



## Doing Business in Australia: 2008 Country

### Commercial Guide for U.S. Companies

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- [Chapter 1: Doing Business In Australia](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

[Return to table of contents](#)

## Chapter 1: Doing Business In Australia

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)

### Market Overview

[Return to top](#)

- Total merchandise trade in 2007 – US\$27.8 billion (7% increase over 2006).
- U.S. Exports to Australia in 2007 – US\$19.2 billion (8% increase over 2006).
  - Total trade in goods and services was \$32.2 billion in the first three quarters of 2007, an increase of 9.8% over the first three quarters of 2006.
  - U.S. goods and services exports to Australia were \$21.2 billion in the first three quarters of 2007, an increase of 8% over the first three quarters of 2006.
- Australia's rank as a U.S. export market in 2007 – 15<sup>th</sup> largest.
- Principal U.S. exports to Australia in 2006: non-electronic machinery (24%); vehicles (12%); aircraft (9%); electrical machinery (8%); optic/photo/medical instruments (8%).
- Australia-U.S. Free Trade Agreement (AUSFTA) elimination of tariffs provides new sales opportunities for U.S. companies.
- Australia has enjoyed annual economic growth without interruption for nearly two decades. Strong growth of about 4% continued in 2007 and most economic forecasts expect annual growth of between 3.0-3.4 percent in 2008.
- Australia is a sophisticated and modern economy that is a major exporter of primary resources (such as mineral and agricultural commodities). Asian demand for minerals, metals, and energy resources has been an engine for growth nationally and in specific regions of the country. While creating wealth that ripples through the economy, the resource boom has revealed Australia's existing infrastructure to be inadequate to keep pace with the needs of exporters.
- As a consequence, investment in public and private infrastructure will continue to increase capacity, remove bottlenecks, and allow Australian exports to meet foreign demand.
- In addition to capacity constraints, economists cited the persistent drought across much of Australia over the past four years as shaving nearly a percentage point from

GDP growth. Better rains in 2007 and 2008 could lead to an upturn in the agricultural sector that will reduce this effect. Other drags on growth, such as high oil prices and consumer debt loads, are familiar to American businesses, and will have similar effects on domestic sales volumes.

- These challenges provide opportunities for American exporters across multiple industry sectors. The need to increase productivity, reduce costs, and add new production capacity fuels both private and public purchases as well as investments.
- We advise American firms examining the Australian markets to pay attention to macro measures of opportunity, noting Australia's high, per-capita income, rising terms of trade, and a strong currency, which give it substantial purchasing power. Along with the Free Trade Agreement, the case for entering or expanding in the Australian market is stronger than the population of 21 million might suggest.
- Australia's appeal is still compelling: few barriers to entry, a familiar legal and corporate framework, sophisticated consumer and industrial demand, and a straightforward, English-speaking, business culture. The Australia-U.S. Free Trade Agreement enhances the long and successful trading relationship by eliminating tariffs on almost all manufactured and agricultural goods.
- We believe 2008 will be an excellent time for American companies with innovative products and technologies to develop an entry strategy for the Australian market, or to re-examine previous business plans for this market. The remainder of this report will be helpful in either case, and we invite you to contact us to help you execute those plans.

## Market Challenges

[Return to top](#)

- **Competitive Market:** Australia's history, distance from the rest of the world, large land area and relatively small population led to market dominance by a few large firms in certain sectors.
- Australia is fully integrated into the world economy and has become a commercial and financial center for the region. American companies will find that Australian and third-country competitors in Australia enjoy the advantages of long-established brands, strong reputations, and existing supplier relationships.
- Australia has ready access to Asian and other, low-cost producers. American firms must therefore demonstrate sufficient added value to overcome the costs of getting the product to market, and to compete against lower-cost producers in the region.
- We stand ready to help American firms investigate the market thoroughly.

## Market Opportunities

[Return to top](#)

- AUSFTA's elimination of tariffs provides new sales opportunities for U.S. manufacturers across the board.

- Mining, oil and gas, renewable energy, environmental technologies, and the medical device sector are growing market sectors. These sectors, however, have well-established competitors and supplier relationships.
- Infrastructure projects, both public and private, are likely to offer opportunities to American companies ranging across engineering, building products, construction machinery and a host of ancillary industries.
- Services such as franchising, consulting, IT, software, engineering.

## **Market Entry Strategy**

[Return to top](#)

- Successful market entry strategies for Australia have three common elements: understanding the market, selecting the optimal partner, and providing ongoing support to that partner in the market.
- A common language and familiar business framework may lead Americans to overlook Australia's cultural and market differences. It is vital to first gain an understanding of the Australian context for a product or service, its competitors, standards, regulations, sales channels, and applications.
- Success in the Australian market requires establishing a local sales presence. For many American exporters this means appointing an agent or distributor. The bounds of that appointment are negotiated, and may include only certain states of Australia, the entire country, or New Zealand as well. An increasing number of businesses and investors see Australia as a secure platform from which to serve third markets in Asia.
- The distance from many of their trading partners and the sheer size of the Australian continent - comparable to the continental U.S. - causes Australian firms to stress the importance of local support and service. American companies should visit Australia both to meet prospective partners and demonstrate ongoing support, as this is the common practice of their competitors.
- Most of the criteria American firms use to select agents or distributors are applicable to Australia, with expectations adjusted to the scale of the market. Performing due diligence is just as important as in the United States, and we offer numerous resources to assist in that work.

[Return to table of contents](#)

[Return to table of contents](#)

## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2698.htm>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

### Using an Agent or Distributor

[Return to top](#)

The following describes the distinctions between a sales agent or representative and distributor as understood in the Australian context. While this report is produced for the benefit of U.S. companies, we use the term 'foreign company' because it applies to third country companies as well.

#### Sales Agents

Sales agents or representatives solicit business for a foreign company and serve as a conduit for purchase agreements. In most cases, a sales agent does not have the power to negotiate terms, or to finalize the sales contract. Instead, the sales representative forwards the contract to the foreign company, which either accepts, rejects, or proposes modifications. The sales representative, nonetheless, is an agent of the foreign corporation, and under the general laws of agency, the foreign corporation may bind the agent to its actions.

Agents assume a number of duties and obligations once they finalize a representation contract with a foreign company. These include adherence to the principal's instructions, good faith in the interests of the principal, and maintenance of proper accounts. The agent retains the right to remuneration and the right to an indemnity for liabilities or for losses incurred due to improper termination. There is no precedent for required indemnity payments, however, under Australian law.

