommend to an agency at the program design stage that a Commonwealth agency, (potentially Austrade itself) would be the most appropriate vehicle for program delivery. This may create a real or perceived tension in the minds of agencies between the two Austrade roles. While the knowledge and expertise gained through service delivery

would enhance the advice it provides to other agencies, the ANAO considers that Austrade should address any real or perceived tensions that may arise between its two roles.

Recommendation No.2

3.49 The ANAO recommends that Austrade establish procedures to address any real or perceived tensions that may arise between its role of providing advice to Commonwealth agencies on the development of export programs, and its potential role of helping those agencies deliver their export assistance programs.

Austrade response

3.50 Agreed.

AFFA response

3.51 Agreed.

DoCITA response

3.52 Agreed.

Defence response

3.53 Agreed. Refer to response to Recommendation No.1. The recently revised MOA provides the two agencies with procedural certainty as to their respective roles.

DFAT response

3.54 Agreed.

DISR response

3.55 Agreed. Currently, there appears to be the potential for a conflict of interest situation, which should be addressed.

4. Identifying Agency Involvement

This chapter looks at the issues involved in identifying export development and promotion activities undertaken by Commonwealth agencies and whether the roles and responsibilities of those agencies are clear to stakeholders. The ANAO found that there is no existing arrangement that would identify the nature and extent of export development and promotion assistance across agencies. The ANAO also found that agency roles and responsibilities are not always clear.

Identifying export development and promotion activities

Introduction

4.1 As outlined in Chapter 3, a coordinated, whole of government approach to export development and promotion activities could be expected to enhance the achievement of export outcomes for Australia.

4.2 A prerequisite for effectively coordinating export development and promotion activities is adequate knowledge of the nature of export assistance being provided by various agencies. Transparency of activities increases accountability and reduces the possibility of agencies seeking to provide the same or a similar service to exporters. Transparency also facilitates greater agency interaction, potentially contributing to economies of scale and synergies in the assistance that they provide.

4.3 Identifying and reporting the costs of export development and promotion across Commonwealth agencies enhances transparency in managing these activities and would facilitate Austrade's coordination and advisory role. For example, such information can assist inter year comparisons of the amount of assistance being provided for a particular activity or sector. Other countries find the task of identifying the costs of export development and promotion to be an achievable but challenging task. For example, the US National Export Strategy provides comparative details on expenditure across categories and sectors by all Federal agencies within the Trade Promotion Coordinating Committee.

Activities are not always easy to identify and quantify

4.4 The ANAO found that agencies find it difficult to draw precise boundaries between export development and promotion activities and other related activities within the same agency program. Activities may contribute to several outcomes, only one of which is export development and promotion. For example:

- promoting Australian culture, which is managed through DFAT as part of its public diplomacy program, may also help to promote commercial interests; and
- ‘door-opening’ or advocacy on behalf of a particular company for a specific market, by the head of an overseas mission, may be difficult to separate from the discharge of other responsibilities.

4.5 The ANAO found that even where export development and promotion activities were readily identifiable in some agencies (Austrade, DETYA and Defence) agencies could not easily separate those activities from related functions such as government-to-government liaison. While other agencies (AFFA, DISR) have functional areas for international and/or market access work, there is no established arrangement within these agencies to enable all export development and promotion activities within the agency to be readily identified or quantified.

4.6 The ANAO recognises that the export development and promotion element of a program may be unexpected or incidental to the program, eg. a small element of a much larger program. Any arrangement to ensure that knowledge of export development and promotion activities and costs is identified and appropriately shared needs to recognise and take account of these difficulties.

4.7 The ANAO notes that the Commonwealth’s new accrual-based outcomes and outputs framework will facilitate the provision of clearer and more consistent information to managers on what agencies are actually producing (outputs) and for what purpose (outcomes) and at what cost. Within this context, the ongoing review and refinement of outcomes and outputs structures could be a vehicle, over time, for agencies to identify and fully cost export development and promotion activities.

Conclusion—identifying activities

4.8 There is no existing arrangement that would identify the nature and full extent of all significant export development and promotion assistance across agencies.

4.9 The absence of adequate information about significant assistance programs both reduces accountability and increases the likelihood of different agencies providing the same or a similar service to exporters. Better information promotes agency interaction, potentially contributing to economies of scale and synergies in the assistance provided, thereby contributing to export outcomes.

4.10 Any arrangement to identify the nature and extent of relevant activities should recognise that there will be many small or narrowly focussed programs or elements of programs that are unlikely to have a significant or measurable impact on export performance. It is unlikely that the information collection on these programs would be cost-effective.

Recommendation No.3

4.11 To support the effective coordination of export development and promotion activities and enhance Australia's export outcomes, the ANAO recommends that the nature and extent of significant export assistance be identified and reported to Austrade by the agencies providing such assistance.

Austrade response

4.12 Agreed.

AFFA response

4.13 Agreed with qualification. This would be useful, provided a well thought-out and agreed definition of what activities are included under export assistance be developed by Austrade and DFAT in consultation with the other key agencies involved in export assistance.

DoCITA response

4.14 Agreed. DoCITA notes that the Department has no significant export activities.

Defence response

4.15 Agreed. Defence enacts much of its support to defence exporters through Austrade. In addition to the general cooperation achieved through The MOA, Defence and Austrade agree, in an Annex to The MOA, on the international trade shows that will be supported by the two agencies. Defence, in trade shows supported in this way, contracts Austrade to project manage Australian participation. This degree of cooperation and interaction ensures that there is a high degree of transparency and coordination between Defence and Austrade concerning export development and promotion activities.

DETYA response

4.16 Agreed with qualification. DETYA notes it can be difficult to disentangle costs.

DFAT response

4.17 Agreed with qualification. It is not always possible or cost-effective for DFAT to identify clearly and cost all such activity given the wide ranging work of overseas missions and bilateral areas of the Department such as the provision of general advice about doing business internationally, identification of export opportunities, advocacy by Heads of Mission and senior diplomats in support of Australian exporters, advice on selecting, understanding and entering foreign markets, collection and provision of market intelligence and support for market development initiatives such as overseas visits by business delegations, trade fairs and conferences.

DISR response

4.18 Agreed. This recommendation would enable Austrade to identify the full range of significant Commonwealth export development and promotion activities, and, importantly, to act as a readily accessible central reference point.

Agency roles and responsibilities for export development and promotion

Introduction

4.19 Effective Commonwealth support and quality client service to exporters requires that stakeholders are able to seek advice and assistance from the most appropriate agency. To achieve this goal, stakeholders need to be able to identify and understand the various roles and responsibilities of the many agencies seeking to provide such services. Clearly defined roles and responsibilities facilitate the coordination of export assistance effort and reduce the possibility of duplication of activities.

Roles to assist coordination between agencies

4.20 The ANAO found that State Government departments generally understood Austrade's role but that the roles of DISR, DFAT and DoCITA were less well understood. Of the five State Government departments that provided views to the ANAO, four indicated that clarifying the roles and responsibilities of some Commonwealth agencies would help identify appropriate contacts.

4.21 The ANAO found with regard to industry groups consulted that, while about half were clear on the various roles and responsibilities of Commonwealth agencies, the other half were unclear.

4.22 Agencies themselves have recognised a need for further clarification of roles in regard to trade-related activities. The ANAO notes that DISR, in consultation with other agencies, has developed a brochure to outline the market access and development roles of several Commonwealth agencies: DFAT, AFFA, Austrade, DISR, and EFIC. The ANAO also notes that Defence produces a summary of Defence related assistance programs and relevant contacts in State and Commonwealth agencies.

4.23 Defence and Austrade have a Memorandum of Agreement (MoA) on cooperative activities between the two agencies. DFAT and Austrade also have a formal agreement on cooperation and the roles of each agency. These formal arrangements provide useful mechanisms to define roles and responsibilities, at least for those agencies party to the agreements.

Assisting clients to identify contact points

4.24 Austrade has a key role in identifying appropriate Commonwealth client contact points for assistance¹⁹. The ANAO notes in this context that Austrade's proposed implementation plan for its role as coordinator of export programs across Commonwealth agencies includes the following strategy:

*Discussion of export activities with relevant agencies and agreement on relative roles and responsibilities, including agreements on service delivery as appropriate.*²⁰

4.25 Clients wishing to obtain information on Commonwealth export development and promotion services or activities can get help, in the first instance, by contacting one of the Commonwealth's general entry points by telephone or the Internet. There are several primary referral services:

- The Business Entry Point (<http://www.business.gov.au>) and its associated Hotline;
- Austrade Online (<http://www.austrade.gov.au>) and Austrade's Export Hotline;
- ArtsInfo (<http://www.artsinfo.net.au>);

¹⁹ *Investing for Growth*, 1997, p. 54 — *Austrade will continue to be charged with raising awareness of the export assistance services provided by the Government.*

²⁰ See Appendix 4.

