

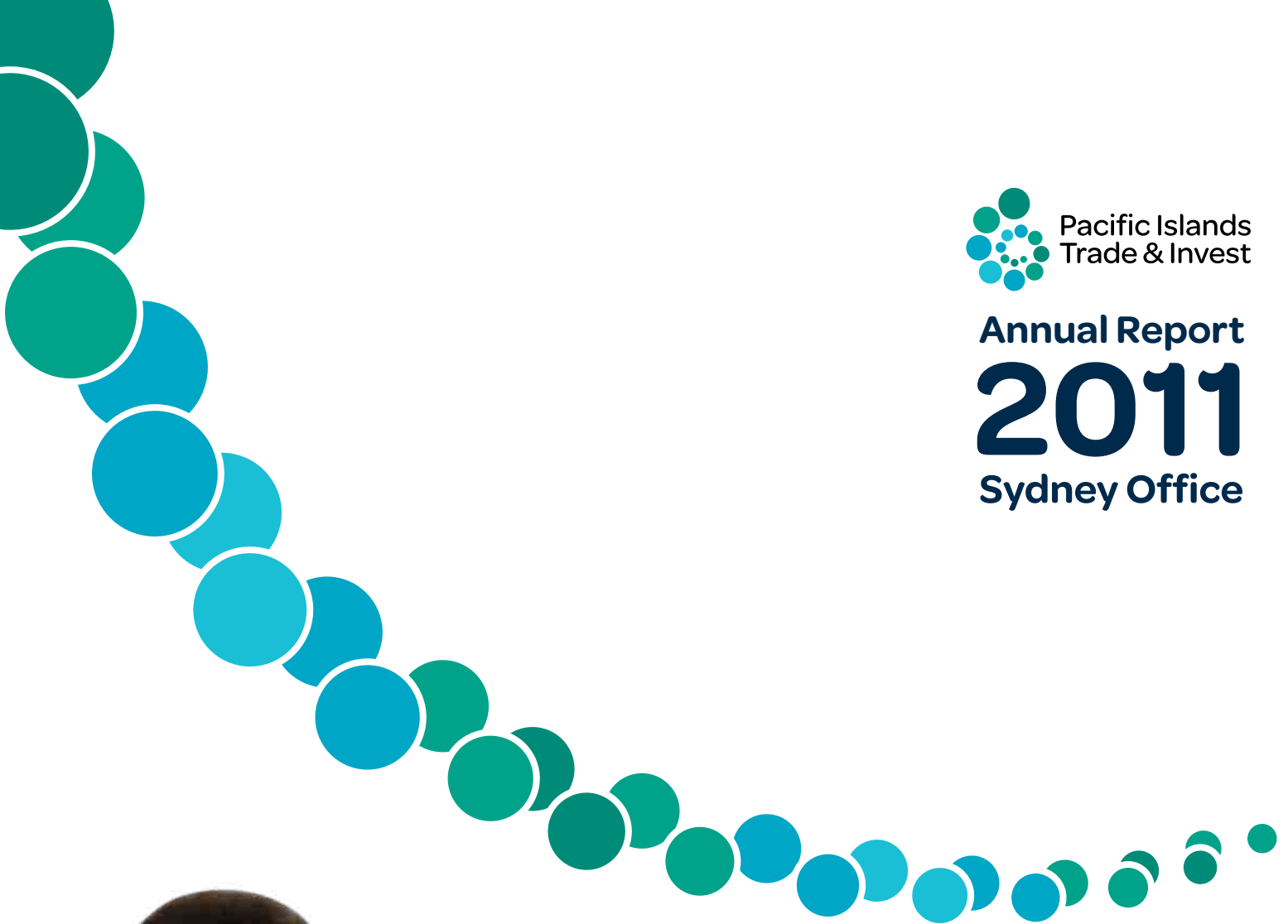


Pacific Islands
Trade & Invest

Annual Report

2011

Sydney Office



INTRODUCTION

Pacific Islands Trade & Invest Sydney works together in collaboration with the other PT&I other offices in Auckland, China and Tokyo to create greater international opportunities for Pacific Island businesses in order to build a better future through more sustainable communities and greater international prosperity.

Our strategic objective is to support trade facilitation, investment tourism promotion with the aim to improve the livelihood of people in the Pacific Islands. It has been important to underpin the development of the business with good people and the right tools.

2011 saw the trade and investment promotional organisation continue to grow and become ever more dynamic and modern.

PT&I Sydney offered nearly 400 individual services to our clients. The majority of these services involved organising events and assisting client attendance. We also devoted many of our service offerings to identifying and introducing potential customers and providing information and advice to our clients.

Our tourism program continued building partnerships with key online travel players including TripAdvisor, Wotif, Lonely Planet, WHL (Worldhotel-link.com Limited), the major Online Travel Agents (OTA's) and specialist niche online travel sellers to ensure that with improved visibility there is a clear and direct pathway to bookings results for PIC tourism businesses.

In 2011 the premier event for Exporter Services was participation at Fine Food Australia in Sydney in September. 12 Pacific Island food companies were invited to our booth and made a number of valuable contacts during the event.

Our Investment program has directly assisted clients by developing and improving their business documentation, enhancing their visibility in the investment marketplace and by also facilitating investor enquiries from Australia.

Creative Arts continued to be a focus of our activities over the past 12 months with successful engagement with creators (individuals, consolidators and cooperative groups) resulting in growing awareness of Pacific Island art and sales for their artists. The Creative Arts program was integral to the "Rituals of Seduction" : Birds of Paradise exhibition and found great success with the inaugural Maketi Ples exhibition in Sydney.

Our new website was launched this year, the culmination of many months planning, design and programming work. The new search engine optimisation has allowed a far larger audience to find our website which now draws together the four international trade offices into the one online location.

CONCLUSION

The results achieved in 2011 have been pleasing. Much work has been carried out on the future PT&I strategy. Changes to the structure of the business coupled with recruitment of new specialists has positioned PT&I advantageously for the future.



CALEB JARVIS
Trade Commissioner

Investment Opportunities

Maketi Ples



Fine Food Aust

Sydney Boat Show

Sydney Boat Show

PROGRAMS

TOURISM

The tourism sector is increasingly recognised within the region as a valuable pathway to sustainable and equitable growth and prosperity, via the generation of employment and income opportunities. While considerable challenges still exist for the industry, particularly around aviation, infrastructure, and marketing and distribution, there is generally increasing support for the sector and recognition of its vast potential for improving livelihoods.

In 2011 the Tourism Promotion team continued to develop its commitment to online leadership, finding new marketing opportunities and support for entrepreneurs. In particular, 2011 was spent building partnerships with key online travel players including TripAdvisor, Wotif, WHL, Lonely Planet, the major Online Travel Agents (OTA's) and specialist niche online travel sellers to ensure that with improved visibility there is a clear and direct pathway to bookings results for PIC tourism businesses.

ONLINE TRAVEL AGENTS

In forging strong working relationships with the major OTA's, providing them with information and accommodation lists for the PICs and helping to facilitate their expansion into the region, we were able to improve the online presence of Pacific Island Country (PIC) destinations and tourism product.