Parties may stipulate specific causes for termination in the agreement. Either party may terminate the agreement upon receipt of reasonable notice of termination. Although no specific time period exists that defines a reasonable notice period, courts may take into

consideration the nature and length of the contract when determining whether either party gave reasonable notice.

## **Distributors**

A distributor acts as an independent contractor, purchasing products from the foreign corporation and distributing them to wholesale buyers or sometimes to retailers. Generally, the foreign corporation cannot restrain the distributor from selling competitors' products. The acts of the distributor do not bind the foreign company, however, because the distributor is not an agent of the foreign corporation. Australian distributors often ask for exclusive geographic rights to market a foreign corporation's products. Because of the size of the market, these rights often cover several states or are nationwide.

American companies can choose to have Australian or U.S. law govern their contracts when drafting an agreement. The choice of foreign law, however, does not preclude the application of mandatory provisions in Australian law. Without a stipulation of law, Australian courts will apply the law of the jurisdiction where the agent or distributor works, that is, Australian federal law and appropriate state and local law. Therefore, notification of agent/distributor appointments should be submitted in writing to satisfy various state jurisdictional laws, especially when they last for more than one year or include terms for commissioning the agent. Contracts may be either fixed or indefinite-term. Repeated renewal of fixed-term contracts, however, will not cause the contract to achieve indefinite-term status.

It is important to note that foreign companies providing consulting and other services in Australia must register for an Australian Business Number (ABN). U.S. firms can register online at: [https://abr.gov.au/ABR\\_BC/](https://abr.gov.au/ABR_BC/). Foreign companies exporting products (as opposed to providing services in the market) do not require an ABN number.

By registering for an ABN, the Australian Tax Office is able to ensure that the Australian customer will pay GST on the services it receives. The Australian customer's invoice should include a GST component. In fact, the customer pays the GST that the vendor in turn, pays the Australian Tax Office.

The U.S. Commercial Service in Australia provides a range of services to help American companies identify, qualify, meet, and select potential agents or distributors. American companies can arrange these services directly or through their local U.S. Department of Commerce Export Assistance Center (EAC) in the United States. Further information can be found later in this report.

## **Establishing an Office**

[Return to top](#)

The Australian Securities and Investments Commission (ASIC) is the national authority responsible for the administration of companies and securities law throughout Australia. ASIC provides a nationwide system for the registration and regulation of companies, securities, and futures markets. The requirements for starting a business are uniform in each state, and the same rules apply for local and overseas companies. While companies are registered with the ASIC, business name registration is required in each state where business is transacted.

Australian business practices are similar to those in the United States. Establishing a business in Australia, either singly or in partnership with a local company, is relatively straightforward, and a foreign company can choose from a range of business structures. The most common forms of business organizations are representative offices, branches of parent companies, subsidiaries, sole traders, partnerships, trusts, companies, and joint ventures. Overseas investors may set up an operation using any of these forms, irrespective of the business structure they have elsewhere.

Most significant businesses operating in Australia incorporate as either private or public companies. Under the Corporations Law, the entity is registered automatically as an Australian company, upon its registration with ASIC, enabling it to conduct business throughout Australia without further registration in individual states or territories. Local companies may be fully controlled by foreign owners. All registered companies must conform to Australian company law administered by the ASIC, covering accounting, financial statements, annual returns, auditing and general meeting requirements, and the necessity to maintain a registered office open to the public.

A private company is the most typical structure for an overseas investor if it is to be a wholly-owned subsidiary of a foreign company and if it does not intend to offer public shares. The regulations that apply to a private company are simpler and less costly than those applicable to a publicly traded company. A private company may convert into a publicly-traded company at any time.

Branch offices of overseas companies are established in Australia by registering the overseas corporation as a foreign company under Australia's Corporation Law. A branch office does not require directors to be Australian residents but must have a registered office address and a statutory agent responsible to fulfill the requirements of the Corporations Law. The branch will receive an Australian Registered Body Number (ARBN), which must be shown with the corporation's name on public documents. In addition, if a business in the U.S. has an office in Australia, that office must register for an Australian Business Number (ABN) under the Goods and Services Tax (GST) introduced on July 1, 2000. Information on the GST and its impact on foreign companies with or without operations in Australia, and the ABN application process is available the websites of the Australian Taxation Office (<http://www.ato.gov.au>) and the Australian Government's Business Entry Point (<http://www.business.gov.au>).

While establishing an office is fairly straightforward, we encourage American companies to obtain expert legal and financial advice, readily available from Australian and multinational providers. Nominal costs for company incorporation include filing fees payable to the ASIC, legal costs for preparing the charter and bylaws, and registration. Application forms are available from ASIC Business Centers in any Australian state (<http://www.asic.gov.au>) and can be filed in any city.

## Franchising

[Return to top](#)

Franchising is well established in Australia with more franchising outlets per capita than any country in the world, and three times more per capita than in the U.S. It is considered both large and mature sector contributing to some 14% of Australia's GDP or US\$96 billion dollars. There are approximately 960 business format franchise systems currently operating in Australia, compared with 850 in 2004. In addition, there are

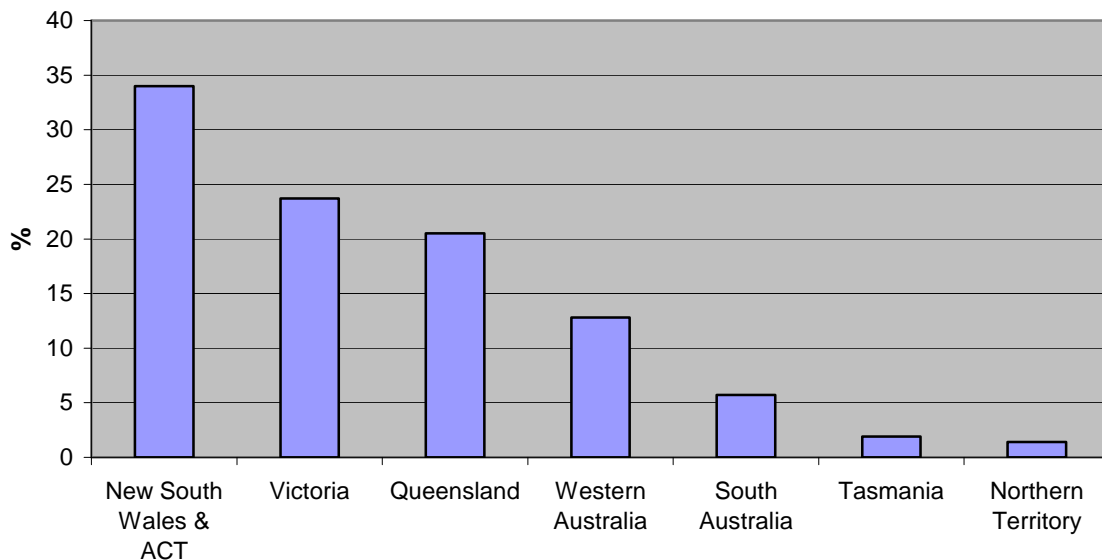


approximately 5,700 fuel retail outlets and 2,690 motor vehicle retail outlets. The number of franchisees in Australia has increased to just over 62,000.