- Australia's Cultural Network (<http://www.acn.net.au>); and
- Government Information Centre (<http://www.ogo.gov.au>) coordinated through the Office of Government Online in DoCITA.

4.26 Industry and State Government stakeholders have indicated that the various entry points do not provide a consolidated list of Commonwealth export development and promotion services and their associated fees and charges. This may hinder their ability to gain information on the full extent of such assistance.

4.27 The ANAO notes that Austrade is taking action to address this need. In particular, since July 1999, Austrade has taken the lead role in developing the Trade Entry Point within the Government's Business Entry Point.

4.28 Austrade has advised that the Trade Entry Point will provide a single on-line source of information about all Commonwealth, State and local government trade services and is expected to refer services provided by bilateral chambers and industry associations. All levels of government have indicated a willingness to participate.

Conclusion—roles and responsibilities

4.29 The ANAO concluded that, while Commonwealth agencies have taken some action to identify and promote their services, further work would help overcome stated stakeholder concerns that the roles and responsibilities of agencies are not always clear.

Recommendation No.4

4.30 The ANAO recommends that agencies clearly identify and communicate to stakeholders their respective responsibilities for export development and promotion activities and services.

Austrade response

4.31 Agreed.

AFFA response

4.32 Agreed. While AFFA considers that this is already being done, it accepts that communication strategies and business plans should be reviewed to ensure responsibilities in these areas are being communicated as effectively as possible.

DoCITA response

4.33 Agreed. The Government Information Centre currently being developed by the Office for Government Online in partnership with industry, together with the Governet project with State governments, will permit cross-agency and cross-jurisdictional searching for information on export assistance programs.

Defence response

4.34 Agreed. Refer to response to Recommendation No.1. The MOA clarifies the respective responsibilities of Austrade and Defence in the area of support to defence exporters. The respective roles are then communicated to stakeholders through the annual Defence Export Outlook Seminars, through the DEC, through the EIP Branch electronic newsletter (where Austrade has a dedicated section), and through EIP input to the Defence Attaches Manual which indicates the respective roles of the DA and Austrade in our overseas posts.

DETYA response

4.35 Agreed.

DFAT response

4.36 Agreed.

DISR response

4.37 Agreed. DISR notes that agencies, through mechanisms such as ISR's market access brochure, have already identified and begun to address the need to skillfully and publicly articulate their export related roles.

5. Accountability, Performance Measurement and Cost Recovery

This chapter examines accountability and performance measurement for export development and promotion programs and the fees agencies charge for their export services. The ANAO found that there is currently a lack of comparable performance data on export development and promotion across agencies and that there is a wide variation in policies and practices on fees to be charged.

Mortimer design criteria

5.1 In June 1997, Mr David Mortimer reported to the Government on the results of a Review of Business Programs entitled *Going for Growth—Business Programs for Investment, Innovation and Export*. The Government's response to that report, *Investing for Growth*, was given in November 1997. The statement announced the Government's acceptance of design principles for new and reviewed business programs recommended in the Mortimer Report. The design criteria are intended to ensure that programs are based on achievable and measurable objectives and are cost effective. These design criteria are set out in Figure 5.1.

Figure 5.1

Business program design criteria

All business programs will satisfy the following design criteria.

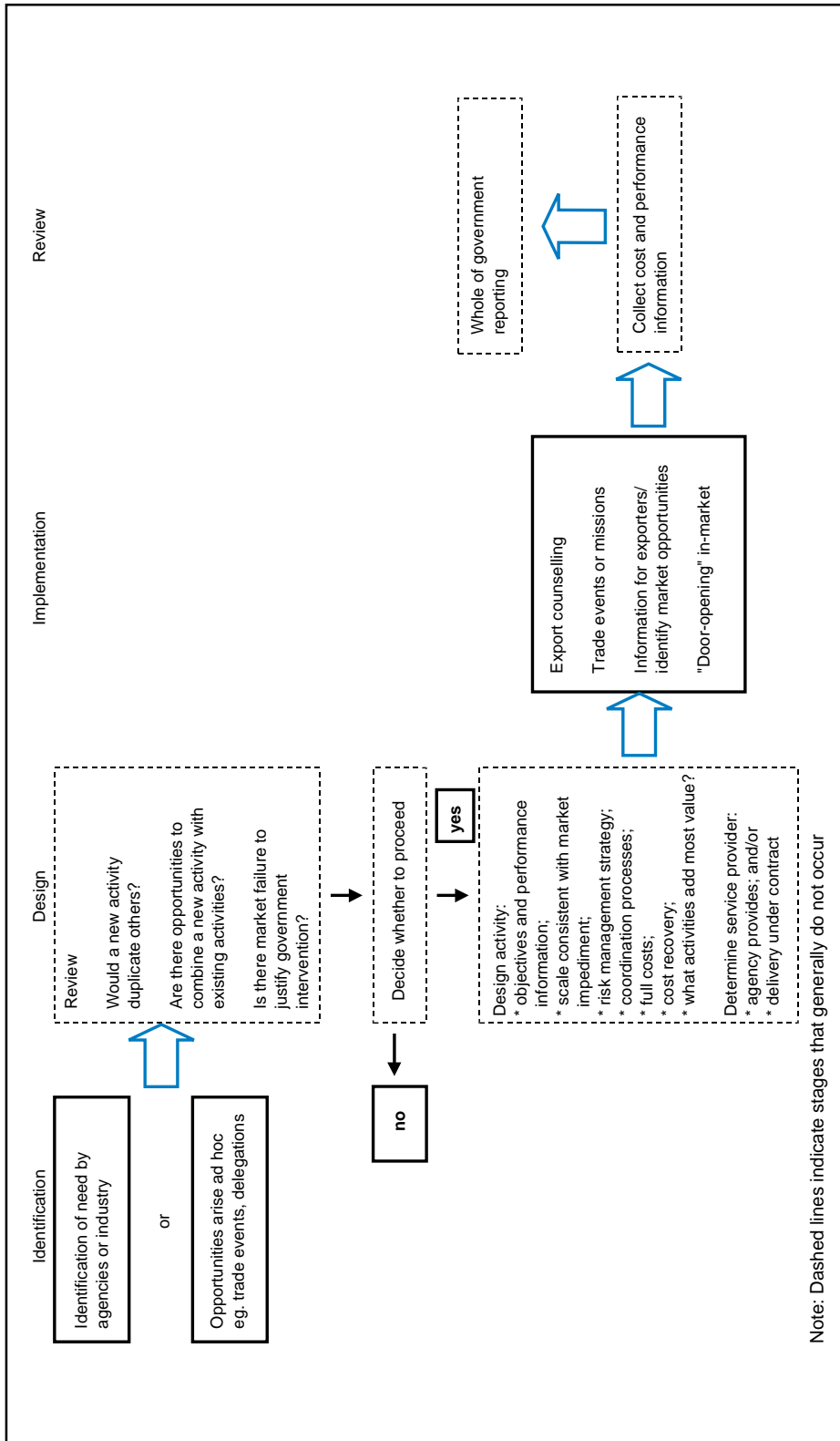
- 1. Programs must have clear objectives and measurable performance indicators that focus on end results.**
2. Programs should avoid duplication with other programs.
3. Programs should be of a scale and duration that are consistent with market impediments being addressed.
4. Programs should have clear eligibility and entitlement criteria.
5. Programs should have risk management strategies that match size and risk and potential for fraud.

All programs must satisfy the following design criteria to the maximum extent possible.

6. Program funds should be directed to specific activities rather than to providers of services.
- 7. Where there is a clear private benefit, programs should adopt a cost recovery regime, with the return put back into the program.**

Source: *Investing for Growth*, 1997, p. 83 (emphasis added)

Figure 5.2
The export development and promotion process



Source: ANAO analysis

Mortimer design criteria implementation

5.2 Implementing a program of activities to address a new export development and promotion need generally involves four stages²¹. These stages, which are illustrated in Figure 5.2, involve:

1. *identifying* an export development and promotion opportunity;
2. *designing* an activity to expand this opportunity;
3. *implementing* the activity; and
4. *reviewing* the activity.

5.3 The ANAO found weaknesses in the second and fourth stages of the export development and promotion process (the dashed lines). In particular, the ANAO found that the *design* and *review* stages often did not recognise and apply Mortimer program design principles. There was little evidence within the seven main agencies that these Mortimer program design principles were actively considered when new export development and promotion activities were developed or existing activities were reviewed. The Export Access program was the only program that the ANAO found that referred to the Mortimer criteria in its design.

Recommendation No.5

5.4 The ANAO recommends that Commonwealth agencies review their administrative procedures to ensure that Mortimer program design principles are addressed whenever new export development and promotion activities are developed or existing activities are reviewed.