Throughout the course of the year, the tourism team has worked to improve the online marketing and distribution of PIC tourism product by connecting niche products with the right consumers through the specialist online distribution channels.

This distribution channel development was implemented through a series of workshops held in Vanuatu, Solomon Islands and Papua New Guinea in which representatives of the major OTA's were invited to meet and network with local tourism operators. These workshops resulted in a greater understanding of online marketing and distribution for tourism and an increased amount of Pacific Island product being represented on these websites. In conjunction

with these workshops, the tourism promotion team took part in the Bula Fiji Tourism Exchange, Tok Tok Vanuatu Tourism Mart and the inaugural Solomon Islands Travel Forum to strengthen partnerships with the other Pacific Islands tourism stakeholders

NICHE SECTORS

A clear focus was maintained on key niche industry sectors, particularly Marine / Adventure based tourism (diving, fishing, surfing, sailing). In order to promote and drive sales of these niche tourism products, PT&I made a strategic decision to participate in the 2011 Sydney International Boat Show to showcase the tourism ready products in the Pacific Islands and provide operators with the opportunity to network and sell directly to the Australian market. the Tourism Promotion team also worked to develop both online and offline marketing collateral -including brochures, logos and websites - for tourism operators.

LONELY PLANET

Another project, aimed at online marketing leadership and destination awareness building, was the Lonely Planet microsite campaign. This campaign, conducted in partnership with SPTO and funded by the European Development Fund, launched in 2010, closed in June 2011, and drew 17 642 unique visitors over its two phases. A database of all competition entrants who opted in for more information was distributed to all campaign partners including the participating National Tourism Offices, to be used for marketing purposes. This project promoted a greater sense of collaboration between PT&I and the NTO's and represented PT&I's shift in focus to the online sphere.

PAPATURA ISLAND RETREAT

Papatura Island Retreat is a low impact tourism retreat in the remote Santa Isabel province of the Solomon Islands. The business is committed to leading and developing sustainable tourism in the area and implements a number of initiatives to support local villages and entrepreneurs, including employment, education sponsorship and training, and patronising local micro businesses. As a base for tourism throughout Santa Isabel, Papatura encourages and local villages to become involved in tourism as a sustainable alternative income to logging and commercial fishing.

Together with 14 other Pacific Island marine based tourism businesses, Papatura Island Retreat joined PT&I at the 2011 Sydney International Boat Show in July. This unique direct marketing opportunity allowed Papatura to not only build up a strong database of interested potential customers, but to also network with other marine based tourism businesses from the region as well as Australian based outbound wholesalers and retailers.

To date, Papatura Island Retreat has received three visitor groups as a direct result of the Sydney International Boat Show, with more bookings received for 2012. The managers are also in talks to establish fly fishing tours out of the resort, having met with a fly fishing tour operator who was also participating in the PT&I stand at the show.



SYDNEY BOAT SHOW

After five glorious days of sunshine and over 68,000 visitors, the mood was buoyant amongst the 270 exhibitors at this year's Sydney International Boat Show.

Among them was the team from Pacific Islands Trade & Invest and their guest exhibitors, 17 marine based tourism operators from all over the Pacific, who enjoyed a successful and productive event.

Many of the participants immediately reported a spike in enquiries and bookings. Moreover, this event was also a great opportunity for operators to engage with their Australian customers, outbound wholesalers and each other.

Roy Privett, General Manager of the Boating Industry Association of NSW, owners and organisers of the show said; "Exhibitors unquestionably put their best foot forward. Displays were first class, attitudes were positive and many had the confidence to use the show as a springboard to release many new products and technology."

With a wealth of unique experiences on offer, the PIT&I stand was abuzz with activity for five days as visitors talked fishing, surfing, sailing and diving with the experts and discovered new destinations. All the while kids were delighted by balloons and two plasma screens delivered stunning footage of the Pacific Islands to mesmerized onlookers. The chance to win an adventure holiday for 2 to Papatura Island retreat in the Solomon Islands was also a major draw card, attracting hundreds of entries and driving plenty of foot traffic to the stand.

Offering everything from sailing in Fiji to diving in WW2 wrecks in Micronesia to swimming with Whales in Tonga and big game fishing in Nauru, the stand also drew plenty of media interest with several operators gaining editorial coverage.

With such a successful and eye opening event in our portfolio, the team at Pacific Islands Trade & Invest is now considering new and innovative opportunities for promoting Pacific Islands tourism in Australia.



AUD \$7,000
exports earned
(from the Boat Show)

CREATIVE ARTS

The Creative Art program (CA) over the past 12 months has successfully engaged with a wide variety of Pacific Island creators, each of whom produce exceptional items with real export potential

The Creative Arts program has been making some significant progress in the last two years, with 2011 resulting in over AUD\$120,000 income generation for Pacific Island creators. Successful Pacific Islands creative products for 2011 are as follows:

FINE ART

Four painters who exhibited in Maketi Ples sold their work to private collectors.

Papua New Guinean Fine Artists featured prominently in Maketi Ples, resulting in the highest sales figures for 2011.

Emerging young Tongan artist, Tupe Langi successfully sold two of his black line drawings. Metal sculpturist, Gigmai Kundun's work is currently on loan to an exhibition at Casula Powerhouse, Sydney.

WEAVING

Woven items exhibited in Maketi Ples by Solomon Island, Vanuatu and Papua New Guinean weavers made solid sales figures throughout the exhibition period.

WOOD CARVING

Wood carved products exhibited by the Solomon Islands Bareho Carvers Group sold solidly throughout the event.

BODY ADORNMENT

Silver and shell jewelry exhibited by Jewellery PNG was well received and significant pieces were sold during the exhibition period and interest in the collection remained high up to three months post Maketi Ples.

BILUM

Bilum bags, bilum fibre, and bilum wear was keenly promoted through Maketi Ples PR strategy. We are pleased to report that

bilum-wear garments were acquired by two of Australia's prestigious Institutions, the Australian Museum (NSW) and the Gallery of Modern Art (QLD). The Bilum Weavers of Goroka received a Commission for a large single side bilum hanging (10m x 3m) that was exhibited at Happy Talk Project; a new initiative of Art & About, Sydney. Designer, Alistair Trung is currently engaged with the Bilum Weavers of Goroka sourcing and exploring potential product lines.

OMIE ARTISTS

CA's continued support to the Omie Artists in the Australian Fine Art market over the past 12 months has seen a steady increase in their sales figures. Two significant exhibitions were held this year by the women artists of the Omie Tribes in Papua New Guinea. The show in Singapore yielded the highest sales due to a number of factors: the high quality of works and an informed and enthusiastic buying

audience. The Short St Gallery exhibition in Broome was it's highest yielding exhibition in 2011. This excellent response from the Australian and Asian market is encouraging and there are two exhibitions planned in leading commercial galleries in 2012.

Building upon the Australian and Asian Collector market, in 2012 Omie Artists will enter new territory by staging a commercial show in Idaho (USA) and participate in two prestigious cultural institutions on the west coast of America (San Francisco and Los Angeles).