The best opportunities for franchising in Australia are within the retail non-food industry (29 percent of franchisors and 36 percent of franchise units) followed by the property and business services sector accounting for 21 percent of franchisors and 7 percent of franchise units.

Most franchising activity occurs in New South Wales with 34 percent of total units. Victoria holds 24 percent and Queensland with 21 percent of franchising activity. Generally the degree of franchising activity is related to the population distribution across Australia's states and territories. Please see below graph for a state by state breakdown.

**Geographical Distribution of Total Units**



American franchise systems have been successful in Australia: many of the largest and most successful chains in Australia have American origins. As noted above, however, Australia is a highly-sophisticated and competitive market. A total of 93 percent of franchise systems are home grown, and on average, Australian franchisors have been operating for 14 years, and franchising for 11 years. To be successful, U.S. franchisors must be flexible enough to "Australianize" their systems to suit the local market.

**Legal requirements:** The Australian Competition and Consumer Commission has regulated the Australian franchise industry since 1998, (<http://www.accc.gov.au>). A cornerstone of the regulation is the Franchising Code of Conduct. The Franchising Code of Conduct assists the ongoing relationship between the franchisee and franchisor.

Issues covered include:

- Disclosure of the pertinent information regarding the Franchisor,
- Conditions contained within the Franchise Agreement, and
- Complaint handling and dispute resolution procedures.

On 15 August 2007, the Federal Minister for Small Business and Tourism announced amendments to the Franchising Code of Conduct. The amendments will come into operation on 1 March 2008. There are a number of issues that will particularly affect foreign franchisors and their disclosure documents, such as: only one master franchise can operate in Australia. The Franchise Council of Australia (FCA) has analyzed these new regulations and has provided a detailed analysis for consideration. Visit <http://www.franchise.org.au/>

Further information is available from the following documents:

1) The Franchising Code of Conduct (Trade Practices Regulation)

<http://www.franchise.org.au/content/?action=getfile&id=28>

2) The Franchisees Guide to the Franchising Code of Conduct:

<http://www.franchise.org.au/content/?action=getfile&id=2>

Australia's first quality-accreditation system for Franchises began in 2005. It uses about 200 questions to examine the business of a franchise and delivers a rating according to performance. The accreditation compliance application is available at a cost of about US\$11,500 compared with up to US\$150,000 for an ISO standards accreditation.

## Direct Marketing

[Return to top](#)

Direct marketing in Australia is experiencing significant growth, due to advancements within the telecommunications industry and technological developments associated with database applications.

According to the Commercial Economic Advisory Service (CEASA), spending on direct marketing in 2006 grew 7.8 percent to A\$12.8 billion. This increase was more than twice that of the mass media, 2.9 percent to A\$11.9 billion.

Spending on telemarketing remained the most popular form of direct marketing in 2006 – up 6.3 percent to A\$3.4 billion. This figure, however, is for the period before the Australian Government introduced the “Do Not Call Register” in June 2007 following consumer complaints. Subsequent spending on telemarketing is likely to be lower, with some activity expected to move to other sectors. The call ban applies to Australian telemarketers and overseas callers working for Australian companies. Organizations exempt include charities, government bodies, religious organizations, educational institutions, and registered political parties.

Direct online marketing was the fastest growing category in 2006, with expenditure up 17.2 percent to A\$3.2 billion. There were also significant gains in direct mail, up 8.8 percent to A\$1.7 billion, and television that increased 7.1 percent to A\$90 million. Catalogs rose 3.7 percent to A\$1.9 billion and mail order 2 percent to \$429.2 million.

Shares in 2006 direct marketing expenditure across various sectors were:

Telemarketing	27 percent
The Internet	25 percent
Catalogs	15 percent
Direct mail	13 percent
Classified directories	10 percent
Inserts with accounts	4 percent

Mail order	4 percent
Others	2 percent

The Australian Direct Marketing Association (<http://www.adma.com.au>) is Australia's principal body for information-based marketing and represents more than 500 member organizations. ADMA works closely with government, consumer, and industry groups on the development of codes of practice for direct marketing.

## Joint Ventures/Licensing

[Return to top](#)

Joint ventures (JV) are a common feature of Australia's commercial and legal environment. Broadly similar to U.S. practice, joint venture forms in Australia include:

**Unincorporated Joint Ventures.** Under this type of joint venture, the rights and obligations of the joint venture parties are set out extensively in the JV documents. An unincorporated JV is sometimes more suitable for a single project or business venture, for example, in sectors like the mining and oil and gas industries. The joint venture document is usually drafted in such a way as not to reflect a partnership for certain tax advantages and also to avoid the application of partnership laws in areas such as joint liability to the joint venture.

**Incorporated Joint Ventures.** This usually involves the joint venture parties' conducting their business through incorporation of a JV company or trust. The parties commonly set out their respective rights and obligations in a shareholder or unit holder's agreement to resolve any dispute not regulated by the Corporations Law or the constitution of the company or trust.

**Unit Trusts** are devices that enable the separation of legal and beneficial interests in assets and the income derived therein. In a joint venture situation, the participants wish to insure that their entitlements are fixed rather than discretionary. A unit trust is a legal entity in which the entitlement of beneficiaries is expressed in units relative to the total number of fixed units.

**Limited Partnerships** are creations of statute. They remain partnerships of general law and, therefore, do not give rise to the existence of separate legal entities. A limited partnership structure requires at least one general partner to have unlimited liability and partners whose liability is limited to the extent of their investment in the partnership. Limited partnerships are used rarely in Australia.

**Hybrid Forms** comprise elements of each of the foregoing. They can also suit the needs of the particular participants. For example, one participant in an unincorporated joint venture could be the trustee of a unit trust, while one shareholder in an incorporated joint venture could also be the trustee of a unit trust.

## Licensing

Australian industry has a reputation for its ingenuity and practical approach to problem solving. In this context, the role of licensing is of particular importance for Australian commerce and industry.

