

# business envoy

## Our digital economy

**Innovating Australia**  
Senator the Hon Jane Hume

**Digital trade innovation**  
Dianne Tipping  
Export Council of Australia

**Hollywood Downunder:**  
the place to make movies

Connecting DFAT's diplomatic network to **Australian business**



Contents

Australia in a digitised world – a practical, principled and patient approach to Australia’s digital trade transformation	3
Innovating Australia’s Digital Economy	4
Australian exporters: Gaining a competitive advantage through digital trade innovation	6
Towards 2030: Positioning Australia as a leading digital economy and society	10
Pathway to recovery in digital innovation crucial to Australia’s success	12
Empowering the world’s farmers through innovative tech	14
Australia’s Blockchain Roadmap	15
Hollywood Downunder: the place to make movies	16
Bridging the Digital Trade Law Gap: WTO E-Commerce Joint Statement Initiative	18
Born to Export	19
An optimistic, resilient and creative mindset	19
Australia-Singapore Digital Economy Agreement: Digital trade for business resilience and economic recovery	20
Australia’s Digital Territory	22
“Eyes on the Ground”: Palaris innovating mining services exports during COVID-19	24
Partnerships for Recovery: – Speeding up the Pacific’s Connectivity	25
India: surge in online retail	26
Lighting up the end of the tunnel: Australian innovation in the mining manufacturing supply chain	27
Global Insights: Dispatches from Australia’s global diplomatic network	28
Australia’s Brain Gain The Global Business and Talent Attraction Taskforce	30
Dutjahn Sandalwood Oils’ COVID Pivot	31
Dutjahn Sandalwood Oils’ COVID Pivot	31



Australia in a digitised world – a practical, principled and patient approach to Australia’s digital trade transformation

Digital technology offers endless possibilities to improve our quality of life and create new jobs and businesses. Australia, a technologically advanced democracy with a highly-educated population, is well-placed to be a world leader in emerging fields, such as e-health, biotech, digital educational platforms, sports tech, e-commerce, advanced manufacturing and fintech.

Australian businesses can also use digital technology to improve their productivity and improve transparency, such as using blockchain technology to protect the integrity of their intellectual property, enhance the security of monetary transactions and their digital ID.

The Government is supporting Australian businesses to succeed in the digital economy. The Prime Minister established the Digital Technology Taskforce in 2019 to drive Australia to become a leading digital economy by 2030. The Taskforce has helped develop the \$800 million JobMaker Digital Business Plan that identifies five pillars to accelerate digital transformation: further upgrade to digital infrastructure, introducing fit for purpose regulatory settings, expanded support for SMEs, improving the digital provision of government, and trust and security. The Digital Business Plan complements our Government’s \$1.67 billion investment in the Cyber Security Strategy 2020.

Our Government is also engaging with the world to establish more robust digital trade rules that enable Australian businesses to take

advantage of exciting new market opportunities, increase their resilience along global supply chains, streamline regulatory processes and better manage risk. The Australia-Singapore Digital Economy Agreement came into effect in December. This agreement sets new global benchmarks for trade rules and paves the way for Australian businesses and consumers to benefit from digital trade and the digitisation of the economy. Australia and Singapore have signed a series of MOUs on data innovation, artificial intelligence, e-invoicing, e-certification for agricultural exports and imports, trade facilitation, personal data protection and digital integrity. The Government will continue to explore opportunities to promote consistent and trade-facilitating digital trade rules in our region.

Our capacity to embrace new digital technologies and digital trade platforms will be increasingly vital to our success and continuing relevance in the global economy. This edition of Business Envoy focuses on how the government, industry and businesses are transforming the way we work, operate and do business:



On the cover  
How South Australia is using Australian digital technology and locally-made satellites. See *Global Insights* on page 28.  
Image courtesy of Inovor Technologies.



- We profile Palaris, Australian mining consultants, who embraced digital innovation to help overcome the challenges of travel restrictions caused by COVID-19.
  - Minister for Superannuation, Financial Services and the Digital Economy Senator the Hon Jane Hume provides more details about these initiatives in her article ‘Innovating Australia’s Digital Economy’.
- The Export Council of Australia puts forward its vision for digitally facilitated global value chains.

I extend my appreciation to the contributors and hope you enjoy this digital trade edition of *business envoy* and find inspiration for your own business.

The Hon Dan Tehan MP  
Minister for Trade, Tourism and Investment

Dan Tehan launched Australia’s Services Exports Action Plan in Melbourne on 6 April 2021. See page 6.





## Innovating Australia's Digital Economy



Senator the Hon Jane Hume  
Minister for  
Superannuation,  
Financial Services and  
the Digital Economy  
Minister for Women's  
Economic Security

Digitisation and the online world are increasingly woven into our lives. Today, we do more of our daily activities online than ever before, and the global COVID-19 pandemic has only accelerated this trend.

Over the past year, people across Australia have gone online to learn, work, study, and connect with family and loved ones. We've taken to ordering food online, turning up for exercise classes in virtual spaces, attending telehealth consultations, zooming with friends and colleagues, and so much more.

In fact, in just the first eight weeks of the COVID-19 crisis, it's estimated that we vaulted forward five years in consumer and business digital adoption. That's supercharged change, and it's here to stay.

Our increasing connectedness to the online world will outlast the COVID-19 pandemic, and remain vital for how we work and interact with each other well into the future. So our challenge is to keep our foot on the digital accelerator.

Encouraging greater uptake of digital solutions will boost productivity in workplaces and increase jobs, export opportunities, and the prosperity of the whole nation. Digital technologies will also be essential to creating new products, markets and industries, which will give consumers more choice.

We need more Australian businesses across all sectors to capitalise on these opportunities. And we want businesses to take advantage of global opportunities, and thrive in our interconnected world.

Digital technology and the digitisation of the economy is a priority for the Australian Government.

The development of local digital solutions is vital to support broader uptake across the economy.

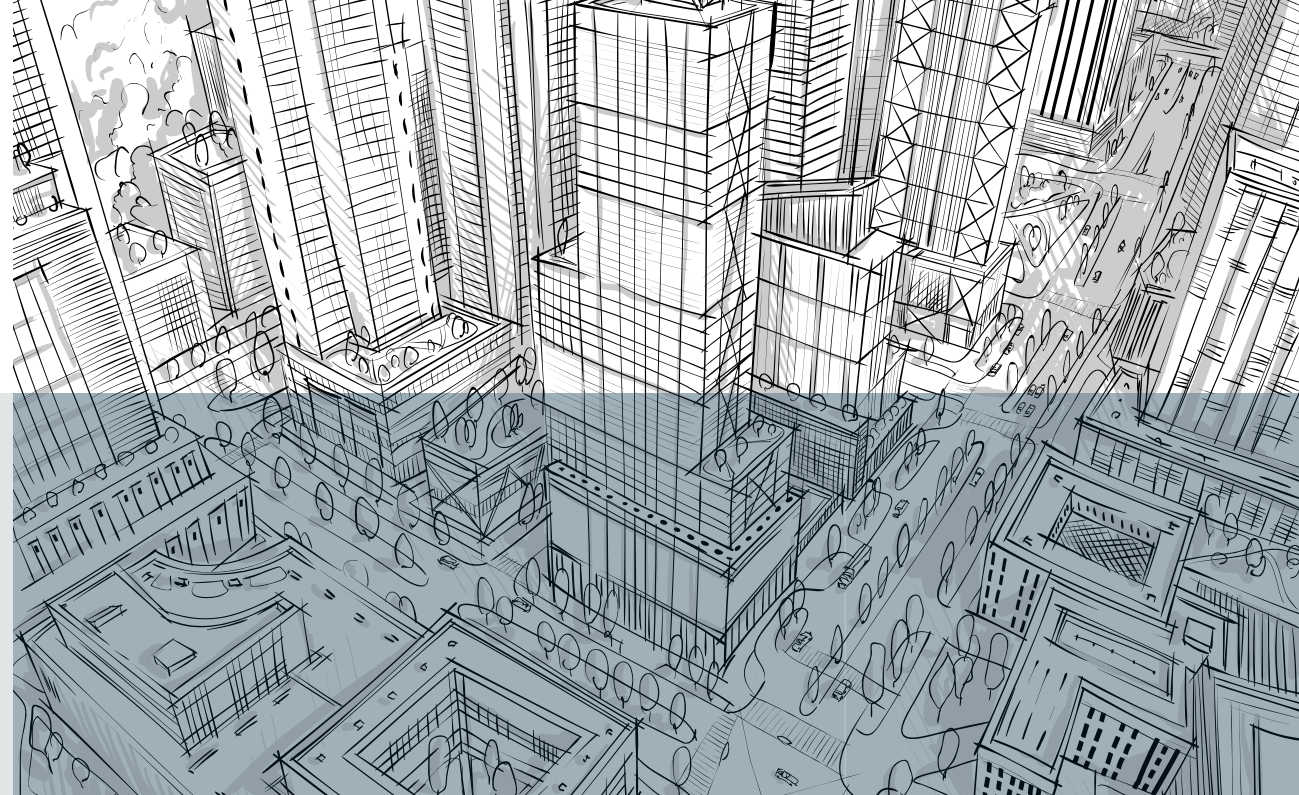
Australia is already market leader when it comes to new technologies in areas like mining equipment, technology and services, medical devices and diagnostics, and agricultural innovation.