"RITUALS OF SEDUCTION" : BIRDS OF PARADISE

In late 2010, the Australian Museum approached the CA program with a proposal for a major public exhibition on the Birds of Paradise; they were seeking network contacts to enable a field visit to the Papua New Guinea communities who continue to engage with the Birds of Paradise. The CA program worked with the curator of the exhibition "Rituals of Seduction: Birds of Paradise" to prepare, interpret and present the information gathered in the field. It is with great pleasure that we announce that the "Rituals of Seduction: Birds of Paradise" has been awarded the best exhibition in International Relations by International Council of Museums Australia.



One sided bilum – Kalibobo Design, hand twisted and looped by the Bilum Weavers of Goroka September 2011 Commissioned by Heidi Dokuli and Liane Rossler, Happy Talk Project for Art & About Sydney.

MAKETI PLES

The Creative Arts program continued wide consultations in the Australian market, identifying an genuine interest in traditional and contemporary Pacific Island art (based on traditional knowledge and expressions of culture). The major barrier to an effective marketing and promotion strategy was the knowledge that the promotion of Pacific Fine Arts and Home-wares products is not synonymous with the traditional commercial gallery model.

In order to dispel the perception that Pacific Island artworks are made for the tourism market, the Creative Arts program created a marketing and promotion event, "MAKETI PLES" - creating opportunities for Pacific Islands artists and artisans (14 – 27 February 2011). Maketi Ples was held at the Global Gallery, Paddington NSW; The suburb of Paddington was our primary choice to position the event in the buyer market and introduce the work of PIC's artisans (Fine Art, Basketry, Weaving, shell and silver bespoke jewellery, wood products and artisan pieces based on traditional knowledge) directly to Australian consumers, designers, retailers, importers and the Australian media.

The regional creative community responded to a general call out for expressions of interest with 44 submissions from 6 PICs. A curatorial panel compiled a final participants list of 24 artists or artisans; from that final list, 9 artists or artisans attended the event after securing support from Government agencies within their country of origin. The total sales earned from the 2011 Maketi Ples event to date is AUD\$26,500 with continued interest being shown in certain products and or artists.

Artisan Works from Papua New Guinea and Tonga were acquired by the Australian Museum for the Pacific Collections. Bilum-wear by Florence Jaukae Kamel was acquired by the Gallery of Modern Art (GOMA QLD) for inclusion in the "Threads: Contemporary Textiles & the Social Fabric". The Bilum Weavers of Goroka were commissioned by Happy Talk to weave a 10m x 3 m hanging for Art & About, Sydney. Fine Artists from Papua New Guinea and Tonga sold their art works to visitors to the gallery. Artisans from the Solomon Islands, Cook Islands, Vanuatu and PNG attracted sales and attention from Object Designers and Private Collectors.

Maketi Ples delivered direct economic benefits to exhibiting creators. The event created awareness and appreciation for the quality of the artisan and their skills in the products produced in the Pacific.

This is a niche event that has the capacity to grow the awareness in the Australian market and provides a basic but solid platform for engagement between creators and object designers.

Maketi Ples is set to return in 2012, building on the foundation of this year's successful event.

AUD\$122,400

exports earned
(total for the year)



Omie Artists exhibition, No si hijomiono'o jabesi sor'e jajivo (We are painting the designs of our ancestors) at ReDot Fine Art Gallery, Singapore 2011

INVESTMENT PROMOTION SERVICES

As highlighted in the Pacific Plan (2005), private sector investment that creates sustainable economic growth and employment is a vital ingredient in reducing poverty in the Pacific Islands.

To that end, PT&I's Investment Promotion Services (IPS) has focused on providing support to Pacific Islands businesses with the key objective of driving foreign direct investment into the region. In our efforts to achieve this, IPS has directly assisted clients by developing and improving their business documentation, enhancing their visibility in the investment marketplace and by also facilitating investor enquiries from Australia.

To ensure program sustainability and stakeholder buy-in, IPS has worked in collaboration with both public and private partners including in-country investment promotion authorities, small business centres and chambers of commerce. We have also collaborated with established business networks (such as the various regional business councils) to ensure efficiency in our role of promoting the region as a credible business destination.

The Pacific Islands offer many attractive investment prospects. In seeking to draw attention to these, the IPS implemented three programs in 2011 to facilitate foreign investment with the aim of creating sustainable economic growth and employment in the Pacific Islands.

INVESTMENT FACILITATION

Throughout the year, the IPS actively identified investment opportunities and assisted Pacific Island businesses across the spectrum of industry sectors to develop business proposals and other documentation. It also promoted opportunities through a variety of PT&I communications channels and partner channels aimed at encouraging foreign direct investment. We remained an effective contact point for investors, assisting them to make decisions, providing advice and putting them in touch with in-country contacts.

INVESTMENT OPPORTUNITIES PUBLICATION

In the first half of the year, the PT&I offices in Sydney and Auckland worked collaboratively to identify the region's best investment opportunities. 150 projects were gathered from across the 14 Forum Island Countries covering a gamut of industry sectors. From this, 50 projects were selected for inclusion into a PT&I branded "Investment Opportunities in the Pacific Islands" publication.

1,000 copies of the PT&I publication were produced and distributed at the "Oceans of Opportunity" Investment Summit in Auckland (September). Furthermore, a web-version was also uploaded to the PT&I website which provided further exposure to the Pacific and has acted as an effective marketing tool for PT&I. The "Investment Opportunities" document was reprinted in partnership with the Commonwealth Business Council and was distributed at the Commonwealth Heads of Government Meeting in Perth, in October.

PACIFIC ISLANDS INVESTMENT SUMMIT

Following on from the success of the inaugural Investment Summit in 2010, IPS sought to bring together investors, business owners and government officials from the Pacific region for a second Investment Summit, once again named "Oceans of Opportunity". This event was co-funded by NZAID, who saw the opportunity to leverage off the strong reputation of PT&I and the popularity of the event.

Held at 'The Cloud' in Auckland in September, and coinciding with Pacific Islands Forum Leaders Meeting, the event drew an audience of over 200 delegates from Asia and the Pacific Rim. The one day event offered an excellent opportunity for delegates to

gain practical insights into key issues affecting business and investment in the region, while the six panel sessions (covering tourism, infrastructure, agribusiness, clean and affordable energy, fisheries and social entrepreneurship) gave the audience the opportunity to listen to some of the region's most successful and influential industry leaders. As part of the event, the "Investment Opportunities" publication was distributed, emphasising PT&I's position as a driving force in attracting foreign investment to the region.

SOLOMON ISLANDS BEEKEEPING

A pilot project conducted by Pacific Islands Trade & Invest with the Solomon Islands Small Medium Enterprise Council in 2008, has helped facilitate banking loans worth more than SBD\$2million to small-medium sized businesses in the region.

The 'SME Documentation Project' involved the development of 44 business proposals and loan submissions to banks in 2008. The project resulted in loans being granted to 21 businesses in the Solomon Islands, including Island Beekeeping Supplies, which received a SBD\$200,000 (approximately AUD\$50,000) loan from ANZ Bank.

Currently supporting more than 1,000 beekeepers across the Solomon Islands, Island Beekeeping Supplies acts as an intermediary between the producer and consumer, purchasing raw honey direct from the beekeepers and packaging it for sale to the local market. Through this arrangement the beekeepers receive a relatively higher than average income for the Solomon Islands.