License agreements involving Australian companies should contain the usual terms one would find in a license in the United States. Some examples are: type of license (i.e., sole, exclusive or non-exclusive), territory, license fee or royalty, licensee's duties and obligations, period of grant and field use of the technology, maintenance of quality control, ownership rights in improvements and innovations of the licensee, warranties and indemnities, technical assistance and confidentiality, sub-licensing and assignments, and termination.

On the whole, there are few legal and administrative requirements governing the field of licensing in Australia. Exclusive licenses of patents, copyrights and other statutory rights require compliance with certain minor formalities. The Trademark Act of Australia provides for the registration of licensees (or 'users', as they are called in the legislation.)

A license agreement drafted carefully and without ambiguity is an important factor in the success of a license relationship. The common language and cultural similarities make negotiation and reaching understanding of the parties' mutual obligations easier.

## **Selling to the Government**

[Return to top](#)

Australia is the only major industrialized country that is not a signatory to the multilateral WTO Agreement on Government Procurement (GPA). As a consequence, Australia is not bound by the GPA's rules on open and non-discriminatory policies in government procurement.

The Trade Agreement between the U.S. and Australia (AUSFTA), however, commits Australia to open its federal and state government procurement market to U.S. suppliers at all levels and eliminates discriminatory preferences for most domestic suppliers. U.S. firms should take advantage of this.

## **Distribution and Sales Channels**

[Return to top](#)

Distribution channels in Australia tend to be more generalized than those in the U.S. This is primarily due to Australia's relatively small population and industrial base. In most cases, Australia's distribution and sales channels are comparable to those in other industrialized countries. U.S. exporters commonly use importers, distributors, agents, wholesalers, and manufacturers' representatives.

Foreign companies also export directly to end-users, particularly where equipment is manufactured on a custom or one-off basis. Many large retail chains, including department stores and supermarkets, can purchase in bulk rather than using traditional wholesale channels. These retail chains tend not to import, however, and prefer to deal with local firms.

## **Selling Factors/Techniques**

[Return to top](#)

### **Market Research**

Before entering the market, prospective exporters to Australia should evaluate thoroughly their selling techniques to ensure that they are appropriate to the market, and

that there is sufficient demand for the product/service in Australia. An effective way to evaluate the situation is to do some basic market research and then follow through with a personal visit. There is no substitute for a first-hand investigation and knowledge.

### **Common Sales Arrangements**

Most U.S. companies use an agent or distributor to sell products in Australia, (see preceding section). Because of market size, Australian distributors often seek exclusive geographic and/or product rights.

Joint ventures, franchising, direct marketing, and licensing are all good alternative market entry techniques. These methods entail more investment and commitment than simply appointing an agent or distributor, but they may be more effective in the long run.

### **Electronic Commerce**

[Return to top](#)

Australians are early adopters of high-tech equipment. The population is keen to try new technology and the local IT market is very mature. This makes the market very attractive for U.S. vendors of products and IT services. It also is a market to rollout e-commerce applications in a user-friendly, English speaking environment. As a whole, the population is not ready to adopt online-only services as in other parts of the world, but Australians are slowly embracing electronic commerce as a safe, convenient, and cheaper alternative to traditional shopping methods.

At the end of the March quarter in 2007, there were approximately 6.43 million active internet subscribers in Australia according to the Australian Bureau of Statistics (ABS).

There were 761,000 businesses with Internet access, and 5.67 million household subscribers. Non-dial up (broadband) subscribers has reached 4.34 million, compared with 2.09 dial-up subscribers. While not growing as fast as in previous years, the number of broadband subscribers increased by 16 percent between September 2006 and March 2007. Dial-up subscriber numbers decreased by 16 percent over the same period.

#### **Australian Internet Subscribers March 2007**

By Millions of subscribers

Broadband	4,34
Dial-Up	2,09
Total	6,43

Source: Australian Bureau Statistics

DSL is by far the most utilized broadband technology in the local market. Of the remaining, analysts predict that wireless delivery will show the most rapid growth over the next year.

#### **Australian Broadband Technology Market**

Technology	Market Share
xDSL	80%
Cable	16%
Wireless	3%
Satellite	1%
Other	0.03%

Source: Telesyte

Connections with download speeds of 1.5 Mbps or greater increased by 43 percent in March 2007 to 1.56 million. This is compared to 1.09 million connections at the end of September 2006.

### Internet Subscribers by Subscriber Type and Download Speed

	September Quarter 2006		March Quarter 2007	
	# of Subscribers '000	Proportion of Subscribers	# of Subscribers '000	Proportion of Subscribers
<b>Business and Government</b>				
Less than 256 kbps	237	33	249	33
Broadband:				
256Kbps<512 Kbps	152	21	160	21
512Kbps<1.5 Mbps	188	27	190	25
>1.5 Mbps	131	19	162	21
Total Broadband	471	67	512	67
<b>Total All Access Speeds</b>	<b>708</b>	<b>100</b>	<b>761</b>	<b>100</b>
<b>Households</b>				
Less than 256 kbps	2273	41	1848	33
Broadband:				
256Kbps<512 Kbps	1101	20	1240	22
512Kbps<1.5 Mbps	1187	22	1186	21
>1.5 Mbps	957	17	1136	24
Total Broadband	3245	59	3820	67
<b>Total All Access Speeds</b>	<b>5519</b>	<b>100</b>	<b>5668</b>	<b>100</b>
<b>All Subscribers</b>				
Less than 256 kbps	2510	40	2097	33
Broadband:				
256Kbps<512 Kbps	1254	20	1399	21
512Kbps<1.5 Mbps	1375	22	1376	24
>1.5 Mbps	1088	17	1556	24
Total Broadband	3717	60	4331	67
<b>Total All Access Speeds</b>	<b>6227</b>	<b>100</b>	<b>6429</b>	<b>100</b>

2/29/2008

Source: Australian Bureau of Statistics

According to the ABS 37 percent of businesses placed orders via the Internet or web for goods and services during the year ended June 2006. This was an increase of four percent over the previous year. The proportion of businesses receiving orders via the internet or web increased from 12 percent in 2004-2005 to 21 percent in 2005-2006.

#### **Business Use of the Internet for E-Commerce**

	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>
% of Businesses which:				
Placed orders via Internet	27.8	31.3	32.7	37.3
Received orders via Internet	13.3	12.0	12.2	20.9
Internet Income (\$AUD)	24.3	33.3	39.6	56.7

Source: ABS

The most common items to purchase over the Internet are airline bookings, stock and merchandise, computer software, equipment and stationary.