We also have a strong and fast-growing fintech sector, made up of over 600 businesses that are finding new and innovative ways to deliver financial services to customers around the world.

I've long been a big supporter of this dynamic sector. In fact, I've worked in fintech for most of my professional life, so have first-hand experience of its enormous potential to grow our economy.

The digital economy isn't constrained by distance or geography. It's a truly global market. That's why Australia is working closely with like-minded countries to set the ground rules for this growing area.

We want to make it as easy as possible for our aspiring businesses to trade across borders, for data to flow freely between nations, and for Australians to participate in a safe and secure online world.



Last year, Australia signed a ground-breaking Digital Economy Agreement with Singapore. This agreement is a digital bridge that features modern, upgraded rules to free up data flows and increase compatibility for online trade. It sets the conditions for Australian businesses and consumers to make the most of the digital economy. It's a massive step forward, and a new global benchmark for digital trade, and we're looking to negotiate similar agreements in the future.

At home, the Australian Government is also focused on investing in high-quality infrastructure, and putting in place the most appropriate policy settings, to support a dynamic digital economy.

Last year alone, we invested:

- \$4.5 billion in the National Broadband Network – a nation-building project that will bring the opportunities of the digital age to people spread right across our vast island continent;
- over \$1.6 billion to support the 2020 Cyber Security Strategy – which will ensure our cyber security settings are fit-for-purpose and underpin the confidence that's needed for Australians and the businesses they run to engage in our digital technology future; and
- \$800 million in a Digital Business Plan – which will enable businesses to better take advantage of digital technologies and will create jobs as we continue our economic recovery from the COVID-19 pandemic.

The Australian Government is ambitious about Australia's digital technology future. In fact, we want Australia to be a world-leading digital economy and society by 2030. To this end, we will work closely with businesses, technology experts and like-minded partners around the world. We will keep our settings and frameworks as up to date as possible so they drive digital transformation and build trust, safety and inclusion. And we will boost the digital capability of small businesses, remove unnecessary regulatory barriers, and drive the uptake of technology across the Australian economy.

There are untold opportunities for Australia when it comes to the digital economy.



# Australian exporters: Gaining a competitive advantage through digital trade innovation



**Dianne Tipping**  
Chair, Board of the Export Council of Australia

Around the world, Governments lowered barriers to cross-border digital trade as part of the overarching policy response to the COVID-19 pandemic.

More digital facilitation measures were introduced than in previous years, helping remote working and online business operations. These new developments are in contrast with the build-up of restrictions applied to digital trade over the last few years and the restrictions that continue to apply in certain sectors, such as computer and telecommunications services.

Previous delays in Australia's implementation of digitalisation of trade documentary requirements has meant a loss in competitiveness, as reflected in Australia's poor ranking of 106 in the World Bank's Trading Across Border index [www.doingbusiness.org/en/data/exploreconomies/australia#DB\\_tab](http://www.doingbusiness.org/en/data/exploreconomies/australia#DB_tab)

As far back as 2015, a paper by the Export Council of Australia (ECA), KPMG Australia and the Australian Digital Commerce Association (ADCA merged with Blockchain Australia in July 2019) presented the combined vision for a digitally facilitated international trade value chain by 2025. The paper highlighted the possible benefits to all participants in the international trade value chain based on a digital trading platform. It identifies some of the steps needed to make it happen and outlines why the planning should be based on blockchain as the technology behind this platform.

**Our shared vision was for a simpler, lower-cost international trading system, enabled by the trust and confidence that comes from a secure digital platform.**

In 2021 the ECA is continuing to advocate that greater digital trade and data flows are crucial for Australian exporters to compete in international markets. A two-pronged approach is required to move forward:

- Industry leaders to push for the adoption of greater digital delivery of services. [The digitalisation of services has become part of our everyday use since the Covid virus emerged].
- The Australian Government to continue to build on their 2020 budget priorities to provide a **single window of trade for goods and services** that utilises Blockchain technology.
- This approach will ensure that the value of services trade is more visible and will reduce ambiguity around what market access applies to what country and industry as well as highlight what procurement opportunities are available. Additionally, it will also open greater opportunities for Australian services businesses, especially B2B.

## Trade in Services

During 2020 and even earlier the Australian Government's Department of Foreign Affairs and Trade has been working with peak industry bodies on a Services Export Action Plan (SEAP) (see box below left).

In 2016, services made up 21.6 per cent of Australia's total exports. When the value that Australian services add to goods exports is also taken into account, services represent around 40 per cent of our export earnings."



The Services Exports Action Plan (SEAP), the first national strategy on services, was launched by the Minister for Trade, Tourism and Investment, the Hon Dan Tehan MP on 6 April 2021. For more information or to download the Action Plan: [www.services-exports.gov.au](http://www.services-exports.gov.au)



However, while managing these opportunities, we must also consider the intellectual property, sovereignty and cyber security concerns of these activities.

The Export Council of Australia collaborated with IP Australia in 2019 and 2020 to research and produce a paper into the experience of Australian firms enforcing their intellectual property rights in Asia .

Regarding the trade of services, the study highlighted the following issues for services:

- From case studies, it was clear that in the ASEAN market, the strength of their legal advice helped the service providers stay protected.
- Breaches in IP came in the form of IP infringement because of the first to file regime rather than the first to use regime.
- IP was creatively protected by some companies by embedding codes in IP that would ensure that licenses could not be used multiple times.

## Why build on the strength of trade in service?

According to Western Union, services now account for over two-thirds (68%) of global GDP and nearly half (49%) of all employment. Pronounced in developed economies where such jobs represent around 75 per cent of total employment. By making the value of services more visible and collecting quantifiable service trade data, we need to focus on upskilling businesses to meet the needs of further digitalisation.

We can capitalise on Australia's service capabilities and expertise by ensuring that it is written into the architecture of current and future FTAs and aligning this with our trading partners.

The Western Union Report also highlights, "Based on official statistics, the share of services in total trade has risen to 24 per cent in 2019 from 19 per cent in 1995. Yet official data also likely understate, by a large percentage, the true contribution of services to trade flows. This is because the value assigned to the production of agricultural and manufactured products, for example, also includes significant amounts

of underlying service activities, like Research & Development, accounting and legal services, as well as marketing and distribution services. After-sales support services such as training and maintenance/repair may also be included in the value of goods."

## Trade agreements: Digital traffic flows and protection

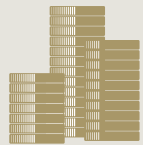
A positive suggestion from our study and other research activities for trade in services is how digital trade flows and digital protection in trade agreements has been pursued, such as the Australia Singapore Digital Agreement (DEA). DEA entered into force on 8 December 2020. The DEA breaks new ground. It sets new global benchmarks for trade rules, and a range of practical cooperation initiatives, to reduce barriers to digital trade and build an environment in which Australian businesses and consumers are able to participate and benefit from digital trade and the digitalisation of the economy.

The DEA upgrades the digital trade arrangements between Australia and Singapore under the Comprehensive and Progressive Agreement on the Trans-Pacific Partnership and the



## THE DIGITAL TRADE OPPORTUNITY FOR AUSTRALIA

### VALUE OF DIGITAL TRADE FOR AUSTRALIA'S DOMESTIC ECONOMY



Digital trade currently enables **UP TO A\$43 BILLION** of economic value in Australia's domestic economy.



By 2030, digital trade will enable an estimated **A\$192 BILLION** of economic value in Australia's domestic economy.



Potential benefits of digital trade are spread across all sectors of Australian economy, but particularly relevant in **UP TO A\$43 BILLION**.

### VALUE OF DIGITAL TRADE FOR AUSTRALIA'S EXPORTS



**AUSTRALIA RANKS 2ND** among 10 leading APAC countries in terms of number of paid apps (developed by Australians) downloaded from abroad.

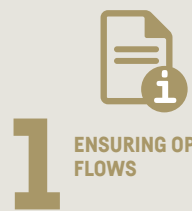


If digital goods and services were a sector, it would be the **4TH LARGEST EXPORT SECTOR** for Australia.



By 2030, Australia's digital exports re estimated to **GROW BY 210%.**

### THREE IMPERATIVES FOR CAPTURING OPPORTUNITY



**1 ENSURING OPEN DATA FLOWS**



**2 BUILDING FLEXIBILITY INTO COPYRIGHT AND INTERMEDIARY LIABILITY REGULATIONS**



**3 MINIMISING BORDER FRICTIONS**

Singapore-Australia Free Trade Agreement which are already among some of the most ambitious globally.

For example, it delivers more robust rules that ensure businesses, including in the financial sector, can transfer data across borders and will not be required to build or use data storage centres in either jurisdiction; improves protections for source code; establishes new commitments on compatible e-invoicing and e-payment frameworks; and delivers new benchmarks for improving safety and consumer experiences online.