The joint initiative between Pacific Islands Trade & Invest and SMEC has highlighted the importance of this level of support for SMEs in gaining access to finance.

"Without access to capital businesses cannot grow because they need credit to buy inventory and equipment as well as to extend terms of trade with customers," said the Manager of Investment Promotion and Advisory Services for the Sydney Office of Pacific Islands Trade & Invest, Patrick Martin.

Investment Opportunities

INVESTMENT OPPORTUNITIES

PT&I understands that the Pacific Islands represent one of the world's least explored regions – both for natural resources and for the potential it offers in a range of investment sectors. In furthering our goals of building a better future for the people of the Pacific Islands, we focused on bringing first class, Pacific Island investment opportunities to the attention of international investors via a high-quality investment guide.

For around 6 months, IPS went about identifying the most attractive investment opportunities from the Pacific Islands - the first such undertaking of its kind. Both the Sydney and Auckland offices worked together in targeting regional investment boards and private sector organisations to document a list of investment-ready projects.

Over 150 projects were identified of which 50 were selected for publication. Projects covered a range of industries: minerals and mining, infrastructure, tourism, agriculture, real estate and renewable energy, to name a few. The document was designed not only to showcase the credibility and bankability of the region's business environment but to also assist investors identify potential projects and progress an enquiry.

The publication, "Investment Opportunities in the Pacific Islands", was launched and distributed at PT&I's second annual Pacific Islands Investment Summit in Auckland, coinciding with Pacific Islands Forum Leaders Meeting. It gained significant media attention and widespread approval from delegates and speakers. The document

was also acknowledged by the Commonwealth Business Council (CBC) – an institution that aims to utilise the global network of the

Commonwealth of Nations for the promotion of global trade and investment for shared prosperity. The CBC fully funded a co-branded second edition of the publication which was then distributed at the Commonwealth Heads of Government Meeting (CHOGM) in Perth, in October.

Both publications were designed to add credibility to the Pacific Islands business environment while also providing some assurance to investors. Add to that the high-level nature of the events at which the two publications were promoted, PT&I provided Pacific Islands businesses with an unparalleled opportunity for international exposure.



EXPORTER SERVICES

The Pacific Plan identified economic growth as one of the four key goals of the Forum and a key ingredient to sustainable economic growth is increased trade.

In 2011 Exporter Services (ES) provided PIC companies with the knowledge, advice and practical support to enabling them to grow and internationalise their business. The ES strategy offered a range of services designed to facilitate PIC exports across all segments of the Australian market.

OUR CLIENTS

The focus was on delivering practical assistance which led to commercial outcomes for businesses that fell into one of two categories:

1. Export Capable; or
2. Export Ready.

The Export Capable segment included small and medium sized PIC businesses that were new to, or have limited experience in exporting. The ES program assisted these businesses to develop the skills, knowledge and attributes required to seek out and be ready for export opportunities.

The Export Ready segment of included clients who were ready to export, or who are already exporting and wished to expand regionally or into the Australian marketplace. We worked closely with these clients to help them achieve their international goals via a range of customised services, including targeted market research; the identification of

international partners; provision of tailored industry intelligence; and development and delivery of customised visit or sales programs.

SUCCESS

The results of these efforts, this year, have been very promising and reflect why trade facilitation is at the core of our business. With our assistance we have helped an essential oils company increase sales; established a market for a client exporting frozen vegetables and fresh taro; introduced a corned beef and mutton exporter to Australian distributors; found a buyer for a range of simmer sauces and garlic and ginger pastes; introduced an exporter of Chilli paste to potential buyers; and many more similarly valuable network creations.

AHEAD

In 2012 ES will continue on a systematic campaign to expand access to and establish relationships with Australian based importers / distributors / agents etc. focusing particularly on those located on the Eastern Seaboard of Australia. PT&I on behalf of our clients will participate in leading industry events such as Fine Food Australia 2012.

NATURE PACIFIC - FIJI

NATURE PACIFIC supplies Fiji grown and harvested Organic Extra Virgin Coconut Oil and traditional foods that are grown based on thousands of years of Pacific Island tradition. Their Banaban product range supports the Banaban people of Fiji and Banaba Island.

Ken Sigrah and Stacey King are the couple behind NATURE PACIFIC who understand very well the problems facing indigenous communities as they struggle for daily survival and the upholding of their ethnic identity in a rapidly changing world. The first products they made were scented body oils based on traditional blends made back on the Island.

When Nature Pacific attended Fine Food Australia 2011 they hoped that they would meet potential customers to grow their Australian market sales. They had no idea that a distributor from the U.S.A. would visit their stand and was so impressed with their product range that he is securing a supply contract with Nature Pacific which is valued at over half a million dollars. Fiji grown and harvested pure Virgin Coconut Oil will soon be exported to be sold into stores in the U.S.A. and available to the American consumer.



FINE FOOD AUSTRALIA 2011

In 2011 the premier event for Exporter Services was participation at Fine Food Australia in Sydney in September. Nearly 23,000 members of the retail, foodservice and hospitality industry attended the event to experience the newest ranges of gourmet food, bulk food service products and cooking equipment to hit the market. There were over 1000 exhibitors from Australia and 30 other countries providing an ideal forum for buyers to review and sample products. Visitors came from all states of Australia as well as 38 other countries, making Fine Food Australia a truly international event. Along with national stands from China, Thailand, Malaysia and Italy amongst others PT&I had its own stand with 12 PIC exporters looking to secure distribution in the Australian market and to build their respective brands. Products ranged from Vanilla from Niue and Tonga, Noni juice and coffee from Samoa, Coconut oil and coconut based products from Fiji, skin care products from Vanuatu, Tuna Jerky from Kiribati as well as beer and coffee from PNG to name a few.

All participants found it a huge benefit working as one on the Pacific Islands branded stand which maximized their presence in the large exhibition halls of the show. The show presented the exporters as an ideal forum to promote their products as well as the success of Pacific Island companies. Buyers from Australia, Singapore, Japan, Vietnam and Thailand all were introduced to the 12 exhibitors at the show. Already distribution agreements have been established with several exporters and orders placed. All participants found it an invaluable experience, particularly those new to exporting to meet potential customers for the Australian market and to get immediate feedback on their product offering.