Over the past five years local retail banks have encouraged customers to access their accounts online. Most customers have a high level of confidence performing transactions online that they used to carry out in person. A large number of the banks also offer online only cash accounts, with better rates of return than what they offer for non-online accounts. These have proven to be extremely popular as well. Local banks have very sophisticated security systems in place to combat hackers, "phishing" attacks and viruses.

The Australian Government has implemented reasonably robust legislation to protect consumers in an online environment. The Commonwealth's Electronic Transactions Act is a key component of the government's legal framework for the electronic environment. The Act means that electronic documents are as legally sound as traditional paperwork. The Privacy Act also places strict guidelines in the way that companies can collect data and use it at a later date.

#### **Trade Promotion and Advertising**

[Return to top](#)

U.S. companies can promote their products by advertising in *The Australian Financial Review*, the financial sections of the major newspapers, industry magazines, and newsletters of trade associations. Direct mail campaigns can be a valuable part of a marketing strategy if the U.S. company has established local fulfillment capabilities. Direct mail campaigns launched from the United States, without a local Australian presence, generally are not effective as a sole tactic.

Australia hosts a variety of trade shows and conferences each year. While not as large as some similar events in Asia or Europe, these can provide efficient access to the Australian trade and industry buyers. The U.S. Commercial Service Australia organizes

U.S. Pavilions within several Australian trade shows in order to introduce new American suppliers and raise the market profile of existing distributors of U.S. products and technologies. More information about these can be found on our website at <http://www.buyusa.gov/australia/en/>.

A brief list of major newspapers, business journals, trade fair organizers, and other useful websites is featured below.

### **Newspapers**

The Australian	<a href="http://www.theaustralian.news.com.au">http://www.theaustralian.news.com.au</a>
The Australian Financial Review	<a href="http://www.afr.com.au">http://www.afr.com.au</a>
The Sydney Morning Herald	<a href="http://www.smh.com.au">http://www.smh.com.au</a>
The Age	<a href="http://www.theage.com.au">http://www.theage.com.au</a>
The Canberra Times	<a href="http://www.canberratimes.com.au">http://www.canberratimes.com.au</a>
Courier Mail (Brisbane)	<a href="http://www.couriermail.news.com.au/">http://www.couriermail.news.com.au/</a>
Adelaide Advertiser	<a href="http://www.theadvertiser.news.com.au/">http://www.theadvertiser.news.com.au/</a>
The West Australian	<a href="http://www.thewest.com.au">http://www.thewest.com.au</a>

### **Business Journals**

Business Review Weekly	<a href="http://www.brw.com.au">http://www.brw.com.au</a>
Margaret Gee's Australian Media Guide	<a href="http://www.mediaguide.com.au/">http://www.mediaguide.com.au/</a>
National Guide to Government	<a href="http://www.nationalguide.com.au/">http://www.nationalguide.com.au/</a>

### **Trade Fair Organizers**

Diversified Exhibitions Australia (Formerly: Australian Exhibition Services)	<a href="http://www.divexhibitions.com.au/">http://www.divexhibitions.com.au/</a>
Reed Exhibitions Australia Pty. Ltd.	<a href="http://www.reedexpo.com.au">http://www.reedexpo.com.au</a>
Exhibitions & Trade Fairs Pty. Ltd.	<a href="http://www.etf.com.au">http://www.etf.com.au</a>
DMG World Media	<a href="http://www.dmgworldmedia.com.au">http://www.dmgworldmedia.com.au</a>
Exhibition Management Pty. Ltd.	<a href="http://www.exhibitionmanagement.com.au">http://www.exhibitionmanagement.com.au</a>
Expertise Events Pty. Ltd.	<a href="http://www.expertiseevents.com.au">http://www.expertiseevents.com.au</a>

### **Other Useful Websites**

Australian Bureau of Statistics	<a href="http://www.abs.gov.au">http://www.abs.gov.au</a>
Australian Trade Commission	<a href="http://www.austrade.gov.au/">http://www.austrade.gov.au/</a>
Business Service Providers	<a href="http://www.buyusa.gov/australia/en/bsp.html">http://www.buyusa.gov/australia/en/bsp.html</a>
Commercial Service Services	<a href="http://www.buyusa.gov/australia/en/services.html">http://www.buyusa.gov/australia/en/services.html</a>
Dept. of Industry, Tourism and Resources	<a href="http://www.industry.gov.au">http://www.industry.gov.au</a>
Featured U.S. Exporters	<a href="http://www.buyusa.gov/australia/en/331.html">http://www.buyusa.gov/australia/en/331.html</a>
Official Australian Yellow Pages	<a href="http://www.yellowpages.com.au">http://www.yellowpages.com.au</a>
Official Australian White Pages	<a href="http://www.whitepages.com.au">http://www.whitepages.com.au</a>

### **Pricing**

[Return to top](#)

Australia is a free enterprise economy, and basic market factors of supply and demand apply in product pricing. In order to compete successfully in this highly competitive



market, U.S. exporters to Australia must be prepared to offer flexible prices with, perhaps, lower than usual profit margins, and smaller minimum quantities. Some factors to consider are:

### **Selling Costs and Price Competitiveness**

Australia is a geographical area similar to that of the continental United States and a population size comparable to that of greater Los Angeles. In addition to Australian domestic supply, products from all over the world are in this sophisticated market, where sellers and end-users search for something new. It is therefore important for U.S. companies to adapt their pricing to the local market. They will be selling in an active, highly-competitive, and vibrant market.

To structure their prices competitively, suppliers must consider all the cost elements that imported products have to bear. The key factors are: freight rates; handling charges; import tariffs; GST; marketing costs, such as advertising and trade promotion; and agent or distributor commissions. U.S. exporters should note that sea freight rates from the U.S. to Australia are high compared to those from within Asia, and even from Europe.

### **Volume Buying/Selling and Discount Pricing**

Australian wholesalers and retailers continue to seek the highest markup the market will absorb, rather than thinking of volume buying or selling. This pattern is changing, however, as open markets and the influx of franchises and other high-volume businesses have alerted the increasingly cost-conscious consumer to competitive discount sales and services. Suppliers must deliver quality products and/or services at attractive prices. To compete successfully, exporters should consider granting maximum wholesale discounts, keeping in mind that what may seem to be a small transaction to the U.S. exporter, appears as a major order to an Australian buyer.