The DEA also delivers a range of new trade rules, and a comprehensive framework for bilateral cooperation, to help businesses and consumers capitalise on the digital economy. Australia and Singapore have negotiated cutting-edge new rules and signed a series of MoUs on areas including data innovation, artificial intelligence, e-invoicing, e-certification for agricultural exports and imports, trade facilitation, personal data protection, and digital identity. ([www.dfat.gov.au/trade/services-and-digital-trade/australia-singapore-digital-economy-agreement-fact-sheet](http://www.dfat.gov.au/trade/services-and-digital-trade/australia-singapore-digital-economy-agreement-fact-sheet))

Many of our FTAs offer insights as to how to manage the digital trade in services in the future. The agreements that have led the way include:

- Pacific Agreement on Closer Economic Relations (PACER) Plus
- Trans-Pacific Partnership (CPTPP)
- Australia-Hong Kong FTA (A-HKFTAA)
- Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA)

Further reference is also made to the Western Union report: *The Global Services Trade Revolution Report: Fuelling post pandemic economic recovery and growth*.

This report commissioned from Oxford Economics for Western Union is a timely reminder of the opportunities available for Australian service providers now and into the future. "The report captures many of the current aspects regarding the positioning of Australian Services export. The Report identifies Australia and NZ as hotspots for knowledge intensive service industries and also predicts that with adoption of new technology and digitisation of working practices it is likely to further fuel post-pandemic economic recovery and growth of cross border trade in services.

The report provides clear and researched data that suggests in reaction to the COVID-19 pandemic and into the future, cross border trade in modern digital services with the support of further policy liberalisation and investment in ICT infrastructure, will enhance growth, strength and continued economic benefits to the broader Australian economy.

Service industries are a large and growing share of the Australian economy and world trade. While services account for approximately 70 per cent of the Australian economy, they are a much smaller proportion of Australia's total exports indicating there is scope for significant growth. Some service industries are subject to extensive regulation and barriers to entry. The Government and its agencies continue to advocate freer global markets for services, but reducing barriers is more complex than it is for trade in goods. Barriers encountered by Australian service exporters include foreign equity limitations, harmonisation and standards, lack of recognition of qualifications, restrictions on the issue of licences, various restrictions on commercial presence such as the number and location of branches.

## Going forward

The Export Council of Australia works both with our members and stakeholders as well as Government to examine domestic and international barriers to Australian service exports, with a focus on tourism, education, financial, professional, information technology and tech services. We advocate with the Australian Government on possible steps to reduce barriers to service exports, with priority given to domestic policy reform that promotes competition and provides incentives for firms to innovate and lift their productivity.

Some additional but notable considerations when thinking about services and digital trade are:

- Services capability and capacity places Australia as a potential leader for the region in digital trade.
- As highlighted by Western Union's report, "Knowledge intensive, ICT enabled services tend to be exported by countries with the proper supporting infrastructure and high levels of educational attainment. This gives advanced economies a natural comparative advantage."

- Australia and New Zealand have been investing into and supporting the Pacific Region's digital capabilities, with the Coral Sea Cable System Project and the Solomon Islands Domestic Network.
- To promote and strengthen digital trade across the region, Less Developed Countries will require international support in the development of infrastructure and policy responses.
- encourage industries with potential for Australia, such as consulting/ expertise in environmental technologies and alternative energy, agri-food and AI.

On the global stage, Australia has championed the liberalisation of trade in services – in the World Trade Organization (WTO), in our bilateral and regional trade agreements, and in our support for services liberalisation and economic cooperation in forums such as APEC.

Australia has worked to encourage services trade through open markets and non-discriminatory treatment as a means to create more jobs and increase incomes. In recent years, coordinated whole-of-government and industry strategies have helped to grow and develop the tourism and international education sectors.

We must continue to do this for all services for the future and benefit of all Australians.

## Conclusion: The future is bright for services

The ECA's priority messages are:

- modernising and digitising trade processes and support services will boost the efficiency of goods trade.
- mutual recognition of qualifications and movement of people/visas continue to be the key issues of concern for exporters.
- encouraging open markets on services exports will enhance this sector's contribution to the broader economy.
- expanding the opportunities within the new FTAs (e.g. EU and UK) being negotiated.

## Further reading

- **The OECD Services Trade Restrictiveness Index Report**  
<https://issuu.com/oecd.publishing/docs/oecd-stri-policy-trends-2021?fr=sMGVIMji5ODk2NDE>
- **Action Plan to Boost Australian Services Exports**  
[www.dfat.gov.au/about-us/publications/Pages/action-plan-to-boost-australian-services-exports#industrys-recommendations](http://www.dfat.gov.au/about-us/publications/Pages/action-plan-to-boost-australian-services-exports#industrys-recommendations)
- **Future of Australia's Trade: A Digital Vision for 2025**  
[www.export.org.au/publications/the-future-of-australias-trade-a-digital-vision-for-2025#:~:text=Truly%2520digital%2520international%2520trade%2520would,for%2520consumers%2520C%2520importers%2520and%2520exporters](http://www.export.org.au/publications/the-future-of-australias-trade-a-digital-vision-for-2025#:~:text=Truly%2520digital%2520international%2520trade%2520would,for%2520consumers%2520C%2520importers%2520and%2520exporters)
- **Study into the experience of Australian firms enforcing their intellectual property rights in Asia**  
[www.ipaustralia.gov.au/tools-resources/publications-reports/study-experience-australian-firms-enforcing-their-intellectual](http://www.ipaustralia.gov.au/tools-resources/publications-reports/study-experience-australian-firms-enforcing-their-intellectual)
- **The Global Services Trade Revolution: Fuelling post-pandemic economic recovery and growth**  
[https://lookbook.westernunion.com/global-services-trade-revolution/report-2020?t=7011E000001BUiRQAW&utm\\_source=article&utm\\_medium=pressrelease&utm\\_campaign=goglobalacq2020](https://lookbook.westernunion.com/global-services-trade-revolution/report-2020?t=7011E000001BUiRQAW&utm_source=article&utm_medium=pressrelease&utm_campaign=goglobalacq2020)
- **Australia's Free Trade Agreements**  
<https://www.dfat.gov.au/trade/agreements/trade-agreements>



# Towards 2030: Positioning Australia as a leading digital economy and society

To thrive in an increasingly online future, Australian businesses need to adopt and adapt digital technologies at a greater rate than ever before. Doing so can improve business productivity, ensure business continuity and provide opportunities to enter new markets or scale-up operations rapidly.

Digitalisation isn't just about big business, small businesses have much to gain by investing in digital tools to streamline back-end processes, increasing their online presence and transforming how goods and services are delivered. Highly digitally engaged businesses earn 60 per cent more revenue per employee and grow 28 per cent faster than businesses with poor digital engagement.

Moving more business towards the digital frontier is necessary for Australia's prosperity in a more competitive, connected and digitally enabled world. Global markets will open up to Australian business through our engagement on the development of international rules and standards for digital technologies, and through bilateral and multilateral agreements with like-minded nations.

Recognising the role that digital technology and data can play in boosting Australia's economy, Prime Minister Scott Morrison established the Digital Technology Taskforce in November 2019. This Taskforce has been asked to look at how Australia can ensure it is a leading digital economy and society by 2030. This includes considering how Government can promote productivity gains through the uptake of digital technology across the Australian economy and how to improve policy integration across government. Senator the Hon Jane Hume was appointed as Minister for Superannuation, Financial Services and the Digital Economy in December 2020 to further ensure that digital policy is well-integrated and embedded across the government.

The COVID-19 pandemic has highlighted the importance of digital technology for businesses and the Australian Government has accelerated reforms to enable greater adoption of digital technologies across the economy. In September 2020, the Prime Minister and Treasurer announced the JobMaker Digital Business Plan that is supporting Australia's economic recovery by boosting the digital capability of small businesses, removing out-dated regulatory barriers and driving the uptake of technology across the economy.

The Digital Business Plan invests \$796.5 million into essential digital infrastructure and skills, fit for purpose regulatory frameworks, SME support and capability, and business digital engagement with government. This builds on the \$4.5 billion investment in the NBN and the \$1.67 billion in the Cyber Security Strategy 2020 in the 2020-21 Budget. It includes initiatives like the game-changing Consumer Data Right that revolutionises how consumers share their data to make it easier to compare and switch between business offerings.

The Government recognises there is still more work to do in achieving the goal of being a leading digital economy and society by 2030. Minister Hume is leading Australia's digital strategy which is the next step in the Government's plan to ensure Australian businesses, workers and consumers benefit from a strong digital economy. This includes reviewing and revising our settings to ensure Australia can realise the economic benefits of technology while managing the risks to Australians from potential harms. This will mean looking at ways the Government's economic, social, security, and inclusivity objectives can be balanced and met both domestically and abroad.

Digital Technology Taskforce  
Department of  
Prime Minister and Cabinet





# Pathway to recovery in digital innovation crucial to Australia's success

Digital technologies, such as artificial intelligence, robotics and data science, will play a critical role in driving Australia's economic recovery post COVID-19, according to a report co-authored by CSIRO's data and digital specialist arm, Data61, and the Australian Trade and Investment Commission (Austrade).

The report - *Global Trade and Investment Megatrends* - argues that increasing the rate of, and investment in, research and development (R&D), and embracing digital transformation, is the best pathway to economic recovery.