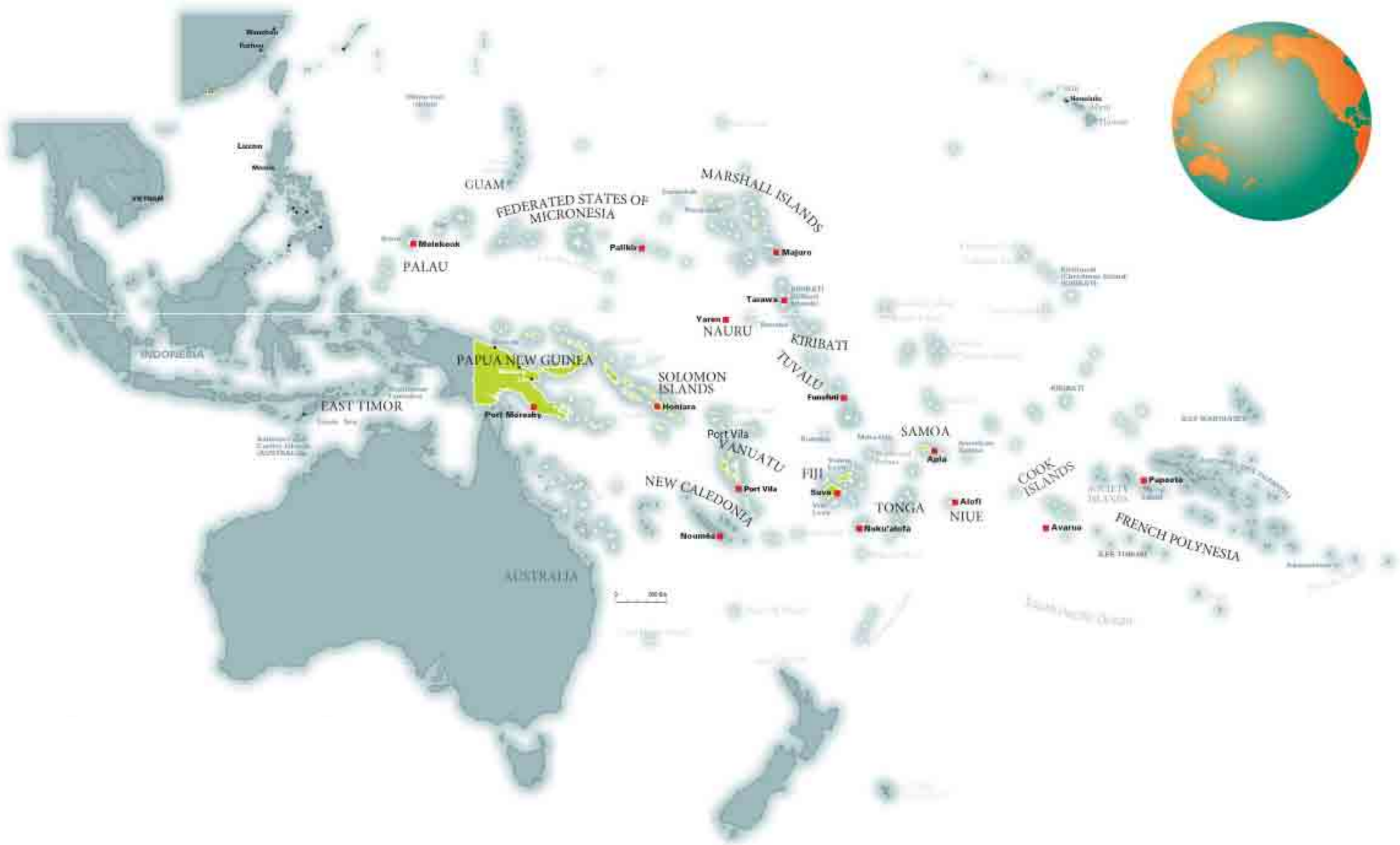
2012 Fine Food Australia moves to Melbourne and PT&I will again be a presence with selected PIC exporters.