Austrade response

5.5 Agreed.

AFFA response

5.6 Agreed. AFFA notes that Mortimer program design principles have been accepted by the Government and agrees that it would be appropriate to increase awareness of these principles whenever relevant activities are undertaken or reviewed.

DoCITA response

5.7 Agreed.

²¹ These four stages are based on the framework for assessing the need for government programs outlined in *Going for Growth—Business Programs for Investment, Innovation and Export, 1997*, p. 68.

Defence response

5.8 Agreed. The recently revised MOA takes note of these principles.

DETYA response

5.9 Agreed with qualification. This recognises the capacity for two organisations to have complementary roles.

DFAT response

5.10 Agreed. DFAT suggests that this be incorporated in Austrade's strategy for coordinating export development and promotion programs across Commonwealth agencies.

DISR response

5.11 Agreed. Mortimer design criteria provide a useful program development and review framework. New ISR programs already refer to Mortimer's criteria.

Performance measurement

Introduction

5.12 Quality performance information allows program managers to determine whether program resources are achieving the desired outcomes in the most efficient and effective manner. Accountability relies on performance information. Performance indicators that both meet the needs of individual agencies and allow comparisons across agencies facilitate across-agency reporting and assessment of the comparative impact of these programs.

5.13 In 1996, the ANAO and the then Department of Finance developed a checklist for agencies to consider when developing and implementing their performance information framework²². The Department of Finance and Administration has recently updated this checklist with the Accrual-based Outcomes and Outputs Framework. In essence, performance indicators should be:

- measurable;
- able to support decision making;
- balanced, that is, appropriately cover all outcomes and outputs;
- reported with sufficient explanation and comparison (including targets, benchmarks and trends over time) to enable actual performance to be assessed;

²² See ANAO *Performance Information Principles* (Lessons Learned) December 1996; DOFA, *Specifying Outcomes and Outputs*, 1998, p. 47.

- reliable, that is, stable over time to allow for comparisons;
- valid; and
- cost-effective to collect, store and manage.

Agency performance indicators

5.14 As indicated in Figure 5.1, Mortimer Design Criteria 1 states that *'programs must have clear objectives and measurable performance indicators that focus on end results.'* To assess agency compliance with this requirement, the ANAO examined the performance indicators relating to export development and promotion activities in the seven main agencies and as reported by surveyed agencies.

5.15 The ANAO found that, in most cases, export development and promotion activities could not be identified from statements of agency outcomes and outputs. The ANAO found that for some agencies, performance indicators at the Portfolio Budget Statement level necessarily reflected the core business of those agencies rather than lower priority export activities. For example, Austrade's outcomes and outputs reflect its lead role in Commonwealth export development and promotion, however, it is not clear from the Department of Defence's Portfolio Budget Statements that it undertakes export development and promotion activities. In other agencies, the ANAO found that the performance indicators were more a restatement of the export activity.

5.16 Austrade has a leadership role in facilitating across-agency assessments of outcomes as set out in *Investing for Growth*:

*The Government will require the Australian Trade Commission (Austrade) to play a key role in coordinating and advising on the development of export programs across Commonwealth agencies to ensure a focussed and consistent approach to winning overseas markets and measuring the outcomes from those programs.*²³ (emphasis added)

5.17 The ANAO notes that Austrade has indicated that it plans to:

*Develop a list of performance measures/criteria (based on Mortimer, DoFA guidelines and Investing for Growth) which can be used by all agencies to design, deliver and evaluate export-related programs/assistance to business.*²⁴

²³ *Investing for Growth*, p. 54

²⁴ See Appendix 4.

5.18 It is to be expected that different export development and promotion programs are likely to have different objectives that would require specific program-level performance indicators. However, this would not preclude the development of a common set of high-level performance indicators that may be used by agencies with responsibility for significant²⁵ export programs to evaluate and compare the export assistance that they provide. It would also enable Austrade to construct an across-agency perspective on performance.

5.19 The ANAO found some examples of across-agency performance measures in use both in Australia and overseas. These examples are set out at Figure 5.3.

Figure 5.3
Examples of across-agency performance measures

Australia
The ANAO found that the Automotive Market Access and Development Strategy, delivered by DISR, DFAT and Austrade, involves performance measures across those agencies for the automotive industry. Better practice examples such as the Automotive Market Access and Development Strategy would be useful for Austrade in implementing its role as outlined in <i>Investing for Growth</i> .
Overseas
The ANAO also found across agency examples of performance measures being used overseas. A number of overseas audits have examined export promotion in recent years and made reference to performance indicators that may apply more generally for export development and promotion activities across the Commonwealth. Appendix 5 provides further information on these overseas reports.

5.20 The ANAO notes that the implementation of accrual budgeting should assist in developing performance measures which are comparable across agencies, as specified outcomes and outputs must refer to Government policy.

²⁵ As mentioned in Chapter 4, the ANAO recognises that the export development and promotion element of a program may be unexpected or incidental to a program, eg. a small element of a much larger program. Where this is the case, it may not be possible for the agency to measure its performance using common high-level indicators that seek to reflect measurable impacts on export performance. For example, high-level across agency performance indicators may seek to identify the impact of export programs on the level of exports or the number of new companies assisted into exports. There are likely to be many instances where the small size or narrow focus of a particular program will prevent its impact from being measured using the common high-level indicators.

Conclusion—performance measurement

5.21 The ANAO concluded that a comparison of export development and promotion activities between agencies is not possible due to the lack of comparable performance data. Developing a common set of high-level performance indicators would enable agencies with responsibility for significant export programs to evaluate and compare the export assistance that they provide. It would also enable Austrade to construct an across-agency perspective on performance and hence implement the role outlined for it by the Government in *Investing for Growth* as indicated in paragraph 5.16 of this chapter.

Recommendation No.6

5.22 To enable an across-agency assessment by Austrade of export development and promotion activities, the ANAO recommends that Austrade develop, in consultation with key agencies and where possible and meaningful, a common set of high-level performance indicators that can both meet the needs of individual agencies that have responsibility for significant export development and promotion activities, and allow comparisons across those activities.

Austrade response

5.23 Agreed.

AFFA response

5.24 Agreed with qualification. AFFA agrees subject to the performance indicators being developed in close consultation with other agencies and being capable of practical application within the planning and performance frameworks adopted by individual agencies.

DoCITA response

5.25 Agreed with qualification. Whilst cross-agency performance indicators are desirable for similar activities, this needs to be balanced against the competing objectives of programs where export assistance is not the primary focus.

Defence response

5.26 Agreed with qualification. As much of Defence's support for exporters is enacted through Austrade, common performance indicators apply. However, those elements of support for exporters not enacted through Austrade, are Defence specific and represent the 'value-added' that only Defence can provide. These activities could not be accommodated by agreed common performance indicators but could be accommodated as agreed agency (Defence) specific performance indicators.

DETYA response

5.27 Agreed.

DFAT response

5.28 Agreed.

DISR response

5.29 Agreed with qualification. As acknowledged by the report, such indicators would need to be flexible enough to reflect each agencies' differing approaches, and that only significant export programs should be captured under this regimen. However, DISR remains concerned at the feasibility of this recommendation.

Charging and cost recovery

5.30 *Investing for Growth* set out the Government's acceptance of the Mortimer design criteria for new and reviewed business programs. As indicated in Figure 5.1, Mortimer Design Criteria 7 states that '*where there is a clear private benefit, programs should adopt a cost recovery regime, with the return put back into the program.*' *Investing for Growth* also requires Austrade '*to ensure a focussed and consistent approach to winning overseas markets...*'

5.31 Austrade's draft strategy for implementing its coordination role seeks to reflect these requirements by including the following objective:

*Ensuring user pays principles are being applied in a consistent manner across the Commonwealth.*²⁶

5.32 Applying a consistent approach across agencies to charging and cost recovery would encourage exporters to seek the most appropriate assistance or service rather than one that might be free or less costly than another, but perhaps less appropriate to their needs. Clear and transparent fees support this process.

5.33 However, the ANAO found considerable variation in policies and practices on fees charged. Some audited agencies charge for export development and promotion services while others do not. The ANAO found fee for service guidelines in only three of the seven main agencies examined in detail—Austrade, Defence, and DETYA. Where the other four agencies did charge fees, the fee for service guidelines were not obvious or available to clients.

²⁶ See Appendix 4.

5.34 Clear across-agency guidelines would facilitate a consistent approach to fees for export development and promotion assistance. Such across-agency guidelines would need to reflect current guidance for agencies on cost recovery, as set out in Figure 5.4.