While COVID-19 inflicted a crushing blow to the global economy in 2020, leading to a fall in global output, trade, and foreign direct investment, there was also a soaring rise in digital technology. The report estimates that in 2020, within a few months, a decade's worth of digital transformation occurred, in turn transforming consumer behaviour and business operations worldwide.

And in a global economy where intellectual property, technology, and innovation have become a source of wealth and productivity growth, R&D has been highlighted as one of the key engines behind sustained economic growth.

## The value of R&D

With global R&D spending now worth \$3.08 trillion per year, there is an opportunity for Australia to attract investment and supply R&D services to the world as part of its economic recovery.

Some of this is already happening. For example, BT Group selected Sydney for its first international cybersecurity R&D hub, making Sydney a central destination for global research talent. In Melbourne, local company NextGen launched its Cyber Defence Centre, investing in local R&D and generating more than 100 jobs for cybersecurity specialists.

The value of R&D is not just in drawing in foreign investment and creating local jobs - companies that excel at R&D and innovation have been able to use the pandemic to build their competitive edge - creating new product lines and to explore new market opportunities and develop strong global brands. This is right in line with Australia's desire to develop a more diversified trade portfolio and create new sources of value.

Many digital companies have come into existence via R&D to create new software systems that uplift productivity for their customers. Such companies understand and depend upon new product development.

They have innovation and R&D built into their cultures. For example, software company Technology One has increased R&D spending from \$27 million to \$60 million from 2010 to 2019. The company spends around 21 per cent of revenue on R&D.

Logistics software company WiseTech invested \$113 million in R&D in 2019, representing 32 per cent of its revenue and up from \$30.6 million in 2015.

These and other such ASX-listed technology companies have much higher rates of R&D spending intensity than the general market.

Just as the post-global financial crisis years saw a boom in R&D spending amidst deep cost-cutting, the current time may see another boom in digital innovation and R&D.

## Where Australia can excel in R&D

Australia has globally sought capability in health and biotech, infrastructure and urban management, and agriculture and resources.

Developing Australia's Agritech could add \$24.6 billion to Australia's GDP, and create an A\$100 billion agriculture industry. It would put Australia on the world map for technologies such as precision agriculture, internet of things (IIOT), artificial intelligence and blockchain which have the potential to provide real-time supply chain monitoring and provenance validation.

The global Medtech market will exceed \$521.22 billion in the next four years - creating opportunities in therapeutics and pharmaceuticals, biotherapeutics (including stem cells and regenerative medicine, medical device and diagnostics and digital health).

This digital services boom - driven by technologies that collect, manage, analyse and use large amounts of data - presents a potential \$315 billion opportunity for Australia, the report found.

Digital innovation not only increases productivity in existing industries, it supports the diversification of the Australian economy by creating new export products and services.

To realise this potential, and make the most of the global opportunities in health, agriculture and digital services, Australian universities, research organisations, industry, and government will need to collaborate to create targeted R&D and innovation programs.

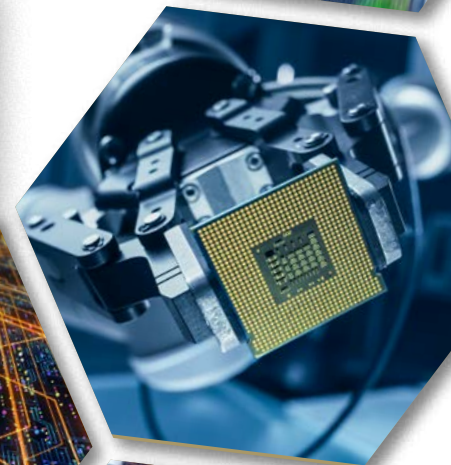
## By the numbers - impact of covid-19

Globally, there was a 3.5% fall in global output in 2020.

Global services exports were forecast to fall by 15.4% and merchandise goods trade to fall by 5.6%.

Global FDI flows fell 42% to an estimated A\$1.123 trillion. This led to a 46% fall in FDI flows into Australia in 2020.

Australian universities are bracing for a further \$2 billion revenue shortfall, with 22,000 less student enrolments in 2020 compared to 2019.







## Empowering the world's farmers through innovative tech



The COVID pandemic has affected everyone, but some groups have been hit especially hard. Owing to dramatic changes to supply chains, many farmers and agribusinesses worldwide were suddenly unable to sell their produce to existing buyers.

Queensland-based global tech company AgUnity quickly realised that this could have devastating impacts on rural communities and some of the world's most marginalised people.

AgUnity helps empower farmers and remote communities worldwide through digital products including an app that allows farmers to track sales of their products and connect with essential services.

In response to the pandemic, AgUnity launched subsidiary AgUnity Response. This subsidiary created a digital marketplace that links famers and co-ops to international buyers while providing contactless transactions.

AgUnity has since won two high-profile awards for its innovative business pivot and has been engaged on projects by governments and businesses around the world. These include a UK-led program in Uganda where AgUnity will support eight agribusinesses and 100,000 smallholder farmers affected by COVID-19.

"We decided that if there was a chance we could help small farmers in emerging markets continue to earn an income, and avoid financial hardship or worse, we were morally compelled to do so," says David Davies, Chief Executive Officer and Founder.

*"We are proud of the decision we took as a team to pivot towards the challenges presented by COVID-19, rather than shy away from them."*

## Australia's Blockchain Roadmap

Department of Industry, Science, Energy and Resources

No longer catering for just niche products, blockchain technologies hold great potential for economic and employment opportunities across a variety of sectors.

### What is blockchain?

Blockchain is an emerging category of digital infrastructure that enables distributed governance – the reliable sharing of trusted data within networks, with no single point of failure across the network. It is sometimes described as a tool for replacing 'traditional' databases, but this may not necessarily be a feature of every blockchain network, as the technology can complement existing or legacy communication systems.

It may be helpful to think of blockchain as governance architecture that uses computer algorithms to enforce consensus by replacing traditional methods of data exchange and data validation, but not necessarily replacing traditional methods of data storage. Some blockchains, such as Bitcoin and Ethereum, are open to the public (called 'permissionless' blockchains). Other blockchains may be private (called 'enterprise' or 'permissioned' blockchains) and can only be used by authorised parties within a consortia.

Blockchain is a rapidly evolving industry, and the potential of the technology is still being understood. The Australian Government is exploring the potential of this emerging technology through the National Blockchain Roadmap, released in February 2020 by the Hon Karen Andrews MP, Minister for Industry, Science and Technology.

### What is the National Blockchain Roadmap?

The National Blockchain Roadmap was developed in conjunction with industry and researchers to be a living document, setting out a plan to boost Australia's rapidly growing blockchain industry to global heights. Since the Roadmap's launch the Department has made significant progress implementing seven key 'signposts' (see right).

The National Blockchain Roadmap Steering Committee oversees implementation of the Roadmap, along with the support of four working groups in Supply Chains, Credentialing, Cyber Security and Regtech. These industry-led working groups are exploring the current state of their use cases, and the economic opportunities they present, as well as identifying any technical, regulatory or other barriers for broader adoption of blockchain. These groups are on track to finalise their work by mid-2021.

In 2021 the Australian Government will continue actively exploring use cases for blockchain in partnership with industry. Two pilots were announced as part of the Federal Budget 2020-21 to develop blockchain-based solutions that reduce regulatory compliance burden for businesses. Up to \$3 million in grant funding will be provided for each pilot. One will contribute to the National Ethical Critical Minerals Certification Scheme, and the other will focus on the food and beverage sector.

Grant guidelines for these pilots are now available via the Business Grants Hub.

## Signposts for the Future

Significant progress in 6 out of 12 signposts since Roadmap's launch in February 2020



### 1. National Blockchain Roadmap Steering Committee is operational

- Providing advice to the sector on government support
- Engaging with other relevant government forums



### 2. Four working groups established in credentialing, supply chains, cyber security and regtech



### 3. Roadmap use cases progressed with \$6.9 million of funding allocated to two pilot projects on reducing business compliance costs and the food and beverage sector



### 4. APS Blockchain Network launched in November 2020 with multiple government agencies represented



### 6. \$11.4 million was committed to support new regulatory technology innovation challenges through the Business Research and Innovation Initiative (BRII)



### 9. Start-up capability program delivered by Austrade with landing pad in Israel, in partnership with Blockchain Australia

INDUSTRY.GOV.AU/BLOCKCHAIN





# HOLLYWOOD

Downunder:  
the place to make movies

Australia has long had a reputation in the industry for making high quality screen production. But it may surprise you to learn that titles including *Wolverine*, *Pirates of the Caribbean: Dead Men Tell No Tales*, *San Andreas*, and *Thor: Ragnarok* were also filmed in Australia.

Australia is home to diverse landscapes and architecture, world-class studios, award-winning cast, hard-working crew and post, digital and visual effects talent. Importantly, Australia's careful management of COVID-19 and the Australian Government's generous Location Incentive have made Australia one of the most attractive places in the world to make movies and television right now.

The Location Incentive is a merit-assessed grant program where funding of up to 13.5 per cent of a project's Qualifying Australian Production Expenditure may be offered to successful applicants. This grant works alongside the Location Offset (at 16.5 per cent) to effectively increase the tax rebate to 30 per cent to make Australia a globally competitive destination for international footloose production.