Most Australian volume importers prefer to deal directly with manufacturers. They believe that it is cheaper to deal with the overseas manufacturer rather than sourcing from overseas distribution houses. This cultural perception is gradually changing but could result in a U.S. mass merchandiser being called on by a potential importer to justify its pricing system.

### **Industrial Pricing**

Factors of price, quality, reliability and service support are prime considerations when selling industrial products or capital equipment. While price is certainly a major factor, a purchaser may decide to pay more for a piece of equipment known to be of a better quality and more reliable than a competing product. U.S. exporters must be prepared to negotiate on price or other aspects of the purchase.

In general, Australians are conservative when purchasing capital equipment to upgrade their manufacturing processes. They take time to make purchasing decisions, weighing them carefully against their perceived payoff to increase bottom line profits. If the bottom line does not appear to receive much gain from the purchase, they may simply delay their decision.

## Price Controls

As Australia is a free-market economy, there is little formal price control. The national regulator, the Australian Competition and Consumer Commission (<http://www.accc.gov.au>) has the power under the Prices Surveillance Act of 1983 and the Trade Practices Act of 1974, to investigate, vet or monitor the prices charged by businesses. These statutory pricing powers, which are designed to make particular businesses or industries publicly accountable for the prices they set, can only be employed where the Federal Government has authorized their use. The ACCC generally uses its pricing powers to examine prices charged by private businesses that hold substantial power in a market. The Commission's use of its inquiry and monitoring powers culminate in a public report and, where necessary, recommendations to the Government.

The ACCC was also active in the implementation of the Goods and Services Tax (GST), introduced on July 2, 2000 at 10 percent to replace the Wholesale Sales Tax (WST) and a number of State indirect taxes.

### Sales Service/Customer Support

[Return to top](#)

Generally, doing business in Australia is simple for U.S. exporters when compared with other foreign markets. Culture, language, and business practices are remarkably common. However, subtle cultural differences do exist that can either invigorate or undermine a business relationship. In their dealings, both Americans and Australians are wise to take the time and effort to confirm that their perceptions about roles and expectations are consistent with those of their counterparts.

Depending on the product or service to be exported, Australian agents/distributors expect support from their U.S. suppliers, including product warranty for a specified time, training, advertising, and promotion.

Timely delivery of goods, including spare parts, is expected and is rarely a problem, as major U.S. freight forwarders have offices in Australia. Air freight is used commonly for smaller items. Shipping schedules are reliable. Where necessary, U.S. firms should ensure that their representatives can service the imported equipment or that there are service arrangements in place.

### Protecting Your Intellectual Property

[Return to top](#)

#### Introduction

Several general principles are important for effective management of intellectual property rights in Australia. First, it is important to have an overall strategy to protect IPR. Second, IPR is protected differently in Australia than in the U.S. Third, rights must be registered and enforced in Australia, under local laws. Companies may wish to seek advice from local attorneys or IP consultants. The U.S. Commercial Service can often provide a list of local lawyers upon request.

It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in

Australia. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. While the U.S. Government is willing to assist, there is little it can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IPR in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should USG advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Australia require constant attention. Work with legal counsel familiar with Australia laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

We also recommend that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IPR and stop counterfeiting. There are a number of these organizations, both Australia or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

## **IPR Resources**

A wealth of information on protecting IPR is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: 1-866-999-HALT or register at <http://www.stopfakes.gov/>.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: 1-800-786-9199.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: 1-202-707-5959.
- For US small and medium-size companies, the Department of Commerce offers a "SME IPR Advisory Program" available through the American Bar Association that provides one hour of free IPR legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and Thailand. For details and to register, visit: [http://www.abanet.org/intlaw/intlproj/iprprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html)

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: <http://www.stopfakes.gov/>. This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IPR-infringing products) and allows you to register for Webinars on protecting IPR.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can contact Jennifer Ness, Commercial Officer and IP Attaché, U.S. Commercial Service Bangkok who covers the East Asia Pacific region, at: [jennie.ness@mail.doc.gov](mailto:jennie.ness@mail.doc.gov)

### **IPR Climate in Australia**

Australia is a member of the World Intellectual Property Organization (WIPO) and is a party to most multilateral IPR agreements, including: The Paris Convention for the Protection of Industrial Property; the Berne Convention for the Protection of Literary and Artistic Works; the Universal Copyright Convention; the Geneva Phonogram Convention; the Rome Convention for the Protection of Performers, Producers of Phonograms, and Broadcasting Organizations; and the Patent Cooperation Treaty. In 2007, Australia became a party to the 1996 WIPO Copyright Treaty and Performances and Phonograms Treaty, per its commitment in the Free Trade Agreement with the U.S.

Australia passed legislation in 2003 that permitted the parallel importation of computer software and electronic versions of books, periodicals, and sheet music. Australia continues to permit parallel importation of sound recordings, branded goods (clothing, footwear, toys, and packaged food), and some electronic games. The Australian Government continues to prohibit the parallel importation of films. An estimated 20 percent of the DVDs in Australia are illegal parallel imports. Locally-replicated DVD-Rs, videocassettes copied from VCDs and DVDs, and illegally parallel-imported DVDs and pirated VCDs continue to be the major threat to Australia's otherwise low rate of piracy of audio-visual materials. Counterfeit DVDs from Asia also are an emerging problem.

In 2007 laws went into effect that criminalized the sale, distribution, and use of devices to defeat technological protection measures. U.S. copyright holders remain concerned over past decisions by the ACCC that equate the holding of a copyright with "market power."

The AUSFTA calls for Australia to provide protection for agricultural chemicals for a 10-year period. Significant concerns remain about the Australian Government's implementation of its commitments under the FTA with respect to pharmaceutical patent protection and aspects of copyright protection.

Registering a company or business name does not give the registering party ownership over that name. Registering a trademark does. The Australian Securities and Exchange Commission advises that the owner of a trade mark has exclusive legal rights throughout the whole of Australia to control the use of that trade mark for goods or services for which it is registered. It is therefore recommended that, the U.S. exporter, not the local agent or distributor, apply to register a trademark. A U.S. exporter can apply to register a trademark in Australia directly through IP Australia (<http://www.ipaustralia.gov.au>) or it

can engage the services of a registered patent and trademark attorney. A list of other "registered" trademark attorneys is available on the IP Australia website.

IP Australia is the Australian government agency responsible for registrations of patents, trademarks and designs. Contact details for IP Australia are: Tel: 61-2 6283-2000 or 2211; Fax: 61-2 6285 4149; or <http://www.ipaustralia.gov.au>, (Send items to the attention of: Director-General, Commissioner of Patents and Designs, or Registrar of Trade Marks). For copyright matters contact the Intellectual Property Branch, Attorney-General's Department at: Tel: 61-2 6250-6313; Fax: 61-2 6250-5929; or at <http://www.law.gov.au>

## Due Diligence

[Return to top](#)

U.S. firms should exercise normal commercial prudence when doing business in the Australian market and should perform due diligence on likely business partners and customers.