Figure 5.4
Guidance on cost recovery²⁷

ANAO
<p>The ANAO Better Practice Guide, <i>Building a Better Financial Management Framework—Defining, presenting and using financial information</i> states that an accurate costing system is essential in setting fees and charges and accurately monitoring cost recovery performance. While market influences may play a major role in determining price levels, calculating prices without the support of accurate costs is a high-risk approach. In allocating service delivery costs, management should ensure:</p> <ul style="list-style-type: none"> • the unit costs (if applicable) properly reflect the nature and planned volume of outputs produced or delivered; • the price of outputs or services accurately reflects the level of resources consumed in delivering that output/service; and • the degree of cross subsidisation between the price of individual services (if more than one) is minimised. <p>Cost information plays an important role in performance improvement initiatives because it helps compare alternative actions and provides management with a measure of the costs of, and the potential for, improvement in service delivery.</p>
Department of Finance and Administration
<p>The Department of Finance and Administration Guidelines for Costing of Government Activities, although not intended to necessarily apply or be prescriptive in all situations, state that there are numerous situations in which information on costs is required for decision making. These include determining costs incurred, and therefore the price to be charged, in the provision of Government services. Accurate costing will enable the correct pricing signals to be sent to users. The DoFA guidelines recognise, however, that different costs may be relevant for different decisions. For example, it may be appropriate in some situations to recover only the short-term marginal cost, as opposed to the full cost of providing a service.</p>

5.35 The ANAO notes that it may not always be cost effective to recover the full costs of an export development and promotion activity. Across-agency guidelines would need to recognise circumstances will occur where the small size of an export assistance activity would not make it cost-effective to charge fees. In accordance with DoFA guidelines, each situation should be assessed on its merits and it should be recognised that different costs may be relevant for different circumstances. In addition, there may be instances where Government priorities preclude charging fees as a matter of policy.

²⁷ For further guidance see ANAO Better Practice Guide, *Building a Better Financial Management Framework—Defining, presenting and using financial information*, November 1999; and DoFA *Guidelines for Costing of Government Activities*.

Conclusion—charging and cost recovery

5.36 The ANAO concluded that clear across-agency guidelines would facilitate a consistent approach to charging fees for export development and promotion assistance (other than where Government priorities mean that fees should not be charged as a matter of policy). Such guidelines would need to recognise that circumstances will occur where the small size of an export assistance program would preclude the charging of fees on cost-efficiency grounds.

Recommendation No.7

5.37 The ANAO recommends that, to facilitate a clear and consistent approach to fees, Austrade consult other relevant Commonwealth agencies and develop appropriate cost recovery guidelines for export development and promotion activities and that agencies apply those guidelines, where applicable, to their export activities.

Austrade response

5.38 Agreed.

AFFA response

5.39 Agreed with qualification. AFFA notes that in the development of the guidelines, recognition needs to be given to the different circumstances in different agencies which may, or may not, preclude charging fees for export development and promotion activities.

DoCITA response

5.40 Agreed. To the extent cost recovery is relevant to the Department's programs.

Defence response

5.41 Agreed with qualification. Much of Defence's support for exporters is enacted through Austrade and, therefore, follows Austrade cost-recovery guidelines. Other Defence specific support measures are not necessarily charged for, as their primary objective is not to provide support to Defence exporters, but rather to ensure support for the ADF through the development of a more robust and flexible defence industry base. The provision of this support is dependent on there being a strategic benefit to Defence and is part of a much wider program of international engagement.

DETYA response

5.42 Agreed with qualification. DETYA notes that a consistent approach does not prevent flexibility in the setting of fees.

DFAT response

5.43 Agreed with qualification. Given the wide ranging work of overseas missions and bilateral areas of the Department, it is not generally appropriate for DFAT to provide export development and promotion assistance on a cost recovery or fee for service basis.

DISR response

5.44 Agreed. Clear and transparent fees would encourage businesses to seek services appropriate to their needs, but it is important to note that any whole of government cost recovery approach must reflect the genuine variations in export development and promotion activities between agencies.



Canberra ACT
13 April 2000

P. J. Barrett
Auditor-General

Appendices

Appendix 1

Audit Criteria

Export development and promotion activities across Commonwealth agencies will be effectively coordinated if:

- The roles and responsibilities of agencies in relation to export development and promotion are clearly defined.
- The export development and promotion components of programs and activities are identifiable both in terms of cost and in respect of agency planned outcomes and outputs.
- Coordination mechanisms exist, are clearly-defined and have clearly set-out effective processes.
- Coordination mechanisms are well-communicated and understood.
- Programs and activities which involve export development and promotion:
 - have measurable performance indicators that reflect planned outcomes;
 - avoid duplication with other Commonwealth programs and activities;
 - include arrangements for coordination with Austrade and liaison with other relevant Commonwealth agencies;
 - have consistent approaches to charging and cost-recovery for similar services; and
 - include performance measures which enable contributions to 'whole of government' export development and promotion outcomes to be assessed.
- Agencies liaise with relevant industry stakeholders and State Government agencies in the design and delivery of services.
- Risks to the coordination of export development and promotion are identified by Austrade and action is taken to reduce any risks.

Appendix 2

Export development and promotion activities identified during the audit

<i>Export development and promotion programs/activities</i>	<i>Total Direct Costs²⁸ in 1998-99 (\$m)</i>
AUSTRADE	
Awareness and Advisory Services:	
• Showing Australians the benefits of overseas trade, raising awareness of export assistance programs and promoting an image of Australia internationally	9.50
• General advice and information on export and investment	16.10
Market Information:	
• Finding and delivering export and outward investment opportunities	23.30
In-country assistance:	
• Tailored export and outward investment advice and services	63.60
Export Market Development Grants (EMDG)	159.40
Cost recovery from clients	31.80
TOTAL	303.70
<p>Note 1: The EMDG scheme was identified as an export development and promotion activity by the ANAO, however, it spans all categories.</p> <p>Note 2: Consular and immigration services and investment facilitation were excluded from the list of activities because they did not fit the scope of the audit.</p> <p>Note 3: Austrade is unable to break down the costs recovered from its clients between its output groups.</p>	
DEPARTMENT OF AGRICULTURE, FISHERIES, FORESTRY—AUSTRALIA	
Awareness and Advisory Services:	
• National Pork Industry Development Program—Confederation of Australian Pork Exporters (CAPE) and Australian Pork Corporation export promotion project	1.02
• Supermarket to Asia:	
- Supermarket to Asia Council support provided by AFFA	1.49
- Supply Chain project and “Chains of Success”	0.20
- Food and Fibre Supply Chains Program (commenced 1 July 1999)	
- Delicatessen program	0.40
- Strategic Alliances	0.01
- New Industries Development Program (commenced 1 July 1999)	

<i>Export development and promotion programs/activities</i>	<i>Total Direct Costs²⁸ in 1998-99 (\$m)</i>
Market Information:	
• Horticulture 2000—export elements (ceased operation 30 June 1999)	0.01
• Citrus Market Diversification Program—export elements	0.30
• Australian Highly Processed Food Export Competitiveness and Market Development Study	0.81
In-country assistance:	
• Horticulture trade delegation	0.03
• Assistance from AQIS in entering markets	
TOTAL	4.27
Note 1: Assistance from AQIS in entering markets is an integral part of an AQIS counsellor's responsibilities at overseas posts and is difficult to quantify.	
DEPARTMENT OF COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS	
Market Information:	
• Information Industries Action Agenda—export elements	
• Information Industries Export Network	
In-market assistance:	
• Funding for CeBIT Incubator program 1999, plus support for other trade displays such as Comdex	
• 1999 Australian Information Industries Capability Directory (CD-Rom)	
• ArtsInfo online "Business Showcase"	
• International promotion of Australian Y2K capability funded by OGO	
• Contemporary Music Package (moving to Australia Council)	
• Publishing Industry Development and Export Project	
• Publication in series "Cultural Tourism in Australia": <ul style="list-style-type: none"> - International Conventions and Luxury Cruise Ships - Visual Art and Craft Shopping by International Visitors 1997 	
• Australia's Cultural Network, in particular, International Events Calendar	
• Funding for export elements of the Confederation of Australian International Arts Festivals	
TOTAL	0.10
Note 1: DoCITA is unable to breakdown the direct cost of its export development and promotion activities.	

<i>Export development and promotion programs/activities</i>	<i>Total Direct Costs²⁸ in 1998-99 (\$m)</i>
DEPARTMENT OF DEFENCE	
Awareness and Advisory Services:	
• Support to Defence Exporters Council and industry associations and State governments	0.02
• Export-related publications and directories	0.02
• Defence Acquisition Regional Shopfronts	0.01
Market Information:	
• Defence Export Outlook Seminars	0.04
• Assistance for major export projects	0.03
• Specific endorsement activities	
In-country assistance:	
• Support for programmed trade shows and exhibitions	0.42
• Trade Commissioner—Defence program	0.69
• Support for outwards defence industry missions	0.04
• Coordination of support from Defence personnel in export marketing efforts	0.05
TOTAL	1.32
Note 1: Above activities exclude export control activities; government-to-government (defence-to-defence) liaison and cooperation	
DEPARTMENT OF EDUCATION, TRAINING AND YOUTH AFFAIRS	
Awareness and Advisory Services:	
• Advice to educational organisations and seminars	
Market Information:	
• Overseas Counsellor Network (OCN) services to specific clients	
• Market information through AEI website	
• Research and analysis for education exports	
In-country assistance:	
• OCN follow-up and “door-opening” services	
• Generic promotion of Australian education	
• Trade shows and education exhibitions	
TOTAL	7.24
Note 1: Excludes government-to-government role of OCN; also DETYA International Services (DIS). Note 2: DETYA is unable to break down the direct cost of its export development and promotion activities.	