In July 2020 the Australian Government added AU\$400 million to the Location Incentive, bringing the total program amount to AU\$540 million. This adds to a strong pipeline of international screen production activity, jobs and investment by boosting the Location Incentive program over the next three years and extending it for four more years to 2026-27.



As at 26 March 2021, 22 productions have announced that they will film in Australia as result of support through the Location Incentive. This includes *Blacklight* starring Liam Neeson, Netflix's *Escape from Spiderhead*, *Pieces of Her* and *God's Favorite Idiot*; Thirteen Lives directed by Ron Howard; Stan and BBCOne series *The Tourist*, season two of Amazon's hit series *The Wilds*, and *Ticket to Paradise* starring Julia Roberts and George Clooney.

Together, the 22 productions are estimated to generate spending of over AU\$1.66 billion, support approximately 12,700 local jobs for cast and crew, and engage more than 13,500 Australian businesses. This includes jobs in

front of and behind the camera, and in industries as diverse as costume design to construction.

Large-scale international productions bring enormous benefits to the Australian screen sector and broader Australian economy. By attracting back-to-back productions, studios can build their relationships here in Australia, and an ongoing pipeline of work is established for Australia's screen sector. These continued opportunities will have long-lasting benefits by building the local industry, providing certainty for businesses to invest in skills and development, and inspiring Australian content creation.

Above: Director of Photography, Shelly Johnson ASC (left), and Writer, Director Producer, Mark Williams (right) on the set of Location Incentive-supported feature film *Blacklight*.

Image courtesy of Ben King.

Right: images courtesy of The Walt Disney Company and Film Australia.

*A beautiful start to our shoot today with a 'Welcome to Country' ceremony from the Gamay dancers of the Gadigal and Bidjagal Nation and performance by Maori dancers from Te Aranganui.*

Chris Hemsworth

Taika Waititi: Nurturing  
Indigenous talent and story



Director Taika Waititi is a strong proponent of Indigenous talent in the films he directs. *Thor: Ragnarok* (2017) brought together Indigenous film producers talent from across Australia as part of an attachment scheme with Screen Australia's Indigenous Department to nurture Indigenous talent and storytelling. This included Darwin-based digital artist Jonathan Saunders along with others working on stunts, and set design and graphic design/illustration. "Being Maori, it's extremely important to me to have native presence on any film. We're bringing a huge Hollywood production to this country and it's only right that we make an effort to include Indigenous film makers on the journey" Taika Waititi, Director, *Thor: Ragnarok*, August 2016.

Waititi and actor Chris Hemsworth kicked off the filming of *Thor: Love and Thunder* on Australia Day with an Indigenous land acknowledgement ceremony.



# Bridging the Digital Trade Law Gap: WTO E-Commerce Joint Statement Initiative

The disruption of COVID-19 has brought about an acceleration of several underlying social and economic trends. The digital transformation of the global economy, already well underway prior to the pandemic, has gathered pace over the past year as we all spend more time working, shopping and communicating online.

E-commerce has been a lifeline for many businesses throughout the crisis and will be crucial in the recovery to follow. In the United States, the share of e-commerce in total retail, which had only slowly increased from 9.6 per cent to 11.8 per cent in the preceding two years, spiked to 16.1 per cent between the first and second quarter of 2020. This represents several years' worth of growth in a period of months.

This unprecedented growth has underscored the urgency of developing a global set of rules on digital trade capable of meeting the needs of the modern economy. While existing World Trade Organization (WTO) rules have generally served Australia's interests well, they were mostly agreed at a time prior to the emergence of e-commerce as a key component of global trade and are therefore not specifically adapted to addressing some of the unique challenges and opportunities of the digital economy.

The ongoing E-Commerce Joint Statement Initiative negotiations are an effort to address this gap in global trade rules. Negotiations were launched in January 2019 and now include 86 WTO Members, together accounting for more than 90 per cent of global trade and representing all major geographical regions and levels of development. Australia is leading the negotiations, together with fellow co-convenors Japan and Singapore.



**Mr George Mina**

Australian Ambassador and Permanent Representative to the World Trade Organization

Many participants also see a permanent commitment not to impose customs duties on electronic transmissions as a key part of the final package. An existing moratorium on such duties agreed between WTO Members in 1998 and periodically rolled over since, has been critical for the growth of digital trade, providing business with better access to more markets and consumers more choice.

Discussions on these issues will be an important focus in 2021. These are areas in which some of the key participants have very different regulatory approaches and previous trade agreement practices. Australia believes that it is both possible and necessary to reconcile these different approaches. It is the expectation of industry and the public that we find a way to do so.

The 12th WTO Ministerial Conference, due to be held later this year, will be an important milestone, and the negotiations will intensify in coming months to ensure substantial progress can be achieved by that meeting.

There is an important role for businesses and civil society stakeholders to play, both in informing the substance of negotiations and in building support for the conclusion of ambitious disciplines. Interested stakeholders are invited to contact the Department of Foreign Affairs and Trade's Digital Trade team, at [digitaltrade@dfat.gov.au](mailto:digitaltrade@dfat.gov.au) to discuss their priorities in the negotiations.

## Born to Export An optimistic, resilient and creative mindset



Australian 'born global' service exporters have good business acumen, innovation and a focus on quality providing a competitive advantage in international markets. 'Born global' businesses are those that, from the beginning, pursue global rather than domestic opportunities

Research commissioned by the Department of Foreign Affairs and Trade, which captured responses from over 200 Australian business between March and July 2020, sheds light on the exporting experience of 'born global' service exporters, and the factors that underpin their success on a global stage.

Some 83 per cent of Australian 'born global' businesses find their first exporting experience as highly or moderately successful. The success of 'born global' services exporters is focused around three common themes:

- developing in-market networks and strong competitiveness
- saving costs through scalable services and remote delivery; and
- global facing industries, limited regulatory barriers and operations in low risk markets.

'Born global' service exporters share many of the challenges faced by other Australia exporters, such as time zones/distance, exchange rate, administration/red tape, and taxes. However, due to the characteristics of 'born global' business leaders, and as exporting is so intrinsic to the business, there was greater preparedness and capability to plan for and overcome export barriers that were a greater challenge to others.

While the COVID-19 pandemic has tested all Australian businesses, the survey found optimism in the export sector. Many survey participants reported COVID-19 impacts to business including downturn in revenue, disruptions to supply chain, and weakening demand. However, close to half (47 per cent) looking to exploit opportunities presented by COVID-19.

The study will support the implementation of the Services Exports Action Plan – a partnership between industry and government resulting in the first national strategy to boost broader services exports that compliment export strategies on international education and tourism. The revised Services Exports Action Plan will be launched in the first half of 2021 and provide further actions to improve Australia's services exports competitiveness.

The study Research into the experiences of Born Global services exporters is available at: [www.dfat.gov.au/trade/services-and-digital-trade/services-exports-action-plan](http://www.dfat.gov.au/trade/services-and-digital-trade/services-exports-action-plan)



# Australia-Singapore Digital Economy Agreement: Digital trade for business resilience and economic recovery

The Australia-Singapore Digital Economy Agreement (DEA) entered into force on 8 December 2020. A ground-breaking bilateral trade agreement, the DEA sets a global benchmark for digital trade rules and is paving the way for comprehensive cooperation across the digital economy.

It is a timely agreement. The digital economy has been critical to keeping supply chains moving and businesses open during the COVID-19 pandemic. Accelerated by the pandemic, digital technology will continue to transform the way businesses operate and interact with global customers. Supporting the growth of digital trade through agreements like the DEA will be essential to building business resilience and contributing to economic recovery.

While the Singapore-Australia Free Trade Agreement (SAFTA), signed in 2003, was one of the first agreements in the world to include commitments on e-commerce, the digital economy has since developed into an essential economic enabler for all trade. Upon entry into force, the DEA upgraded the SAFTA, providing modernised trade rules that reduce barriers and assist businesses and consumers to engage with and benefit from digital trade and the digital economy.

Industry faces a range of barriers when engaging in the global digital economy, including data localisation requirements, restrictions on cross-border data transfers, and threats to data security.

The DEA addresses these barriers by establishing landmark digital trade rules that provide certainty and build trust in the online environment, maintain protections for consumers and push back on a concerning trend towards restrictions on digital trade.

A key outcome from the Agreement is the prevention of unnecessary restrictions on the transfer and location of data while preserving privacy requirements for personal information. This supports businesses operating between Australia and Singapore, including in the financial services sector.

The Agreement also provides improved protections for source code, providing greater certainty for Australian developers of both bespoke and mass-market software.

There are also new commitments on e-invoicing and e-payment frameworks, to ensure these are implemented in a way that is compatible and based on international frameworks, supporting more seamless cross-border trade.

Additionally, cooperation through the DEA is already underway in key areas of the digital economy, including data innovation, personal data protection and artificial intelligence. Australia and Singapore are trialling the use of blockchain to simplify the exchange of trade documents, to reduce administrative costs and increase trade efficiency. Cooperative work is now underway towards mutual recognition of our digital identities systems to streamline government and business processes in areas such as student visa applications.