CS Australia provides the International Company Profile program, giving useful background information on an Australian firm including financial data, trade references, company size, marketing operations, and a listing of key officers. We will also visit the company premises to interview principals in the Sydney and Melbourne metro area. <http://www.buyusa.gov/australia/en/icp.html>

## Local Professional Services

[Return to top](#)

The full range of professional services such as human resources, executive recruitment, legal, financial, and real estate exist in Australia, with a greater choice and concentration in metropolitan centers such as Sydney, Melbourne, Perth, Adelaide, Canberra, and Brisbane. For the benefit of U.S. exporters, the U.S. Commercial Service Australia maintains a list of firms known to us on our website under the heading Business Service Providers <http://www.buyusa.gov/australia/en/bsp.html>

## Web Resources

[Return to top](#)

Age, The: <http://www.theage.com.au>  
Adelaide Advertiser: <http://www.theadvertiser.news.com.au/>  
Attorney-General's Department: <http://www.law.gov.au>  
Australian, The: <http://www.theaustralian.news.com.au>  
Australian Bureau of Statistics: <http://www.abs.gov.au>  
Australian Business Register: [https://abr.gov.au/ABR\\_BC/](https://abr.gov.au/ABR_BC/)  
Australian Competition and Consumer Commission: <http://www.accc.gov.au>  
Australian Direct Marketing Association: <http://www.adma.com.au>  
Australian Financial Review, The: <http://www.afr.com.au>  
Australian Securities and Investment Commission: <http://www.asic.gov.au>  
Australian Taxation Office: <http://www.ato.gov.au/>  
ATO: Business Entry Point: <http://www.business.gov.au>  
Australian Trade Commission: <http://www.austrade.gov.au/>  
Australian White Pages: <http://www.whitepages.com.au>  
Australian Yellow Pages: <http://www.yellowpages.com.au>

Business Review Weekly: <http://www.brw.com.au>  
Business Service Providers: <http://www.buyusa.gov/australia/en/bsp.html>  
Canberra Times, The: <http://www.canberratimes.com.au>  
Commercial Economic Advisory Service of Australia: <http://www.ceasa.com.au>  
Commercial Service Australia: <http://www.buyusa.gov/australia>  
Commercial Service Services: <http://www.buyusa.gov/australia/en/142.html>  
Courier Mail (Brisbane): <http://www.couriermail.news.com.au/>  
Dept. of Industry, Tourism and Resources: <http://www.industry.gov.au>  
Diversified Exhibitions Australia  
(Formerly: Australian Exhibition Services): <http://www.divexhibitions.com.au/>  
DMG World Media: <http://www.dmgworldmedia.com.au>  
Exhibition Management Pty. Ltd.: <http://www.exhibitionmanagement.com.au>  
Exhibitions & Trade Fairs Pty. Ltd.: <http://www.etf.com.au>  
Expertise Events Pty. Ltd.: <http://www.expertiseevents.com.au>  
FedEx: <http://www.fedex.com/us/international>  
Featured U.S. Exporters: [http://www.buyusa.gov/australia/en/about\\_fuse.html](http://www.buyusa.gov/australia/en/about_fuse.html)  
Franchise Council of Australia [www.franchise.org.au](http://www.franchise.org.au)  
Franchising Code of Conduct (Trade Practices Regulation)  
<http://www.franchise.org.au/content/?action=getfile&id=28>  
Franchisees Guide to the Franchising Code of Conduct:  
<http://www.franchise.org.au/content/?action=getfile&id=2>  
IP Australia: <http://www.ipaustralia.gov.au>  
Margaret Gee's Australian Media Guide: <http://www.mediaguide.com.au/>  
National Guide to Government: <http://www.nationalguide.com.au/>  
Official Australian Yellow Pages: <http://www.yellowpages.com.au>  
Official Australian White Pages: <http://www.whitepages.com.au>  
Reed Exhibitions Australia Pty. Ltd.: <http://www.reedexpo.com.au>  
Sydney Morning Herald, The: <http://www.smh.com.au>  
West Australian, The: <http://www.thewest.com.au>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 4: Leading Sectors for U.S. Export and Investment

- [Agricultural Sector](#)

### **Commercial Sectors**

- [Aircraft & Parts](#)
- [Automotive Parts & Accessories](#)
- [Construction Machinery](#)
- [Cosmetics](#)
- [Franchising](#)
- [Information Technology Services](#)
- [Medical Equipment](#)
- [Mining Equipment](#)
- [Oil & Gas Equipment](#)
- [Recreational Boating](#)
- [Renewable Energy Equipment](#)
- [Software](#)
- [Travel and Tourism](#)
- [Water Resources Equipment](#)

## AIRCRAFT AND PARTS (AIR)

### Overview

[Return to top](#)

DATA TABLE (Millions US\$)

	2005	2006	2007 (estimated)
Total Market Size	2929	2885	3100
Total Local Production	650	708	735
Total Exports *	465	460	485
Total Imports	2744	2637	2850
Imports from the U.S.	1180	1599	1495

Exchange rates:

2005 = 0.762

2006 = 0.753

2007 = 0.836

\* Includes re-exports

Australian Bureau of Statistics and unofficial estimates

U.S. Exports - (\$ millions) – HS Code 88						
Year	2002	2003	2004	2005	2006	Yrly Ave
World	43,901	39,670	42,122	49,823	66,753	48,454
Australia	3,151	2,229	1,377	1,178	1,646	1,916
Australia - % World	7.1%	5.6%	3.3%	2.4%	2.46%	3.95%

TradeStats™ Express

Australia is a significant market for U.S. exporters of aviation and aerospace products and equipment. The Australian Civil Aviation Authority's acceptance of FAA certification standards has underscored a longstanding and close relationship between American exporters and their Australian agents and distributors.

A large proportion of Australia's commercial aircraft fleet, general aviation registrations, and defense air assets are U.S.-manufactured, ensuring a steady market for spares, accessories, and service. As a primary market in the Asia Pacific region, it will continue above-average growth. Australia is a major distribution point for the region, including the Pacific Islands, New Zealand and Papua New Guinea, offering broad opportunities for suppliers of quality aerospace products.