<i>Export development and promotion programs/activities</i>	<i>Total Direct Costs²⁸ in 1998-99 (\$m)</i>
DEPARTMENT OF FOREIGN AFFAIRS AND TRADE	
Awareness and Advisory Services:	
• Tradewinds series	
• Export sub-group of the Commission for International Cultural Promotion	
Market Information:	
• Conferences and seminars (including the Business Relations Program)	
• Publications including: <ul style="list-style-type: none"> – Cross Cultural Connection Kits – Trade Watch – Country fact sheets – Asialine – Doing Business In Egypt (and similar publications) 	
• East Asia Analytical Unit publications	
• Market Information Service	
• One-off projects, eg. Europe Branch's scoping study on market opportunities for environmental technologies in Central Europe; China Trade and Investment Summit	
In-country assistance:	
• Financial support through councils, institutes and foundations such as the Australia-China Council for trade exhibitions and missions	
• Services to business in markets where Austrade does not have representation	
• Door-opening and advocacy services by Heads of Mission and Senior Diplomats	
• Travelling exhibition - Australia Our Sporting Life—and Australia-Asia Sports Linkages Program	
• Expo 2000	
• Country promotions (eg. All the best from Australia—the Philippines)	
TOTAL	1.47
Note 1: DFAT is unable to break down the direct cost of its export development and promotion activities.	

Export development and promotion programs/activities	Total Direct Costs²⁸ in 1998-99 (\$m)
DEPARTMENT OF INDUSTRY, SCIENCE AND RESOURCES	
Awareness and Advisory Services:	
• Biotechnology: Australian Biotechnology Directory 1999 (CD-Rom) and related initiatives	0.25
• Building and construction industry initiatives:	
– Inventory of industry export capability	
– Directory of government export assistance for building and construction industry	
Market Information:	
• Textile, Clothing and Footwear Market Development program	
• Building and Construction Industries Action Agenda (including Business Builders)	1.83
• Other building and construction industry initiatives:	
– Support for Australia Japan Housing	
– Support for visiting key officials from other countries	
– Activities to showcase industry capability	
• Research into new market opportunities	
• Emerging and Renewable Energy Action Agenda—export elements	
• Liquefied Natural Gas Action Agenda—export elements	0.11
• National Action Plan for Tourism—export elements	0.15
• Coal Export Facilitation	0.36
• Study on increasing exports for the Electricity Supply Industry and related work to develop an export strategy	0.13
• Heavy Engineering:	
– promotion of technology fairs to industry	
– research on market opportunities for mining equipment and services exports	
• Health industries: building networks with overseas interests to facilitate exports	
• “Doing Business in India” seminar	0.01
• Market Access and Development by DISR Business Competitiveness and Development Division	0.24
• Funding for research on “Exploiting Business Opportunities in Asia” and any similar projects	

continued next page

Export development and promotion programs/activities	Total Direct Costs²⁸ in 1998-99 (\$m)
• In-country assistance:	
• Technomarts (AusIndustry)	0.09
• Automotive Industry Action Agenda (including Automotive Market Development Program)	5.76
• Technology Diffusion Program:	
– Funding for Biotechnica 99	0.18
• Ship and boat building:	
– Support for AIMEX at international boat shows	0.09
– Identification of export opportunities in South America	
• Support for Hannover Messe 1999 to showcase Australia's science and technology capabilities	0.05
• Urban Export Fund and Singapore Australia Joint feasibility Study Fund (now concluded)	
TOTAL	9.25
AUSTRALIA COUNCIL	
Awareness and Advisory Services:	
• Major Organisations International Touring	0.30
• Support for key individual exporters	0.03
Market Information:	
• Australian Performing Arts Market follow-up	0.50
• Crafts Export Strategy	0.20
• Literature Export Strategy	0.20
• Visual Arts Export Strategy	0.25
• Research on international markets	0.08
• Development funding for future projects	0.10
In-country assistance:	
• Australian Contemporary Art Fair	0.10
• Works on paper Art Fair	0.03
• Contemporary Music Export Development program	0.85
• Representation at international arts markets	0.06
TOTAL	2.70
AUSTRALIAN BUREAU OF STATISTICS	
Awareness and Advisory Services:	
• Providing statistics on Australia's exports of goods and services	1.60
TOTAL	1.60

<i>Export development and promotion programs/activities</i>	<i>Total Direct Costs²⁸ in 1998-99 (\$m)</i>
AUSTRALIAN CUSTOMS SERVICE	
Market Information:	
• Export processing activities	2.40
• Export compliance and improvement activities	0.47
TOTAL	2.87
AUSTRALIAN DAIRY CORPORATION	
Awareness and Advisory Services:	
• Health and Nutrition (School Education programs AusAID)	0.20
• Industry contribution to national residence survey, costs	0.24
Market Information:	
• Business development—profile activities	1.81
• Market intelligence and research	0.54
In-country assistance:	
• Industry Delegations	0.40
• Industry Scholarships	0.17
• Trade Policy activities (including bilateral representation)	0.70
• Industry agency sales program	4.10
TOTAL	8.16
AUSTRALIAN DRIED FRUITS BOARD#	
Awareness and Advisory Services:	
• Promotion with customers	
Market Information:	
• Canadian visit, market research	
TOTAL	
Note 1: The Australian Dried Fruits Board is unable to break down the direct cost of its export development and promotion activities	

<i>Export development and promotion programs/activities</i>	<i>Total Direct Costs²⁸ in 1998-99 (\$m)</i>
AUSTRALIAN FILM COMMISSION	
Awareness and Advisory Services:	
• Territory Development initiatives (Special Events)	0.09
• Pre-festival/marketing briefing seminars	0.02
Market Information:	
• Tracking and publication of data on Australian films/programs released overseas	
• Assistance to Australian film/program makers with information on overseas industries	
In-country assistance:	
• Representation at international film and television markets	0.63
• Representation at international film festivals	0.16
• Marketing loans for feature films to attend international markets	0.10
• Marketing loans for producers to attend international markets	0.07
• Travel grants to film makers to attend international film festivals	0.20
TOTAL	1.27
AUSTRALIAN HERITAGE COMMISSION	
Market Information:	
• Project: Developing cultural heritage management guidelines for places in China	0.04
TOTAL	0.04
AUSTRALIAN PORK CORPORATION#	
In-country assistance:	
• Overseas trade shows and contracts	0.21
• Japanese Merchandising Program	0.12
TOTAL	0.33

<i>Export development and promotion programs/activities</i>	<i>Total Direct Costs²⁸ in 1998-99 (\$m)</i>
AUSTRALIAN TOURIST COMMISSION	
Awareness and Advisory Services:	
• Australian Tourism Exchange	3.69
• Industry Seminars	0.03
• Germany Forum	0.03
Market Information:	
• Industry Newsletter	0.02
In-country assistance:	
• Walkabout (NZ)	0.27
• Borosa Internazionale del Turismo	0.12
• Fitur	0.05
• Internationale Tourismus Borse	1.32
• Scandinavian Trade Shows	0.08
• French/Benelux Trade Shows	0.04
• Swiss Trade Shows	0.01
• World Travel Market	0.21
• Eastern European Trade Shows	0.05
• Japan Australia Mission	0.44
• Travel Australia Business Show	0.71
• Trade Events and Promotions	0.65
TOTAL	7.72

<i>Export development and promotion programs/activities</i>	<i>Total Direct Costs²⁸ in 1998-99 (\$m)</i>
AUSTRALIAN WOOL RESEARCH AND PROMOTION ORGANISATION#	
Awareness and Advisory Services:	
• Provide an integrated technical service and training to selected mills to demonstrate the benefits of Australian wool	0.56
Market Information:	
• Monitor and identify opportunities to increase the use of Australian raw and semi-processed wool in emerging markets	0.62
• Developing global information bases from fibre to consumer to meet stakeholder needs	1.47
In-country assistance:	
• Implementing a brand marketing strategy that preferences Australian wools and leverages joint promotion to consumers	27.48
• Promoting innovative wool product at major international fairs	4.47
• Activities in Western Europe	17.17
• Activities in Eastern Europe/Africa	4.07
• Activities in India	0.91
• Activities in Asia/Pacific	9.83
• Activities in Greater China	8.07
• Activities in Americas	10.24
TOTAL	84.89
COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION	
In-country assistance:	
• Maximising market opportunities in the Indonesian housing and urban development sector	0.05
• Hannover Fair 99	0.50
• OZTECH 99	
• BIO 99	
TOTAL	0.55