Australia and Singapore's leadership on digital trade complements our work in advocating for high-quality digital trade outcomes in the Comprehensive and Progressive Agreement for Trans-

Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP). Australia is also co-convenor with Singapore and Japan of the World Trade Organization (WTO) Joint Statement Initiative on E-Commerce currently being negotiated among 86 WTO members.

While the DEA is significant, the Government views the Agreement as a step towards greater regional cooperation to foster a more open and innovative digital economy.

Ongoing work on digital trade through trade agreements such as the DEA is further complemented by the Government's JobMaker Digital Business Plan to enable businesses to take advantage of digital technologies to grow their businesses and create jobs as part of a broader economic recovery plan. This supports the Government's goal for Australia to be a leading digital economy and society by 2030.

For more information about outcomes from the DEA, you can visit DFAT's webpage: [dfat.gov.au/au-sg-dea](https://dfat.gov.au/au-sg-dea)





# Australia's Digital Territory

*Did you know: Darwin was the original birthplace of telecommunications in Australia when the telegraph line came ashore in 1871?*

The Northern Territory's future is digital. The development of a highly secure, high speed network (known as Terabit Territory), and the impending arrival of a series of undersea international telecommunications cables to Darwin, will create a world-class capacity to support the development of new data storage centres and create the foundation for knowledge-based industries cluster. These developments will put the Territory and its capital, Darwin, at the forefront of the future digital economy.

Darwin is Australia's only capital city with full Fibre to the Premises connection to the National Broadband Network. And with the upgrades to terrestrial cabling connecting Darwin with main Australian metros as well as planned subsea cables connecting Darwin directly to Singapore, Indonesia, Timor Leste, Japan and the United States, Darwin will become Australia's most connected city to the Indo-Pacific region.

The Territory boasts a growing and diverse local digital industry that extends from digital design and communications, through to tech start-ups using drones, sensors and app development. With plans to establish a 100MW data centre close to the CBD progressing, the Territory will provide the digital ecosystems and key enabling infrastructure to support data heavy industries. This capability will complement planned major investments in defence, space, oil and gas and maritime services.

Powering the data centres will be the Tennant Creek-based Sun Cable project, which will be the Southern Hemisphere's largest solar farm, providing energy to both the Northern Territory and Singapore.

With Covid-19 accelerating demand in digital technologies and data centres, the Northern Territory is well positioned to be Australia's digital gateway to the Indo-Pacific.

## News from the Territory

As expected, the Northern Territory budget has been hit hard by the coronavirus crisis with a 2020/21 fiscal balance deficit forecast of \$2.45 billion. The Northern Territory Government is focused on delivering an unprecedented investment in job-creating infrastructure, with the Territory expected to outperform the national economy in 2020/21.

The **Northern Territory's Economic Reconstruction Commission**, established to guide the Northern Territory out of the COVID-19 sparked economic crisis, is due to release its final report by the end of November. In its first report released in July, the Commission recommended that the Northern Territory focus on growing five key sectors: energy (renewables and gas); manufacturing (gas and non-gas); agribusiness; resources; and tourism, and improving government regulatory processes. The Commission is providing advice to government on a path to grow the Territory economy in the medium term and position the Territory for future investment and achieve a \$40 billion economy by 2030.

## NT Export and Industry Award

In the face of COVID, Territory businesses stepped up and showed their resilience. This year's **27th Chief Minister's NT Export and Industry Awards** celebrated this. Innovative 3D metal printing company **SPEE3D** ([www.spee3d.com.au](http://www.spee3d.com.au)) won the prestigious Northern Territory Exporter of the Year award. SPEE3D printers can make metal parts in just minutes and are CE certified for sale in Europe and Australia. During COVID-19, SPEE3D developed ACTIVAT3D copper coating to coat existing metal parts with copper, shown to destroy the COVID-19 virus. The second major award of the night Resilient Territory Business of the Year went to not-for-profit organisation, **Darwin Aboriginal Art Fair Foundation** (DAAFF) for its quick response to bring Australia's largest Indigenous art event online for the first time. The 'digital fair' supported more than 1300 artists from 69 Art Centres and enabled arts industry buyers, and art and design lovers to purchase directly from Indigenous owned and incorporated Art Centres. The digital fair attracted more than 44,700 unique visitors from across Australia and the world and achieved more than 300 media hits (85 international) with exposure to some 110,000,000+ people worldwide.

## Resources

Terabit Territory: <https://cmc.nt.gov.au/advancing-industry/terabit-territory>

Data Centre EOI promotional video: [www.youtube.com/watch?v=z-CCslV4mHM](https://www.youtube.com/watch?v=z-CCslV4mHM)

Digital Territory: <https://digitalterritory.nt.gov.au/>

Possible company profiles:

- Universal Site Monitoring [www.universalsitemonitoring.com.au/](http://www.universalsitemonitoring.com.au/)
- BlackBird (have been identified by TradeStart as a very promising company) [www.blackbirdtech.com.au](http://www.blackbirdtech.com.au)
- NT Solar (new converter technology) [www.darwinsolar.com.au](http://www.darwinsolar.com.au)
- SRA –specialist software company - [sra.com.au](http://sra.com.au)
- Skymax [www.territoryq.com.au/drone-firm-takes-off](http://www.territoryq.com.au/drone-firm-takes-off)
- DXC Technology [www.territoryq.com.au/dxc-technology-helping-the-territory-reach-full-potential](http://www.territoryq.com.au/dxc-technology-helping-the-territory-reach-full-potential)



## “Eyes on the Ground”: Palaris innovating mining services exports during COVID-19

**John Pala**  
Managing Director  
Palaris

Covid-19 has done more than just close restaurants, bars and offices around the world. Access to mine sites have been significantly impacted, particularly for Australian mining specialists that travel internationally to give expert opinions on mine geology, engineering and operations.

This work is fundamental to the continued functioning of the mining sector around the globe. It helps miners access project finance, supports mergers and acquisitions, and uncovers ways to improve business operations. Generating this advice requires ‘eyes on the ground’ at mine sites, which are often in remote locations.



Image courtesy Palaris.

Palaris is one such Australian mining specialist firm that was challenged by Covid-19 travel restrictions. Assisted by the Industry Support Cell of the Department of Defence's COVID-19 Task Force and the Department of Foreign Affairs and Trade, Palaris identified several technology options that could provide a solution. This included the Infinity Wearwolf™ App running on a RealWear Inc. HMT-1 ruggedised head-mounted wearable unit. Developed and owned by Western Australian company, Harvest Technology Group Limited (ASX:HTG), the Infinity Wearwolf™ App enables the secure delivery of high-quality live audio and video stream from any location, allowing Palaris' specialists to undertake virtual mine site inspections and provide real-time trusted assessments to its overseas clients.

After testing at sites around Newcastle NSW, Palaris successfully deployed the Infinity Wearwolf™ headsets to a gold mining project in Çanakkale, Turkey. The client feedback was as follows:

*“Overall, I thought the experiment with the headset went very well. Congratulations are in order. Having the ability to have a “panoramic” overview certainly helped focus attention on areas of particular interest.”*

This innovative use of existing technology now provides Palaris with a platform to remotely service projects globally during COVID-19 and into the future. It plans to deploy the technology in Kazakhstan, Guinea, Mauritania, and Gabon.

## Partnerships for Recovery: – Speeding up the Pacific’s Connectivity

Responding to the challenges posed by the telecommunications infrastructure deficit in the Pacific will enable our neighbours to take full advantage of the digital economy.

The Australian Infrastructure Financing Facility for the Pacific (AIFFP) became operational in July 2019. The AIFFP was established to respond to the infrastructure priorities across the Pacific and Timor-Leste. The Facility partners with governments and the private sector in the region to provide \$2 billion of financing for high quality infrastructure projects primarily in energy, water, transport, and telecommunications. This funding is additional and complementary to Australia's bilateral and multilateral infrastructure investments funded under the aid program.

Prior to COVID-19, the Asian Development Bank estimated that over USD30 billion of investment was needed by 2030 to meet the Pacific's infrastructure needs. COVID-19 has exacerbated this situation, eroding social and economic gains, increasing fiscal pressures, and causing GDP decline across the region. Australia's 2016 Pacific Step-up strategy positions us well to work with our region to address these challenges.

Energy and telecommunications connectivity have been a key theme of the AIFFP to date. Supporting faster, cheaper, and more reliable internet connection throughout the region is an effective tool to communities and businesses accessing the full potential of the digital economy.

Building on Australia's support for the 4,700km Coral Sea Cable System connecting Sydney, Port Moresby and Honiara, the AIFFP is now working with Japan, the United States and Palau to build a fibre optic submarine cable connecting Palau to a USA-Singapore cable, ensuring reliable and secure digital connectivity.



Yolanda, Grade 10, using her computer.

The cable marks the first project under the Trilateral Partnership for Infrastructure Investment in the Indo-Pacific, and our collective efforts provide increased opportunity to meet the high demand for quality infrastructure investment in the region.

The AIFFP is also working with Timor-Leste to support cheaper and more reliable internet connectivity with the design of an undersea cable between our two countries. This cable will be a first for Timor-Leste, which is currently reliant on significantly more expensive and slower satellite connection. The benefits of an undersea cable will include local job creation, a stimulated economy and increased access to global resources, including increased investment from overseas and economic development.

