



Australian Government

Australian Government response to the
Joint Standing Committee on Trade and Investment Growth report:

Austrade's role in attracting investment in Australian businesses.

September 2019

GOVERNMENT RESPONSE

Joint Standing Committee inquiry into Austrade's role in attracting investment in Australian businesses.

Recommendation 1 – Increase the priority of collective partnering with all levels of government

The Committee recommends that Austrade increase the priority of collective partnering and cooperation with all levels of government—Commonwealth, state and territory and local. This cooperation should build on the success of the current National Investment Advisory Board and Regional Development Australia Committees processes.

Response: *Supported*

The Australian Government recognises the benefits of collaboration across all levels of government and notes this is particularly relevant at the local government level and with regional government bodies.

The Government notes that working with partners remains a key strategic priority for Austrade and this is reflected in the work the agency is pursuing to deepen its relationships and partnerships across all levels of government and with the private sector.

Commonwealth partnerships

The Australian Government notes the relationships Austrade has established with partners to facilitate and drive investment outcomes including with the Department of Industry, Innovation and Science (DIIS), GeoScience Australia, the Commonwealth Scientific and Industrial Research Organisation (CSIRO), the Department of Home Affairs, The Treasury, the Department of Foreign Affairs and Trade (DFAT), Tourism Australia and Export Finance Australia (formerly the Export Finance and Insurance Corporation). In particular, Austrade works closely with DFAT regarding foreign investment matters, including under the auspices of the Economic and Commercial Diplomacy Agenda, and with DIIS regarding the coordination and facilitation of major project investments.

As part of its client service re-design work, Austrade is developing an enhanced suite of client services which are being co-designed with stakeholders, informed by client needs and global opportunities, and supported by new technology, digital platforms and data analytics. A recent example is the design of an Investor Map with GeoScience Australia and Data 61.

State and territory partnerships

Cooperation between the Australian Government and states and territories on trade and investment matters occurs through the Trade and Investment Ministers' Meeting, Senior Officials' Trade and Investment Group meeting, the National Investment Advisory Board and the National Trade Working Group. These forums are supported by Austrade working closely with officials from the Department of Foreign Affairs and Trade, other Commonwealth agencies and relevant states and territory trade and investment agencies. Importantly, Austrade also works in partnerships with jurisdictions for the facilitation of investment outcomes. This is best illustrated through the investment cycle and protocols which have been agreed to through the National Investment Advisory Board and which guide how Austrade works with the states and territories for facilitation and aftercare (including re-investment).

Local partnerships

The Government notes that work is currently underway between Austrade, local governments and Regional Development Australia initiatives (RDAs) on the development of regional investment initiatives and projects. However, noting there is scope for more to be done, the Government, through Austrade, will continue to engage with RDAs as well as regional industry bodies, think tanks and local councils on the development of a regional investment strategy and associated initiatives in an effort to strengthen relationships with the regions.

Recommendation 2 – Investigate the creation of a virtual marketplace

The Committee recommends that Austrade investigate the creation of a virtual marketplace for state and territory and local governments to promote investment opportunities and projects for consideration by Austrade and for promotion to foreign investors through its overseas network.

Response: *Noted*

The Australian Government does not operate a virtual marketplace for the promotion of investment opportunities. Previous experience in centralising project proposals to a virtual prospectus have yielded mixed investment results and often limited the ability for Commonwealth agencies to vigorously vet the readiness of investment opportunities. The shopping-list approach to promotion also implies the listed projects are endorsed by the Australian Government, which has the potential to damage the reputation of the Australian Government should projects fail.

In contrast, the current approach puts the onus on the investor to undertake their own due diligence. Feedback from investors and Australian proponents, provided through Austrade, is that the current approach to investment attraction is the preferred method. This approach involves Austrade, informed by specific investor needs and drivers, showcasing and informing investors of

tailored opportunities rather than presenting a broad list of potential projects or concepts that may be years away from being investment ready.