<i>Export development and promotion programs/activities</i>	<i>Total Direct Costs²⁸ in 1998-99 (\$m)</i>
DAIRY RESEARCH AND DEVELOPMENT CORPORATION#	
Awareness and Advisory Services:	
• Dairy ingredient market database	0.02
Market Information:	
• Dairy ingredients in the Philippines	0.05
TOTAL	0.07
DEPARTMENT OF ENVIRONMENT AND HERITAGE	
Awareness and Advisory Services:	
• Special edition of AVCC publication 'univation' on Australian management expertise	0.02
• Seminar series on how to win funded water and environment projects in Indonesia	0.03
• Maintaining environment—a network of databases	0.08
• Produced envirobusiness update	0.01
Market Information:	
• Doing Environment Business with China—a Guide	0.07
In-country assistance:	
• Sino-Australian workshop to build industry partnership between China and Australia	0.05
• Medical Waste management seminars in Indonesia	0.01
• Sponsorship of Ecobiz 99	0.02
TOTAL	0.29
DEPARTMENT OF HEALTH AND AGED CARE	
Awareness and Advisory Services:	
• Health Industry Outlook Conference	0.05
• Support to state export activities	0.01
• Australian College of Health Senior Executives Health Expo	Ø
• AHIDF meeting—Sydney	Ø
• Attendance at state information seminar	Ø
Market Information:	
• Attendance at seminar 'Exporting Australian Health in India'	Ø
In-country assistance:	
• Represent AHIDF at the Indonesian Hospital Association	0.01
• AHIDF India Focus Group	0.01
• Australian/Thai Business Council—Thailand	0.01
• Australian/Thai Business Council meeting	Ø
TOTAL	0.08

<i>Export development and promotion programs/activities</i>	<i>Total Direct Costs²⁸ in 1998-99 (\$m)</i>
DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES	
Awareness and Advisory Services:	
• Joint trade display with Austrade—August 1999 Easter Show	0.03
Market Information:	
• Trade seminars—Doing business in South America	0.01
• Trade seminars—Transport Trade with China	0.01
• Transport Infrastructure Opportunities in Asia (RIAP) Seminars	Ø
• Meeting with Hungarian Principal Adviser	
• Delegation from Japan	Ø
• BTE Report 99	0.10
• Transport Trade Industry Consultative Group	
TOTAL	0.15
FISHERIES RESEARCH AND DEVELOPMENT CORPORATION#	
In-country assistance:	
• Australian Prawn Export Promotion	
• Hooking into Asia supermarkets	
TOTAL	
Note 1: FRDC is unable to break down the direct cost of its export development and promotion activities	
GRAINS RESEARCH AND DEVELOPMENT CORPORATION#	
Market Information:	
• China's grain supply and international grain trade	0.05
• Asian Noodle products market analysis—various components	0.20
• Evaluation of Australian wheat varieties for Cantonese-style steamed bread and buns	0.16
TOTAL	0.42

<i>Export development and promotion programs/activities</i>	<i>Total Direct Costs²⁸ in 1998-99 (\$m)</i>
PIG RESEARCH AND DEVELOPMENT CORPORATION#	
In-country assistance:	
• Trial shipment of chilled pork to Singapore	0.16
• Launch of Australian chilled pork in Singapore	0.01
TOTAL	0.17

²⁸ Direct cost refers to those cost items that could be assigned specifically to the production of an output (including staff costs, travel, consultants, etc.). Direct costs exclude indirect costs, which also contribute to producing an output, but are not incurred exclusively for that one output. Indirect costs are also referred to as overheads and corporate support costs (eg. property expenses, IT, management salaries, etc.).

AFFA advises that these organisations are funded through levies on industry produce and in the case of R&D corporations, additional funding through matching Commonwealth special appropriation.

Ø indicates that the amount is less than \$0.01 million.

Appendix 3

Commonwealth Agency Coordination Mechanisms

Coordination mechanisms	Role	Parties involved
National Trade Consultations (NTC)	<p>A framework for regular dialogue for Australian Governments, industry associations and ACTU on policies and strategies for increasing Australia's trade and investment.</p> <p>The NTC comprises two forums: an annual meeting of Commonwealth, State and Territory Ministers responsible for international trade and industry development and biannual intersessional consultations involving government officials and representatives of peak industry associations and ACTU.</p>	<p>Minister for Trade; State and Territory Government Ministers</p> <p>Intersessional— State and Territory Department representatives; DFAT; Austrade; AFFA; DISR; EFIC; ACTU and Industry Association representatives</p>
Trade Policy Advisory Council (TPAC)	<p>The Minister for Trade's peak advisory body on trade policy.</p> <p>TPAC helps set the longer term strategic direction for Federal Government trade policy, and identifies impediments to exports while promoting closer government-industry consultation.</p> <p>The council meets quarterly.</p>	<p>Senior business representatives; Academia</p> <p><i>Ex officio</i> members— DFAT; AFFA; Austrade; DISR; EFIC</p>
Market Development Task Force (MDTF)	<p>Represents a whole of government effort aimed at securing bilateral trade and investment outcomes that deliver substantial benefits to Australian business. Reporting to the Trade Minister, MDTF focuses on high priority, short-term market opportunities.</p> <p>A network of case officers from the relevant agencies pursues each priority, working with Posts, other agencies and the private sector. The process feeds into the annual TOOS.</p>	<p>DFAT; Austrade; AFFA; DISR</p>

Coordination mechanisms	Role	Parties involved
Trade Outcomes and Objectives Statement (TOOS)	<p>The Government's major annual trade policy statement, which is a comprehensive analysis of trade and investment policies, achievements and challenges.</p> <p>Presented to Parliament annually.</p>	<p>Minister for Trade; DFAT; Austrade; DISR; AFFA; DETYA; DoCITA; Other Commonwealth and State Government agencies; private sector</p>
Committees overseeing specific sectors	<p>Agriculture and Resource Management Council of Australia and New Zealand (ARMCANZ). ARMCANZ is the peak government forum for consultation, coordination and, where appropriate, ensuring an integrated approach by governments on agriculture, land and rural and urban water issues.</p> <p>Standing Committee on Agriculture and Resource Management (SCARM). SCARM's main objectives are to support ARMCANZ in achieving its objectives and to develop cooperative and coordinated approaches to matters of concern to the Council.</p> <p>The Ministerial Council on Forestry, Fisheries and Aquaculture (MCFFA). MCFFA is the peak government forum for consultation and policy development, which are consistent with both the objectives of Commonwealth and State Governments, and where relevant, the New Zealand Government on aspects of forestry, fisheries, and aquaculture and to develop appropriate strategies and policies for integrated action.</p>	<p>All Ministers responsible for agriculture and resource management from all States and Territories, the Commonwealth and New Zealand</p> <p>All Department heads/CEOs of Commonwealth State/Territory & New Zealand Government agencies responsible for agriculture, soil, water and rural adjustment policy</p> <p>All Ministers responsible for fisheries and forestry from all states/territories, the Commonwealth & New Zealand.</p> <p>Serviced by the Standing Committee on Fisheries and Aquaculture and the Standing Committee on Forestry.</p>

Coordination mechanisms	Role	Parties involved
Market Access Facilitators	<p>Established within DFAT to work closely with industry and other agencies to set priorities and identify market access and market development opportunities.</p> <p>Teams are working in the areas of: processed food and beverages; TCF, automotive, information industries and agriculture.</p>	DFAT, in consultation with: AFFA; DISR; DoCITA
Action Agendas	<p>The primary focus of all Action Agendas is to increase the growth prospects of an industry by identifying the steps needed to develop and enhance the industry's sustainable competitive advantages. Particular emphasis is placed on industry itself identifying the actions and tasks to realise its full potential.</p> <p>The process demands a high-level of commitment from both industry and government. Industry takes the primary role of driving an Action Agenda, although the support of government is a crucial factor.</p> <p>Seventeen industries are involved in the Action Agenda process.</p>	DISR; AFFA; DoCITA; Other agencies involved on a needs basis
Industry consultative committees / sectoral consultations / industry export councils	Consultative mechanisms for industry to identify specific market access and development priorities or export development priorities and consult government on these	AFFA; DISR; Defence; DoCITA; Austrade; DFAT
Export Advisory Panels (Austrade)	Annual meetings with industry representatives designed to ensure that Austrade's strategies are based on understanding the needs of practicing exporters.	<p>Austrade; Industry exporters</p> <p>Observers: DFAT; AFFA; DISR; DoCITA</p>