The AIFFP has also approved financing for PNG's biggest utility solar plant and 22km of transmission line in Solomon Islands connecting the capital city's grid to a new hydropower station.

The AIFFP engages with partners in the public and private sectors to identify quality infrastructure projects that can deliver on the needs of Pacific nations and the rigour Australian infrastructure is renowned for.

Our team works with Pacific governments to plan, assess, and finance projects, leveraging AUD1.5 billion of loan financing and an

AUD500 million grant pool. Sovereign loans attract interest commensurate with multilateral development bank rates, while loan financing to the private sector sees loans priced at market rates. In addition to financing projects, the AIFFP generates opportunities for industry in the delivery of the projects through working with sovereign partners on procurement for construction of the projects.

Potential AIFFP investments are rigorously assessed and the AIFFP works closely with project proponents to ensure they comply with AIFFP's values of quality, gender equality and social inclusion, climate and disaster resilience and appropriate safeguarding. In line with the Australian government's development policy, Partnerships for Recovery – Australia's COVID-19 Development Response, the AIFFP has increased its focus on local jobs and opportunities for the private sector in the Pacific. This will contribute to much needed economic recovery as Australia and our Pacific and Timor-Leste family work together to recover and rebuild.

The Australian government shares a vision of prosperity with our Pacific family, which we know the Australian business community holds too.

To find out about the opportunities for Australian companies to work with the AIFFP, visit: [www.aifffp.gov.au](http://www.aifffp.gov.au)





## India: surge in online retail

### The Indian E-commerce market

India is returning to its position as one of the world's fastest growing major economies and one of the largest contributors of global growth, with the IMF now forecasting real GDP growth of 11.5 per cent for [2021](#).

Over the past three years, India has experienced rapid growth in e-commerce activity, supported by the adoption of digital payment platforms. India's COVID-19 lockdown restrictions have only accelerated this surge in online retail. Online sales in India grew from less than A\$1.4 billion in 2010 to over A\$42 billion in 2019, with a further 15-18 per cent growth in 2020.

Propelled by one of the world's largest – and youngest – populations, rising smartphone penetration and affordable mobile data, India's e-commerce market is expected to grow to A\$200 billion by 2027, comprising 300-350 million shoppers. Already, 88 per cent of Indians access online platforms via their mobile devices. Consumer trends in India show an increased appetite for international brands, with health and well-being products standing out as a growth market during the COVID-19 pandemic.

E-commerce has transformed distribution channels for companies operating in Indian retail. International market leaders such as Walmart,

Alibaba and Amazon are expanding their digital footprints and optimising their supply chains. Similarly, niche online marketplaces such as Nykaa and IMG are innovating to appeal to the millions of diverse new consumers buying online for the first time.

### Australian opportunities

The Australian Government is committed to securing new markets for business and is actively working under our Comprehensive Strategic Partnership with India to support a long-term upward trajectory in trade and investment.

Growth in Indian e-commerce and burgeoning internet access presents a once-in-a-decade opportunity for Australian exporters to enter the Indian market, grow their existing footprint, or test bed their products directly with consumers with minimal investment.

Australia has a respected brand reputation in India. In particular, there is strong growth potential for Australian suppliers of premium food, beverage, [health and wellness](#), beauty, and nutraceutical products.

Whilst Australian exporters cannot sell directly through Indian e-commerce platforms, it is possible to partner with an Indian importer or seller. Austrade can assist in making these connections.

### Amazon India Australian Store

In February 2020, Austrade supported the launch of a successful Australian store on Amazon India, allowing Australian exporters to sell to Indian consumers. At the time, it showcased just 12 Australian brands, but by October 2020 there were 37 on the site including Swisse, Capilano, Carman's, San Remo and Sand and Sky Australia.

Austrade and Amazon India are celebrating the one-year anniversary of the Australian store in February 2021, which will be marked by a rebranding of the store and several additional brand launches. Austrade has assisted a range of Australian brands to navigate their way onto Amazon India, including the requirement to appoint an importer.

With greater economic growth, connectivity and receptivity to international brands, the time is ripe for Australian exporters to take part in India's e-commerce revolution.

For more information about Austrade and opportunities in India visit the [Austrade India Market Profile page](#).

## Lighting up the end of the tunnel: Australian innovation in the mining manufacturing supply chain

Australian manufacturing businesses employ around 900,000 Australians (2018-2019). The manufacturing sector's future lies in embracing new technologies and developing high value-added products and services sought by the global market.

One company, based in Burnie, Tasmania is leading the export sector in design, production and modification of heavy machinery to equip the underground mining industry.

Elphinstone, is an advanced manufacturer for the global underground and surface mining and rail maintenance industries. The company is also a recognised Caterpillar OEM (Original Equipment Manufacturer) giving it the official backing of the global leader for product quality and service.

The Elphinstone® range of specialised support vehicles include agitator trucks, motor graders, scissor lifters, personnel carriers, delivery trucks, water cannons and water tanks.

45 years since Elphinstone's inception, mechanisation and automation has modernised the design and manufacturing process. Using diagnostic software to remotely monitor the health of the equipment assists customers to reduce machine downtime and increase productivity.

Employing a highly skilled local workforce and engaging a largely domestic supply chain has shaped Elphinstone's evolution as a leader in Australian innovation. From their world class facility, the company has also been contracted to build Metro buses for the Tasmanian government and in previous years, mobile explosives manufacturing units for Orica.

Utilising Free Trade Agreements (FTA), the export of specialised machinery across the globe benefits companies like Elphinstone by reducing or eliminating certain barriers to international trade and investment. The company supplies diverse markets in the Americas, Africa and the Asia Pacific, proving entrepreneurship and forward thinking continues to advance Australian manufacturing globally.



**Kelly Elphinstone**  
Executive Director  
Elphinstone







## Global Insights: Dispatches from Australia's global diplomatic network



Myriota co-founder and CEO Dr Alex Grant chats IoT technology with SA Minister for Trade and Investment the Hon Stephen Patterson MP. Image credit : Sarah Darbyshire.

### South Australia: State Government sets sights on the stars

South Australia will be the first Australian state government to launch its own satellite into low earth orbit. With a planned launch date in mid-2022, the SASAT1 Space Services mission is a \$6.5 million partnership between the SA government and the local space industry. The SmartSat Cooperative Research Centre (CRC), based at Adelaide's Lot Fourteen innovation precinct, will lead the mission and application prototyping. SA satellite manufacturing company Inovor Technologies will design and build the satellite, and SA space company Myriota will provide the Internet of Things (IoT) space services.

The SA government will use the satellite imagery and data to deliver essential services including emergency management, environment and water quality monitoring, for bushfire impact mitigation. Data from the mission will be available to Adelaide's start-up ecosystem to develop analytics applications for commercial use. The mission signals the state's commitment to strengthen the competitiveness of the South Australian industry in global small satellite supply chains, including spacecraft export, IoT sensor exports, and space defence related projects.