AUD\$3,314,650

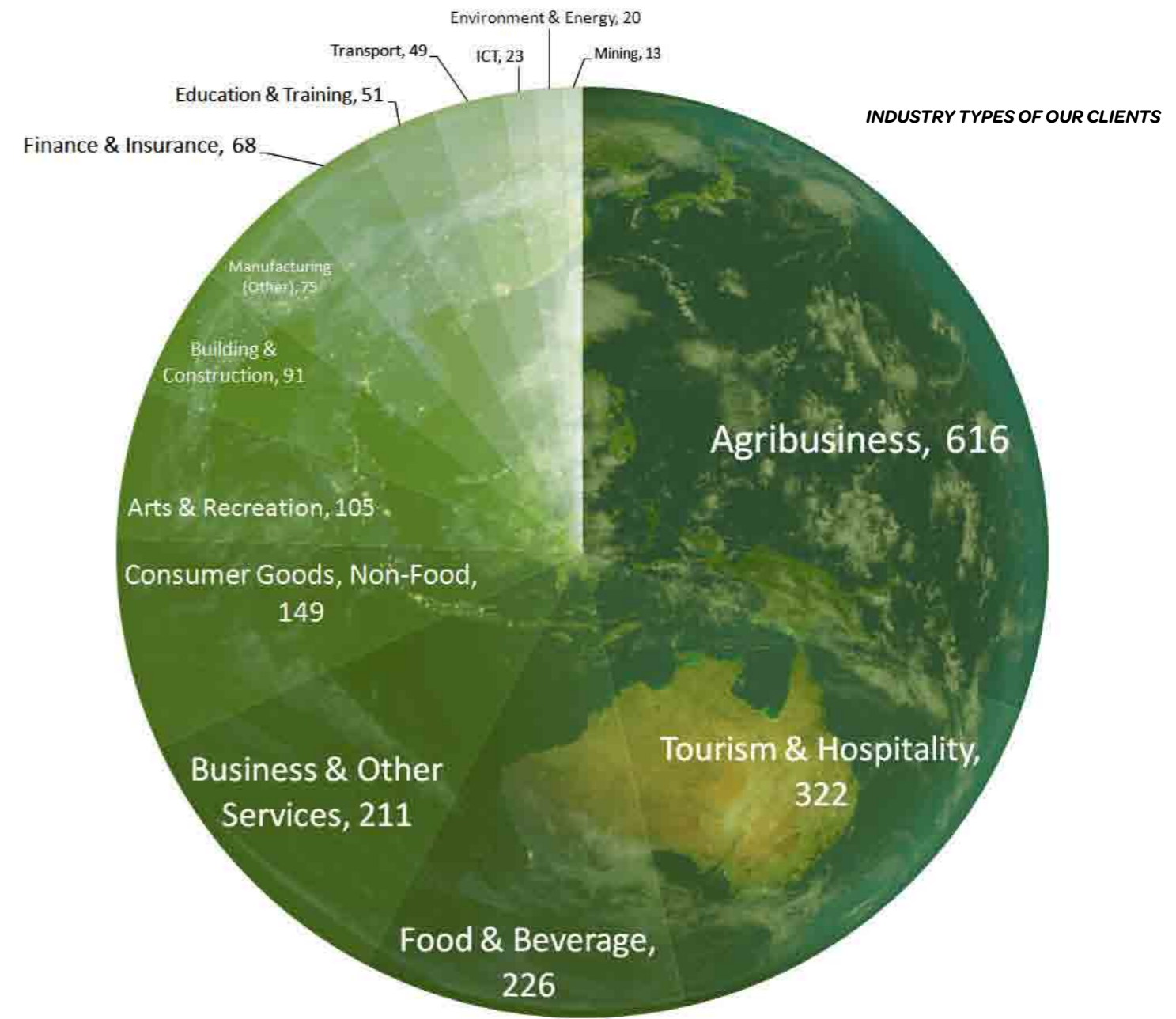
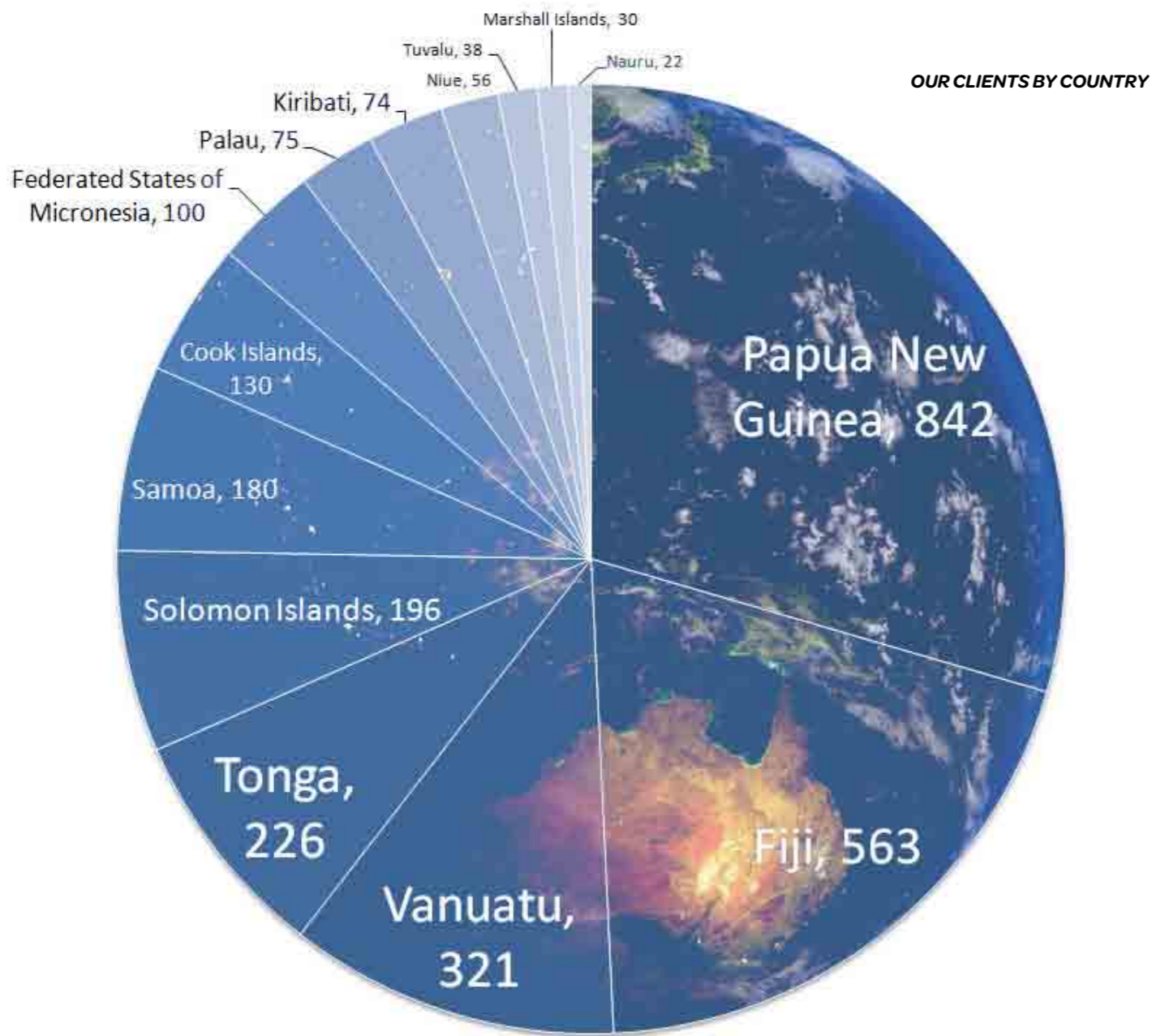
exports earned
(total for the year)