Coordination mechanisms	Role	Parties involved
Memorandums of Agreement and similar agency agreements	<p>An administrative circular sets out an agreement between DFAT and Austrade to improve mutual understanding of each agency's role.</p> <p>The agreement formally sets out the roles of DFAT and Austrade in relation to advancing Australia's trade and investment interests.</p> <p>A Memorandum of Agreement (MoA) between Austrade and Defence establishes responsibilities and basis for cooperation on export activities</p>	<p>DFAT; Austrade</p> <p>Defence; Austrade</p>
Purchaser provider agreements	<p>Broadly defined, a purchaser provider arrangement is one where:</p> <ol style="list-style-type: none"> 1. the purchaser is the agent who decides what will be produced; and 2. the provider is the agent who delivers the agreed outputs or outcomes. <p>Defence; Austrade</p>	<p>DISR; Austrade</p> <p>DETYA; Austrade</p>
Cross-representation on Boards	<p>The purpose of cross-representation on boards is to promote effective consultation and coordination among key trade and industry portfolios.</p> <p>DFAT and DISR Secretaries and EFIC Managing Director sit on the Austrade Board.</p> <p>Austrade Managing Director, DFAT and DISR Secretaries sit on the EFIC Board.</p> <p>A Government Director (normally an AFFA officer) is appointed to the boards of the Statutory Marketing Authorities (SMAs) and the Research and Development Corporations (RDCs).</p>	<p>DFAT; DISR; Austrade; EFIC</p>
Portfolio coordination mechanisms	<p>Portfolio Coordination Committee established between DFAT and Austrade to facilitate coordination of activities between the two agencies.</p>	<p>DFAT; Austrade</p>

<i>Coordination mechanisms</i>	<i>Role</i>	<i>Parties involved</i>
Senior officer meetings	<p>Facilitates alignment of agency priorities; consideration of cross-agency issues; awareness of agency plans.</p> <p>Austrade’s Managing Director meets Departmental Secretaries</p> <p>Meetings between DISR and Austrade at Deputy CEO level.</p> <p>Austrade representatives attend meetings of DFAT Senior Executive with the Minister for Trade.</p>	<p>Austrade; DISR; Other agencies</p>
Departmental liaison	<p>Facilitates coordination of cross-agency programs and specific activities; raises awareness of wider issues and knowledge of other agencies.</p> <p>Includes meetings, cross-agency briefings, ongoing contact between officers, some cross-placement of staff.</p>	<p>DFAT; Austrade; AFFA; Defence; DETYA; DISR; DoCITA; Most agencies</p>

Appendix 4

Key elements of Austrade's strategy & action plan to implement its role as coordinator of export programs across Commonwealth agencies

Strategy:

- Identification of specific objectives to be achieved in relation to '*advice, guidance and coordination*' role (goals and objectives statement below);
- Development of guidelines to achieve these objectives;
- Discussion of export activities with relevant agencies and agreement on relative roles and responsibilities, including agreements on service delivery as appropriate;
- Agreement with relevant agencies on the basis for coordination and provision of advice and the best process for this; and
- Development and implementation of appropriate coordination processes to keep other agencies in touch with the Government's overall trade promotion and export priorities and Austrade practices and to enable Austrade to report on a broad basis to the Minister for Trade on Commonwealth export facilitation activities and outcomes.

Action plan to implement the strategy:

- Letters to all portfolio ministers flagging Austrade's role as outlined in the Investing for Growth statement and identifying Austrade's Export Assistance Coordinator (EAC).
- All Austrade staff to be informed of Austrade's coordination role (as core business and a measurable client service) and the EAC position.
- Establish a list of contacts/positions within Austrade and consult with those people and keep them informed/briefed (by the EAC) on policies, processes and priorities for Austrade's coordination role.
- Develop a list of contacts in all Commonwealth agencies with whom relevant Austraders and the EAC can coordinate/liaise/consult with re programs/activities.
- Individual people (within Aust Ops) to be assigned Departments as their principle responsibility. Each person to have a key client relationship with the agency and be the key point of contact for all export related activities in that agency. In some agencies more than one person may be needed particularly in the case of DISR where a team leader at the EGM level (EGM Australian Operations) will probably be required.

- Prepare a schedule of Austrade programs and conduct regular mailouts (to all Commonwealth agency contacts) of
 - program overviews/updates/outcomes
 - forthcoming events/activities
 - information/advice on new policy developments (eg. CSP), best practice, performance measurements, etc
 - market intelligence information (all contacts should be regular receivers of Export Update Newsletter and any other Austrade publications).
- Gather from other agencies a schedule of programs and available information as per above. This will be provided to industry managers, the Hotline for referral where appropriate and any other interested/relevant Austraders.
- Maintain a program of visits by the MD to all Departmental Heads.
- Meet (Aust Ops, Corp Affairs/G&P) with agencies to discuss/ agree on objectives, process and reporting on coordination of export programs and encourage consultation with Austrade in the design/development stage of export programs.
- Confirm with agencies in writing proposed objectives, process and reporting mechanisms.
- Develop a list of service standards for ourselves in delivering advice etc to other Commonwealth agencies.
- Develop a list of performance measures/criteria (based on Mortimer, DoFA guidelines and Investing for Growth) which can be used by all agencies to design, deliver and evaluate export-related programs/assistance to business.
- Prepare a summary/ overview of Austrade (and other) resources, services and advice available to agencies to assist [in designing, delivering and evaluating programs] in ensuring consistency with the Government's trade policy objectives.
- Discussions with agencies where relevant about use of Austrade for project delivery on a purchaser-provider basis (ie. identifying 'relevant agencies' will depend on audit findings of how well programs are being run by others and whether other agencies themselves see any value in entering into purchaser-provider arrangements with Austrade).
- Ministerial Submission to the Minister for Trade proposing/requesting that he require all export-related new policy proposals (across all portfolios) seek Austrade's comments before being submitted.

- Incorporate yearly reporting of Austrade’s coordination role into the Annual Report—a ‘whole of government’ report of all programs, their objectives and outcomes (possibly in table format listing all programs, with a brief introductory paragraph explaining why Austrade performs this role, how it works, and what the benefits are). An annual reporting mechanism might pre-empt requests from Ministers for ‘anytime’ reporting on all programs and activities.

Review & update this action plan with the inclusion of a time frame.

Goals & objectives of Austrade’s role as coordinator of export programs across Commonwealth agencies

Goals

Austrade

- For Austrade to be recognised by all Commonwealth agencies as the coordinator of export assistance and that there is a clear understanding of what that role entails.
- For Austrade to be considered by all Commonwealth agencies as the expert on export related issues.
- For Austrade to have a comprehensive understanding of, and is able to report on, export activities being conducted across the Commonwealth agencies.

Government

- That Austrade is fulfilling its role as defined by the Government and programs of assistance proposed by other agencies are consistent with the Government’s trade policy priorities and objectives.

Clients

- Practical and useful export projects and programs that are delivered effectively and efficiently and provide sustainable long term results for Australian exporters.
- Ability to obtain clear and simple advice on available programs and projects, with no duplication in programs delivered by Commonwealth Government agencies—Australian business should be able to observe that there is a whole of government approach.

Other Commonwealth Agencies

- Austrade is considered by all the major Commonwealth agencies as a source of excellent advice and value for money.

Objectives

Austrade's role of coordinator is intended to ensure better delivery of export related activities and return on the Government's investment in export promotion and facilitation across the Commonwealth, by:

- Ensuring that there is a consistent high quality approach to the provision of export related projects and programs
- Ensuring that measurable objectives, accountability processes and comparable performance criteria are applied to all programs
- Ensuring the direction of programs are consistent and complementary
- Creating synergies and flexibility where possible
- Ensuring resources are being used in a cost effective way
- Eliminating duplication
- Ensuring user pays principles are being applied in a consistent manner across the Commonwealth
- Maintaining a client and outcomes focussed approach to all projects

Appendix 5

Overseas examples of across-agency performance measurement

During the course of the audit the ANAO examined:

- a) Overseas Trade Service: Assistance to Exporters, Report by the Comptroller and Auditor General 1996 (UK)
- b) The 1998 National Export Strategy, Sixth Annual Report to Congress—Trade Promotion Spending and Performance (USA 1998)
- c) Report of the Auditor General of Canada—Canada’s Export promotion Activities
- d) Office of Inspector General—International Trade Administration, Management Improvements Needed to Better Prepare for the Export Challenges of the 21st Century (March 1999)

The following table provides an analysis of the common performance indicators used by lead export development and promotion agencies in four countries.