To support the promotion of investment opportunities, the Australian Government has developed a range of online tools. The Investor Map is a bespoke digital service offered by the Australian Government. Developed by Austrade, GeoScience Australia and Data61, the online map-based tool is available to assist international investors identify opportunities and assess Australia as an investment destination. There are over 900 data sets available, covering factors such as land use and tenure, infrastructure, climate, resource location and availability, and socio-economic indicators (labour availability, migration, and housing for example). Layering these datasets across the country allows investors to quickly identify the suitability of their projects and/or interests to particular locations and understand the challenges and opportunities associated with areas of Australia. It also represents an opportunity for states and territories and local governments to clearly promote the social and physical infrastructure available in their jurisdictions to support such investments.

Another good practice digital tool is the Australian New Zealand Infrastructure Pipeline (ANZIP). Launched by the Australian and New Zealand Governments and hosted with oversight by Infrastructure Partnerships Australia, ANZIP provides a forward view of potential public infrastructure activity across Australia and New Zealand. This quality assured illustration of activity provides a broader, industry level view of opportunities versus a wish-list of projects that would feature in a virtual marketplace. Investors value the pipeline because it provides an impartial, authoritative view of opportunities for consideration by global infrastructure partners.

Recommendation 3 – Further prioritise the digital and data strategies

The Committee recommends that Austrade further prioritise development and implementation of the digital and data strategies identified as priorities in the 2017 response to their Organisational Capability Assessment, as well as the digital and data strategy and execution roadmap identified in its 2017–18 Annual Report.

The Australian Government should consider allocating appropriate resourcing in forward appropriations to guarantee the development and delivery of these data priorities.

Response: *Supported*

The Australian Government notes that Austrade is prioritising the development and implementation of digital and data strategies.

Austrade's Digital Strategy is focused on delivering enhanced services for its clients. Employing a user-centred and iterative approach, Austrade is seeking to design services based on the needs of businesses and delivered through the channels they most prefer. This work is being underpinned by investment in modern digital platforms and informed by the work of Austrade staff around the world working directly with businesses.

Austrade's Data Strategy is under development and will guide how the agency uses data to improve outcomes for clients. Consultations with senior stakeholders are underway and Austrade is working with Commonwealth and state and territory partners to identify the breadth of data available and

how it can be best utilised to serve clients. Austrade continues to invest in data analytics and recognises this will be a continual evolution for the expansion of both data and tools.

The Australian Government notes that Austrade's digital and data strategies are being developed and implemented within its current appropriation. A high level Digital, Data and Information Committee has been established to ensure alignment with the agency's strategic vision and to prioritise and direct resources to the development of digital and data solutions to meet the needs of future investors and clients.

Recommendation 4 – Develop and implement a performance report

The Committee recommends that Austrade develop a performance report detailing target dates and clear performance measurements and indicators for the development and implementation of all current actions and deliverables from responses to its Austrade Strategy 2018–2022, the response to its 2017 Organisational Capability Assessment, the Blueprint Phase One response to its International Network Review, and all other roadmaps, transformation plans and initiatives outlined in its 2017–18 Annual Report and 2018–19 Corporate Plan.

Response: *Noted*

The Australian Government notes that Austrade has established a Project and Change Management Office (PCMO) to monitor and report on strategy, capability, and corporate plan implementation. The PCMO is responsible for coordinating, supporting and reporting on the delivery of strategic projects, the delivery of business plans and the organisation's performance. The PCMO leads and manages change across the agency to ensure Austrade's strategic direction is well understood by all employees. It also supports project management tools and practices and implements metrics to measure performance and progress towards achievement of strategic goals.

The Australian Government notes also that Austrade is developing an integrated performance report to track organisational performance across a wide range of metrics. Responsibility for this performance report sits with the PCMO and is being used by the Austrade Executive to monitor corporate performance and the progress of transformation projects.

Like other Australian Government agencies, Austrade's primary external reporting tool is its annual report. The quality of Austrade's external reporting has been recognised through the Australasian Reporting Awards (ARA) which has awarded a gold medal to the 2016-17 and 2017-18 Austrade Annual Reports. The ARA benchmarks annual reports from the private, public and not-for-profit sectors against best-practice criteria, including attention to detail and accuracy, a sensitivity and responsiveness to stakeholders, a willingness to put in the effort to communicate effectively and a commitment to achieving and improving upon standards.