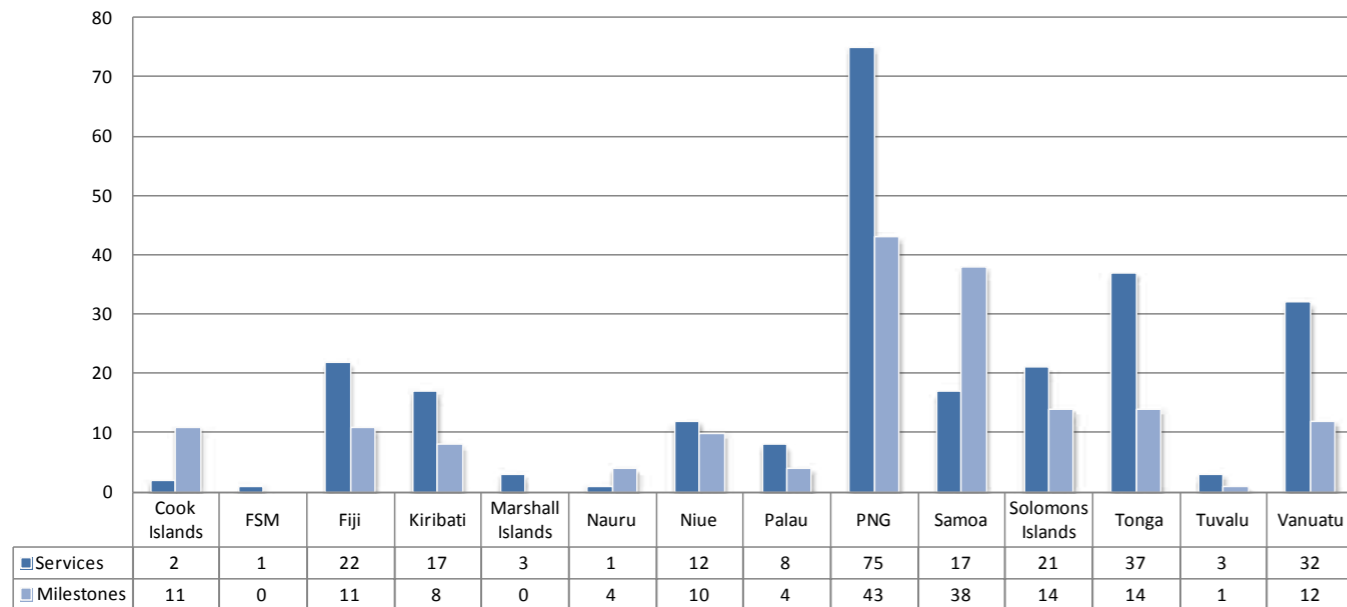
Fine Food Australia



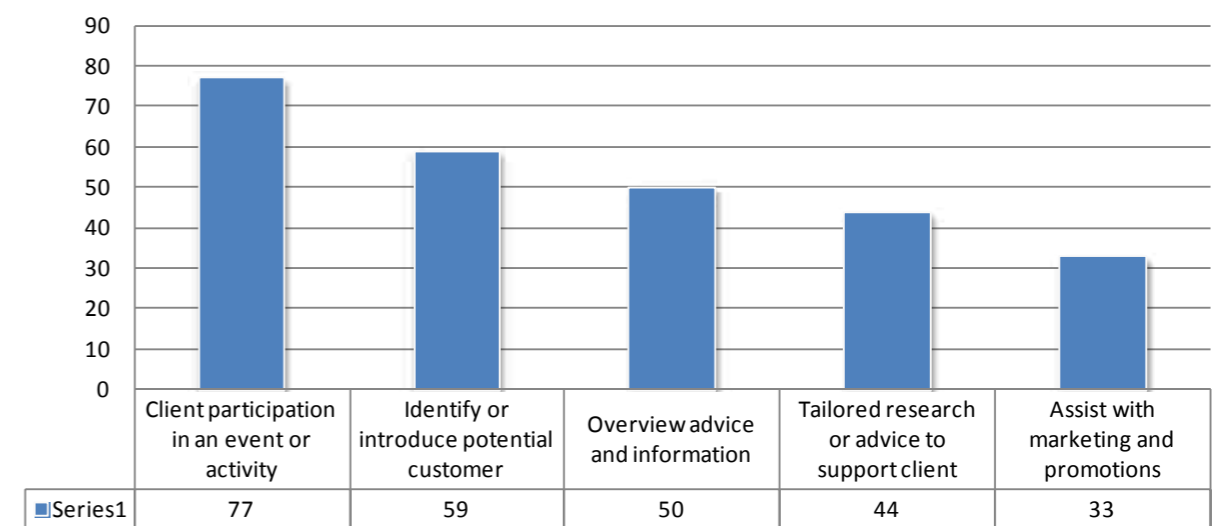
COUNTRIES



NUMBER OF SERVICES PROVIDED TO CLIENTS (BY COUNTRY) & NUMBERS OF MILESTONES ACHIEVED BY CLIENTS AS A RESULT



TOP 5 SERVICES PROVIDED



FINANCIALS

AUDITORS REPORT

SCOPE

We have audited the accompanying financial report, being a special purpose financial report, of Pacific Islands Trade & Investment Commission, which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, accompanying notes and the Commissioner's and Secretary General's statement, set out on pages 3 to 12.

The Commission's management is responsible for the preparation and fair presentation of the financial report and also designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances. The Forum Secretariat and the Government of Australia have determined that the accounting policies used and described in Note 1(a) to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the needs of the Secretary General. We have conducted an independent audit of the financial statements in order to express an opinion on them to the Secretary General of the Pacific Islands Forum Secretariat on their preparation and presentation.

The financial report has been prepared for distribution to the Secretary General for the purpose of fulfilling the requirements of the financial regulations of the Commission. We disclaim any assumption of responsibility for any reliance on this report, or on the financial report to which it relates to any person other than the Secretary General, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the basis of accounting described in Note 1(a), to the financial report. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDIT OPINION

In our opinion, the financial report of Pacific Islands Trade & Investment Commission are properly drawn up:

- a) so as to give a true and fair view, in accordance with the accounting policies described in Note 1(a) to the financial statements;
- b) in accordance with applicable Accounting Standards. Other Accounting Standards have only been applied to the extent described in Note 1(a) to the financial statements; and
- c) in accordance with the provisions of the financial regulations, dated 31 October 1994.

Mark Schiliro, Director
MNSA PTY, LIMITED
Chartered Accountants



BALANCE SHEET

STATEMENT OF CHANGES IN FUND BALANCE AUSTRALIA

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	2010	2009
CURRENT ASSETS		
Cash	56,287	4,324
Term deposit	-	246,750
Receivables	5,250	83,358
Prepayments	3,783	3,823
Bond for 171 Clarence Street	32,594	-
Other investment	6,600	-
Total current assets	104,514	338,255
NON-CURRENT ASSETS		
Property, plant & equipment	112,967	129,595
Non-Current Asset (Bond for 171 Clarence Street)	-	32,594
Total non-current assets	217,481	500,444
CURRENT LIABILITIES		
Creditors and accruals	64,874	21,413
Provisions	14,214	18,950
Total current liabilities	79,088	40,363
Net assets	138,393	460,081
ACCUMULATED FUNDS		
Retained profits	138,393	460,081
Total accumulated funds	138,393	460,081

	Approved 2010 Budget	Over / (Under) expenditure	2010 Actual	2009 Actual
I. OPERATING REVENUE				
Government grants & funding			1,535,790	1,250,000
Interest received or due and receivable			26,040	19,281
Other			12,342	-
Sub Total			1,574,172	1,269,281
II. CAPITAL				
Office furniture, computer equipment fittings and motor vehicles	-	11,008	11,008	85,590
Sub Total	-	11,008	11,008	85,590
III. PERSONNEL EMOLUMENTS				
Personnel Emoluments	700,000	112,304	812,304	668,469
Sub Total	700,000	112,304	812,304	668,469
IV. ADMINISTRATION				
1. General				
Computer Expenses (in. IT ad)	16,500	(4,709)	11,791	11,474
Consulting	5,000	(236)	4,764	24,955
Depreciation	-	27,636	27,636	36,501
Incidentals & Legal	8,500	(3,242)	5,258	4,176
Insurances	11,000	570	11,570	7,193
Loss on Disposal of assets	-	-	-	2,866
Workshop and Conference	10,000	(4,312)	5,688	16,924
Office Maintenance	4,500	46	4,546	3,949
Office Supplies	10,550	(375)	10,175	16,316
Postage and Freight	4,000	(11)	3,989	4,844
Printing and Stationary	12,200	(239)	11,961	10,594
Rent	134,000	4,082	138,082	120,687
Telephone, cable, telex and fax	28,500	(32)	28,468	22,425
Utilities	4,000	21	4,021	2,626
Miscellaneous	46,500	4,073	50,573	17,452
2. Auditing and Financial Charges				
Audit and accounting	6,500	9,724	16,224	16,486
Bank Charges	5,500	(1,033)	4,467	955
Sub Total	307,250	31,963	339,213	320,423
V. WORK PROGRAMME				
1. Core Grant Expenditure				
Exporter Services	30,000	(309)	29,691	37,057
Creative Arts	20,000	(4,606)	15,394	-
Investment Promotion Services	30,000	1,232	31,232	21,953
Tourism Promotion Development	30,000	(1,839)	28,161	18,621
Knowledge and Information Management	25,000	(4,817)	20,183	33,465
Promotion – PIFS	285,000	(50,361)	234,639	-
2. Travel and transport				
Vehicle running expenses	11,500	45	11,545	15,690
Duty Travel (Australia & FICs)	131,000	(1019)	129,981	132,011
Sub Total	562,500	(61,674)	500,826	258,797
Total operating expenditure			1,663,351	1,333,279