Common performance indicators* used by overseas leading export development and promotion agencies

<i>Performance indicators</i>	<i>US (Dept of Commerce)</i>	<i>UK (Overseas Trade Services)</i>	<i>Canada (Dept of Foreign Affairs and Intern Trade)</i>	<i>Australia (Austrade)</i>
Export Impact	✓	✓	✓	✓
New exporters	✓	✓	✓	✓
New to markets exporters	✓	✓	—	✓
Client satisfaction	✓	✓	✓	✓

* This is not a complete list—each agency uses additional indicators, the ones listed have the greatest degree of commonality.

The Canadian report emphasised the need to ‘*develop and implement ongoing and independent mechanisms to measure the value and utility of key export promotion activities and programs. The departments should use this information for program management and resource allocation decisions and where appropriate for reporting to Parliament*’.

The US Trade Promotion Coordinating Committee (TPCC) *'will continue to work towards the development of appropriate cross-cutting indicators that can both meet the needs of individual agencies and allow comparisons of performance across agencies.'* The US can now estimate the value of export support programs funded by all TPCC²⁹ agencies.

²⁹ Some of the members of the Committee include: Dept of Commerce, Dept of Agriculture, Dept of Defence, Agency of International Development, Export Import Bank of the United States, United States Trade and Development Agency, and Small Business Administration.

Index

A

- Action Agendas 93
- agency responses 14
- agency roles and responsibilities 18, 23, 56, 59
- agency-to-agency coordination mechanisms 13, 45, 46
- audit criteria 32, 77
- audit methodology 32
- audit objective and approach 12
- audit objective and criteria 31
- Austrade's coordination role 13, 17
- Austrade's strategy & action plan 96
- Automotive Market Access and Development Strategy 15, 44, 46, 68

C

- charging and cost recovery 20, 24, 70, 72
- Conclusion 13, 25, 46, 53, 57, 61, 69, 72
- coordination activity 42, 43
- coordination mechanisms 13, 15, 21, 44-46, 51, 53, 77, 91
- cost of export development and promotion activities 39
- cost recovery 14, 19, 20, 24, 41, 63, 65, 67, 69-73, 78

D

- duplication 12, 13, 16, 31, 48, 49, 59, 63, 77, 98, 99

I

- identifying activities 57
- Investing for Growth 11, 16, 17, 20, 30, 32, 48, 50, 60, 63, 67, 79, 82-85, 87

K

- Key Findings 15, 17, 19

L

- liaison 16, 18, 37, 41, 47, 49, 57, 77, 80, 95

M

- Market Development Task Force 30, 42, 44, 46
- Mortimer Design Criteria 14, 16, 19, 20, 23, 48, 63, 65-67, 70

P

- performance measurement 19, 63, 65-67, 69, 71, 73, 97, 100

R

- recommendations 14, 21-23

S

- sectors assisted by agencies 35
- strategic policy context 29
- Supermarket to Asia 15, 38, 44, 78

T

- Trade Outcomes and Objectives Statement 30, 42
- trade policy 11, 30, 42, 44, 84, 91, 97, 98

W

- whole of government coordination mechanisms 13, 44-46

Series Titles

Titles published during the financial year 1999–2000

Audit Report No.38 Performance Audit
Coastwatch
Australian Customs Service

Audit Report No.37 Performance Audit
Defence Estate Project Delivery
Department of Defence

Audit Report No.36 Performance Audit
Home and Community Care
Department of Health and Aged Care

Audit Report No.35 Performance Audit
Retention of Military Personnel
Australian Defence Force

Audit Report No.34 Performance Audit
*Construction of the National Museum of Australia and
the Australian Institute of Aboriginal and Torres Strait
Islander Studies*

Audit Report No.33 Performance Audit
Business Entry Program
Department of Immigration and Multicultural Affairs

Audit Report No.32 Performance Audit
Management of Commonwealth Non-primary Industries

Audit Report No.31 Performance Audit
Administration of Tax Penalties
Australian Taxation Office

Audit Report No.30 Examination
Examination of the Federation Cultural and Heritage Projects Program

Audit Report No.29 Performance Audit
The Administration of Veterans' Health Care
Department of Veterans' affairs

Audit Report No.28 Audit Activity Report
*Audit Activity Report July to December 1999
Summary of Outcomes*

Audit Report No.27 Performance Audit
Risk Management of Individual Taxpayers Refunds
Australian Taxation Office

Audit Report No.26 Performance Audit
Army Individual Readiness

Audit Report No.25 Performance Audit
Commonwealth Electricity Procurement
Australian Greenhouse Office
Commonwealth Scientific and Industrial Research Organisation
Department of Defence
Department of Finance and Administration
Audit Report No.24 Performance Audit
Commonwealth Management and Regulation of Plasma Fractionation
Department of Health and Aged Care

Audit Report No.23 Performance Audit
The Management of Tax Debt Collection
Australian Taxation Office
Audit Report No.22 Performance Audit
Weather Services in the Bureau of Meteorology
Department of the Environment and Heritage

Audit Report No.21 Financial Statement Audit
Audits of the Financial Statements of Commonwealth Government Agencies for the Period Ended 30 June 1999.

Audit Report No.20 Performance Audit
Special Benefits
Department of Family and Community Services
Centrelink

Audit Report No.19 Performance Audit
Aviation Safety Compliance
Civil Aviation Safety Authority

Audit Report No.18 Performance Audit
Electronic Service Delivery, including Internet Use, by Commonwealth Government Agencies

Audit Report No.17 Performance Audit
Commonwealth/State Housing Agreement
Department of Family and Community Services

Audit Report No.16 Performance Audit
Superannuation Guarantee
Australian Taxation Office

Audit Report No.15 Performance Audit
Management of Australian Development Scholarships Scheme
Australian Agency for International Development (AusAID)

Audit Report No.14 Performance Audit
Commonwealth Debt Management

Audit Report No.13 Performance Audit
Management of Major Equipment Acquisition Projects
Department of Defence

Audit Report No.12 Financial Control and Administration Audit
Management of Contracted Business Support Processes

Audit Report No.11 Performance Audit
Financial Aspects of the Conversion to Digital Broadcasting
Australian Broadcasting Corporation
Special Broadcasting Service Corporation

Audit Report No.10 Financial Statement Audit
Control Structures as Part of Audits of Financial Statements of Major Commonwealth Agencies for the Period Ended 30 June 1999

Audit Report No.9 Performance Audit
Managing Pest and Disease Emergencies
Agriculture, Fisheries and Forestry—Australia

Audit Report No.8 Performance Audit
Managing Data Privacy in Centrelink
Centrelink

Audit Report No.7 Financial Control and Administration Audit
Operation of the Classification System for Protecting Sensitive Information

Audit Report No.6 Audit Activity Report
Audit Activity Report January–June 1999
—Summary of Outcomes

Audit Report No.5 Performance Audit
IP Australia—Productivity and Client Service
IP Australia

Audit Report No.4 Performance Audit
Fraud Control Arrangements in Education, Employment, Training and Youth Affairs

Audit Report No.3 Performance Audit
Electronic Travel Authority
Department of Immigration and Multicultural Affairs

Audit Report No.2 Financial Control and Administration Audit
Use of Financial Information in Management Reports

Audit Report No.1 Performance Audit
Implementing Purchaser/Provider Arrangements between Department of Health and Aged Care and Centrelink
Department of Health and Aged Care
Centrelink

Better Practice Guides

Business Continuity Management	Jan 2000
Building a Better Financial Management Framework	Nov 1999
Building a Better Financial Management Support	Nov 1999
AMODEL Illustrative Financial Statements 1999	Jul 1999
Commonwealth Agency Energy Management	Jun 1999
Corporate Governance in Commonwealth Authorities and Companies—Principles and Better Practices	Jun 1999
Managing Parliamentary Workflow	Jun 1999
Cash Management	Mar 1999
Management of Occupational Stress in Commonwealth Agencies	Dec 1998
Security and Control for SAP R/3	Oct 1998
Selecting Suppliers: Managing the Risk	Oct 1998
New Directions in Internal Audit	Jul 1998
Life-cycle Costing (in Audit Report No.43 1997–98)	May 1998
Controlling Performance and Outcomes	Dec 1997
Management of Accounts Receivable	Dec 1997
Protective Security Principles (in Audit Report No.21 1997–98)	Dec 1997
Public Sector Travel	Dec 1997
Audit Committees	Jul 1997
Core Public Sector Corporate Governance (includes Applying Principles and Practice of Corporate Governance in Budget Funded Agencies)	Jun 1997
Administration of Grants	May 1997
Management of Corporate Sponsorship	Apr 1997
Return to Work: Workers Compensation Case Management	Dec 1996
Telephone Call Centres	Dec 1996
Telephone Call Centres Handbook	Dec 1996
Paying Accounts	Nov 1996
Performance Information Principles	Nov 1996
Asset Management	Jun 1996
Asset Management Handbook	Jun 1996
Managing APS Staff Reductions —supplementary Better Practice Principles in Audit Report No.49 1998–99	Jun 1996