### Australia's support for an inclusive global trading environment

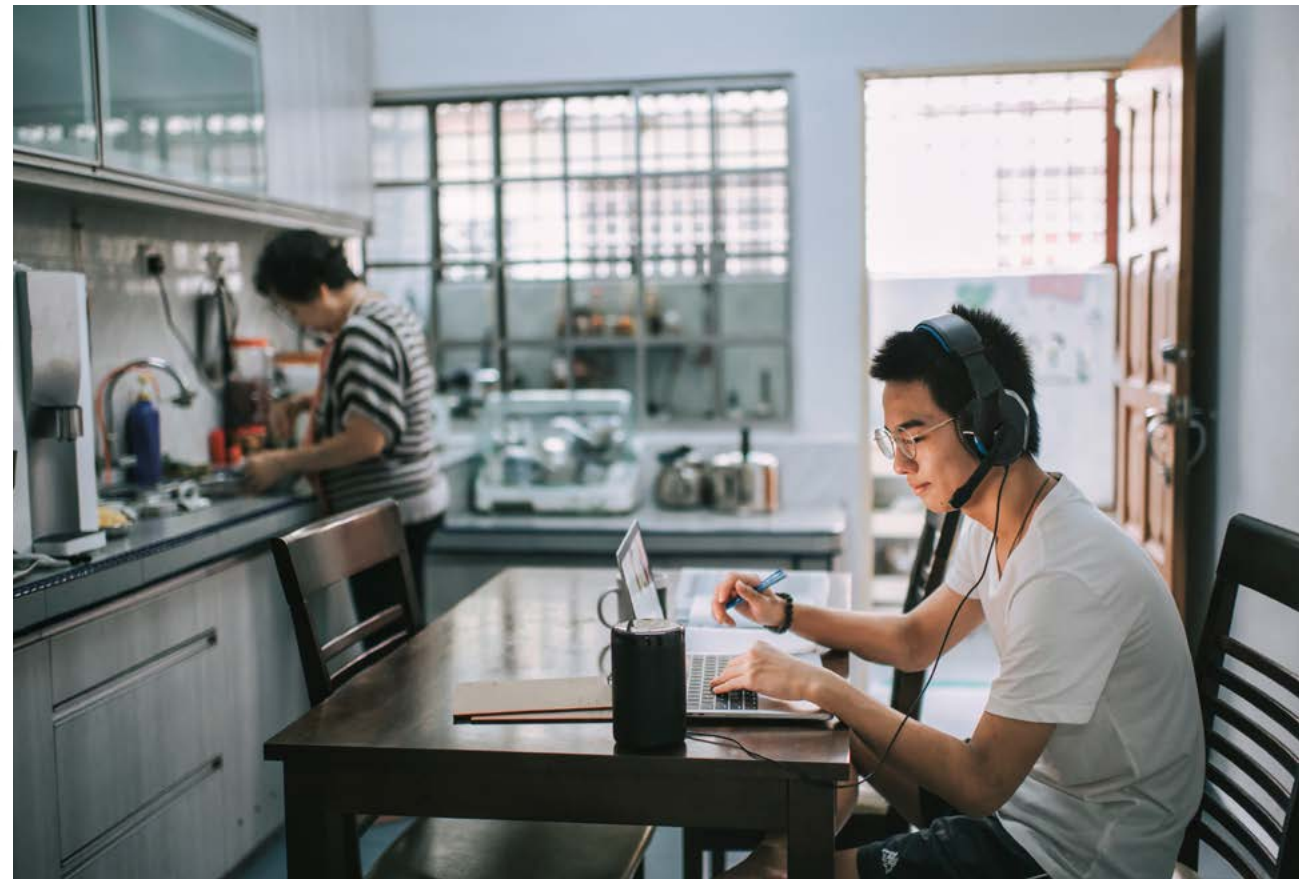
Australia is actively engaged in the deliberations of the newly constituted WTO Informal Working Group on Trade and Gender (IWGTG), which seeks to build a more inclusive global trading system for women. The IWGTG enables WTO members to showcase experience, research and expertise for making the WTO system more inclusive of women by implementing the Buenos Aires Declaration. It will deliberate on the value of practices such as gender sensitive impact analysis and collecting gender disaggregated data (widely adopted in aid for trade) to international trade policy eg., rule-making. The IWGTG was borne out of the Joint WTO Ministerial Declaration on Women and Trade made at the 11th WTO Ministerial Conference in Buenos Aires in 2017, of which Australia is a signatory. Australia is currently engaging in the draft work plan proposed

by Canada in the lead up to the 12th WTO Ministerial Conference.

### Australian Strategic Partnerships in Remote Education Program

Education systems have been disrupted throughout the COVID pandemic, risking access and learning outcomes for the current generation at school. Education is crucial for economic recovery for families and the global economy – without human capital, countries will not have a skilled workforce and cannot participate effectively in the global economy.

Australia is sharing its globally recognised expertise in distance and remote education to help make education services across the Indo-Pacific region more resilient. DFAT has commenced the Australian Strategic Partnerships in Remote Education (ASPIRE) program to support countries in partnering with key institutions in Australia. The focus is on education access and learning continuity, particularly for disadvantaged students. ASPIRE will be implemented by the Australian Council for Educational Research. Further information on ASPIRE can be found [here](#).



### RMIT: Engagement with Vietnam on Smart Cities

Australian educational providers like RMIT University are taking Aussie digital innovation global. RMIT Vietnam, which marked its 20 year anniversary in 2020, signed a broad ranging MoU with the Ho Chi Minh City Government on 22 January 2021. As part of this agreement, RMIT will work with Vietnamese partners to enhance smart cities-related research capacity and policy leadership. Experts from Australia, Vietnam and the region have already come together in workshops and forums with Government and industry, generating interest in Australian know-how on both smart and sustainable cities. Building on this local engagement and with ongoing travel disruptions, RMIT Vietnam has also seen an increase in Vietnamese students seeking an international degree that does not require them to travel abroad.

### India: Sports tech Str8bat

Sports tech is providing opportunities for collaboration in innovation between Australia and India. The experience of India's Str8bat, which is working with Cricket Australia, shows how sports tech collaboration in business also fosters a broader ecosystem including coaching and institutional links. Str8bat was founded by Rahul Nagar and Gagan Daga, working out of NASSCOM in Bengaluru.

Str8bat is not a large piece of equipment - it is a sticker on the back of a cricket bat. Connecting to an app, the sticker can measure swing and impact speeds, how well the shot is timed, where the shot has gone and whether it is in the air or along the ground. Str8bat is easy to use, requires less equipment than video analysis and is more objective.

Coaching and analysis no longer has to be done in person - the data can be sent globally for coaches to analyse. Str8bat was built as a high performance product, developed through consultation with athletes. Australian cricket legend and coach, Greg Chappell and former Cricket Australia CEO, James Sutherland, have joined as investors, mentors and advisors. Str8bat is now being used at the National Cricket Centre in Brisbane.





# Australia's Brain Gain

## The Global Business and Talent Attraction Taskforce



## Dutjahn Sandalwood Oils' COVID Pivot



The Taskforce is led by the Prime Minister's Special Envoy on Global Business and Talent Attraction, Peter Verwer.

*We are looking for businesses that can make significant contributions to our economic recovery and long-term prosperity by building clusters or ecosystems of excellence in priority sectors, conduct cutting-edge research and development, and fill gaps in supply chains.*

*We want these apex enterprises to partner with local companies and institutions to help deliver our blueprint for economic growth.*



2020 saw COVID 19 disrupting the world and upending markets, communities and business strategies, prompting the Australian Government to launch a powerful blueprint for economic growth – with the *JobMaker Plan* a key tool to help turbocharge our economy.

As part of this effort to generate thousands of quality jobs for Australians, the Prime Minister set up the Global Business and Talent Attraction Taskforce. He's described our mission as "Australia's brain gain".

The Taskforce is a cross agency government initiative to bring the best and brightest businesses and talent to Australia. We are targeting high yield companies that can bring new technologies, cutting edge research and development as well as IP and capital to our shores.

Many of the planet's most exciting firms and exceptionally talented individuals are re-examining the risks they face and taking a fresh look at their business models, strategies and future markets.

The Taskforce is taking advantage of this unique window to transform Australia into a more powerful magnet for marquee enterprises and exceptional individuals and reap the benefit of their ideas, capital, talent and networks.

This is a deliberately proactive effort. We want people with entrepreneurial energy and deep skill sets who can drive innovation and create local jobs. We want the most successful companies with high growth potential and highly skilled people in future-focused industries to come to Australia and develop their ideas here.

These global firms and individuals can expand the channels of capital available, especially for co-investing with Australian business, and can team up with Australian businesses to build bridges to international markets, opening new export opportunities.

And most importantly for Australian industry, the work of the Taskforce will mean that accessing global talent will be easier than ever before.

Now is the time to capitalise on a disrupted and uncertain environment and promote Australia's competitive advantages, particularly as a COVID success story.

A core feature of this approach is to identify and engage with the cream of the world's thinkers, academics, cultural innovators and business moguls rather than wait for them to knock on our door.

We believe we can offer high value firms and individuals and attractive menu of financial and non-financial benefits. We can also offer senior executives, company staff and top tier talent flexible visa arrangements and fast track their transition into Australia and connect them with industry and supportive business ecosystems.

We are setting the bar high and we're asking business, industry organisations and sector leaders to help us identify which enterprises and entrepreneurs they believe would turbocharge our economy and boost national prosperity.

The Global Business and Talent Attraction Taskforce looks forward to working with you to help achieve our national goals. To find out more go to [www.GlobalAustralia.gov.au](http://www.GlobalAustralia.gov.au)

[www.linkedin.com/company/globalaustralia/](https://www.linkedin.com/company/globalaustralia/)



**In Western Australia, Dutjahn Sandalwood Oils pivoted to produce new health products, connecting customers with communities for global cooperation and discovering a whole new way to deliver on its vision.**

Born out of Aboriginal desert nomads' cultural responsibility to safeguard the Australian sandalwood tree (Dutjahn) found deep in the Gibson Desert, Dutjahn Sandalwood Oils sources and supplies sandalwood oil. It's a 50:50 partnership between the Dutjahn Custodians, which represent the Martu and Wongi Nations, and W.A. Sandalwood Plantations, and it has won national and international awards for its innovative, ethical business model.

Over 90 per cent of the organisation's revenues come from luxury fragrance exports, so when COVID-19 hit, it faced potential cash flow collapse. Of even greater concern was the danger the coronavirus posed to WA's isolated Indigenous desert communities. So Dutjahn shifted its focus.

Leveraging the power of partnerships, the business signed an Australian-first deal with Givaudan, a global fragrances giant, and Melbourne skincare company Aesop to produce and distribute 250,000 sanitiser sachets, containing antimicrobial sandalwood oil, to Indigenous communities.

Through staying relevant to customers by keeping them engaged in the project and tapping into their desire to assist, Dutjahn increased its exports by 44 per cent for the 2020 financial year and increased net profits by 220 per cent – an incredible achievement in such a difficult year.

"Nature-based solutions are one of our most important allies," says Guy Vincent, Chief Executive Officer. "Business needs to be bold and understand that ethical business is good business."



# business envoy

## Acknowledgements

*business envoy* brings insights from Australia's global diplomatic network to the Australian business community. It considers global geopolitical events and trends, their economic implications and what they might mean for Australian business.

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