WEBSITE STATISTICS



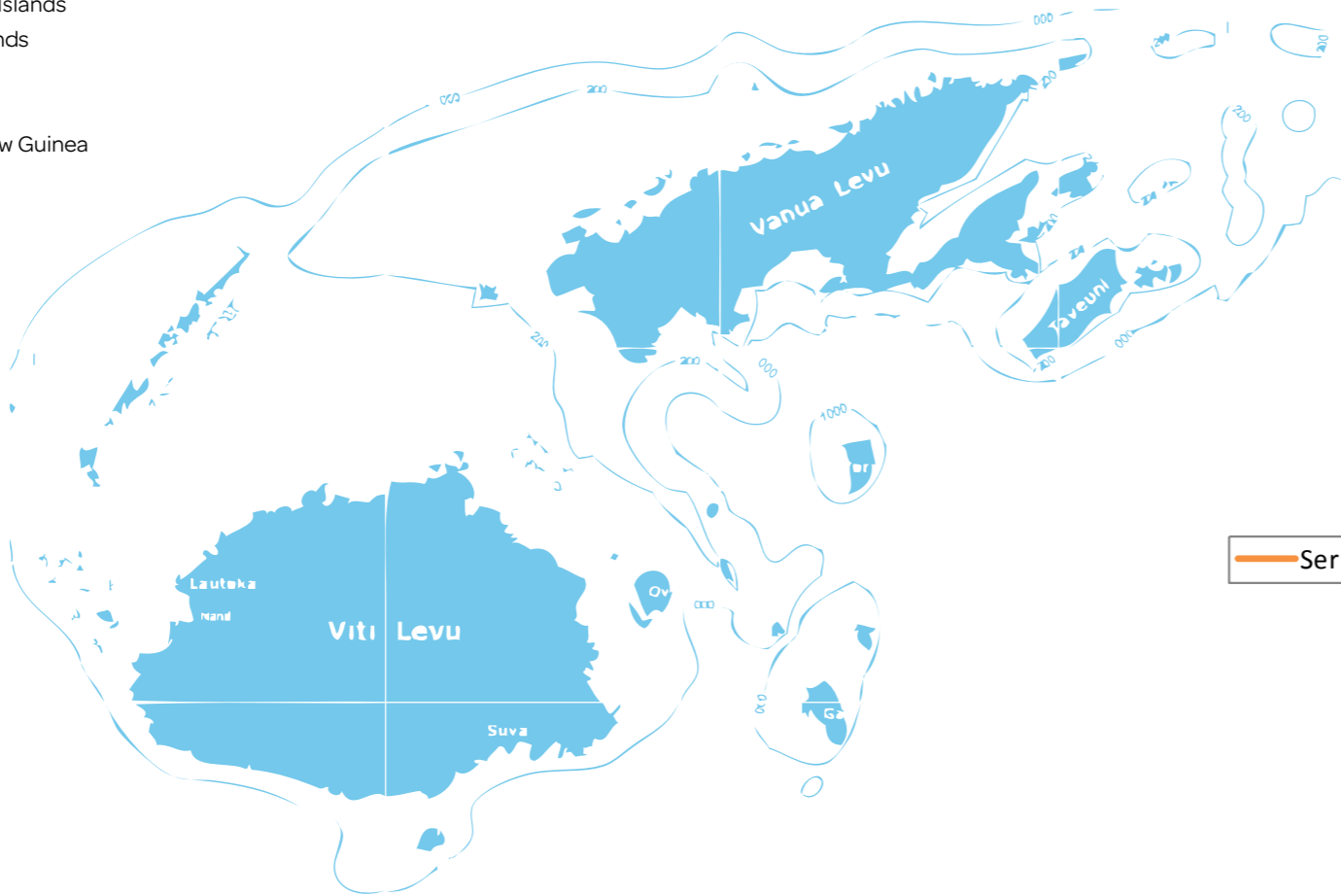
The new look Pacific Islands Trade & Invest website launched early in 2011. The site moved onto the more modern Joomla Content Management System framework, providing greater security and search engine optimisation.

PT&I worked with both graphic designers and web design specialists in order to maximise our web presence and extend the reach of both our services and the products that the Pacific Islands have to offer the world.

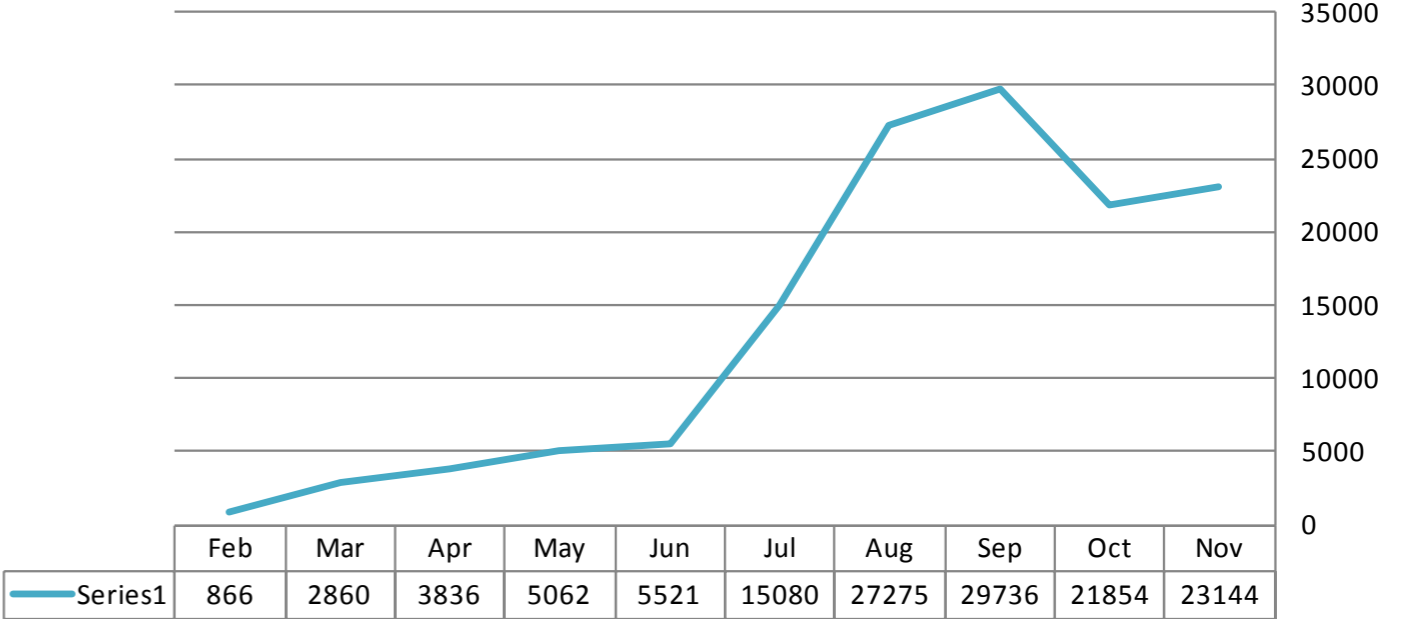
The website was developed alongside a new collaborative newsletter that sees both these communication pieces tie together the 4 trade offices into a more cohesive organisation. The newsletter, Pacific Periscope, goes out to our subscriber base of nearly 6,000 contacts and links directly back to the website, driving visitor numbers higher and creating a knock on effect which helps boost SEO. You can see from the graphs that it appears the SEO optimisation began to propagate effectively in June where visitor numbers have grown dramatically a few short months after the website and newsletter's inceptions early in 2011.

TOP 10 VISITORS BY COUNTRY

1. New Zealand
2. Australia
3. Fiji
4. Solomon Islands
5. Cook Islands
6. Samoa
7. India
8. Papua New Guinea
9. Niue
10. Greece



MONTHLY VISITS



AVERAGE DAILY VISITS