The Australian aerospace industry is robust, growing, lucrative, and intrinsically connected with U.S. standards, supply lines, parts, and finished aircraft. There are over 12,000 aircraft registered in Australia. U.S.-manufactured aircraft represent 66% of total



registrations. Other registrations are aircraft manufactured in Australia (13.6%), Germany (5.4%), the U.K. (4.3%), and France (2.2%).

The industry is comprised of three broad sectors - commercial, defense, and general aviation. With little aircraft manufacturing in Australia, local firms specialize in repair and maintenance; airframe component manufacturing; airport systems and infrastructure; avionics; aero engine, and engine component manufacture. Best prospects are in the areas of parts and component supply for aircraft maintenance, repair and overhaul. Australia already has numerous, qualified, maintenance, repair and overhaul facilities.

The industry also has a mix of business entities from subsidiaries of the major global aerospace companies to around 300 small to medium local enterprises supplying parts, engineering services, and expertise. A select group of specialists carry out commercial aircraft maintenance, including Qantas, the largest commercial fleet owner.

## Best Prospects/Services

[Return to top](#)

**Defense** – the U.S. DoD is a major supplier to the Australian military through the FMS program. For its part, Australian industry is keen to participate in global supply chains, such as the Joint Strike Fighter cooperative development program, in which Australia is a partner. This in itself may offer longer-term opportunities for American manufacturers, when Australia's potential procurement of up to 100 of this aircraft is finalized in 2012. Most major U.S. defense aerospace companies are either represented or have subsidiary operations in Australia. Prominent American-made aircraft in the Australian fleet include F/A-18s, UH-60 Blackhawks, SH-60 Seahawks, CH-47 Chinooks, P-3Cs, C-130s, UH-1s, and recently C-17 transporters and Boeing 737 AEW&C aircraft. Recently, European firms have made significant ground with contracts for refueling aircraft, reconnaissance helicopters, and medium lift helicopters.

**General Aviation** - opportunities in the general aviation market include a range of products from avionics to ground support equipment. With some exceptions, the Australian avionics industry, although diverse, is limited to the supply and installation of components rather than the design and development of high technology products. A large but variable\* sub sector is aerial agriculture, which uses over 300 special purpose aircraft, vehicles and equipment, and aircraft maintenance facilities. The majority of the 12,000 aircraft on the Australian Aircraft Register are small aircraft, with Cessna and Piper in strong positions, jointly accounting for around 45% of total registrations.

\* due to the prolonged drought

**Commercial Aviation** - the commercial airline market sources major equipment direct from manufacturers, and prefers to obtain OEM spares from approved suppliers. Qantas leads the field in commercial aviation in Australia, followed by Virgin Blue. In October 2006 Qantas contracted UK Company Aero Inventory PLC as its supplier of expendable and recoverable spares for a ten-year period.

Regional commuter carriers operate throughout Australia, providing regular public air transport services, and serving around 9-10% of the market.

## Opportunities

[Return to top](#)

Best sales prospects are in the supply of parts and components for aircraft maintenance, repair, and overhaul. There are opportunities in advanced avionics, display, communication, and control and navigational instruments. There is growth in the composites industry in Australia, with raw materials and components from U.S. companies. There is an increasing interest in unmanned aerial vehicles and systems for military use, fire spotting, and natural-resource mapping.

## Resources

[Return to top](#)

Aircraft Owners and Pilots Association: <http://www.aopa.com.au/>

Airservices Australia: <http://http://www.airservices.gov.au/>

Australian aerospace industry contacts page: <http://www.aerospace-technology.com/industry/australia.html>

Civil Aviation Safety Authority: <http://www.casa.gov.au>

Department of Defense, Defense Materiel Organization: <http://www.defence.gov.au/dmo>

Directory of defense suppliers: <http://www.yaffa.com.au/defencesuppliers>

## Trade Events

Australia International Air Show & Defense Exposition

Biennial Air Show and Expo (March 2009)

530 Exhibitors, 40,000 trade visitors

Avalon Airport, Victoria

Australian Maritime & Defense Foundation

<http://www.airshow.net.au>

U.S. companies seeking information on the Australian Aircraft and Parts industry should contact Phil Keeling at the U.S. Commercial Service in Sydney (email: [phil.keeling@mail.doc.gov](mailto:phil.keeling@mail.doc.gov)).

## AUTOMOTIVE PARTS AND ACCESSORIES (APS)

### Overview

[Return to top](#)

### DATA TABLE (Millions US\$)

	2004	2005	2006
Total Market Size	9,318	9,698	10,183
Total Local Production	6,253	6,531	6,990
Total Exports	753	1,059	1,089
Total Imports	3,065	3,167	3,193
Imports from the U.S.	776	713	691

The above figures are estimates and have been extrapolated from the World Trade Atlas December 2006 edition and are based on an average 5% increase as documented by the Australian Automotive Aftermarket Association (AAAA).

The above figures include data from the following HS Codes:

401110: NEW PNEUMATIC TIRES OF RUBBER FOR MOTOR VEHICLES

401120: NEW PNEUMATIC TIRES OF RUBBER FOR BUSES & TRUCKS

8409: PARTS FOR ENGINES OF HEADING 8407 OR 8408

8407: SPARK IGNITION OR ROTARY INT COMBUSTION PISTON ENGINES

8708: PARTS & ACCESS FOR MOTOR VEHICLES (HEAD 8701-8705)

### Exchange Rates

2004 0.750

2005 0.762

2006 0.753

The automotive after market for components and accessories is valued at around US\$12 billion and is split fairly evenly between local producers and imports. Vehicle servicing accounts for 35 percent and other parts and accessories accounts for 33 percent. The remainder is made up of repair parts, oils, lubricants, additives, and electrical accessories.

According to the World Trade Atlas 2006, the United States is the leading supplier, accounting for 22.73 percent of imports, while Japan is second with 21.72 percent or US\$377 million.

Australian importers are increasingly attracted to U.S. suppliers because of the duty-free status on U.S. automotive imports under the U.S.-Australia Free Trade Agreement, the large U.S. supply base, and the weaker U.S. dollar.

### Best Prospects/Services

[Return to top](#)

The Australian automotive market provides excellent opportunities for U.S. suppliers of specialty aftermarket equipment as well as the necessary aftermarket parts such as: tires, carburetors, engine parts, piston rings, fuel injection products, transmission and ignition products, lubricants and fuel pumps, body repair kits and products, automotive tools and aftermarket accessories. In general, there is always demand for high-quality and competitively priced accessories.

## Opportunities

[Return to top](#)

The prime area of opportunity in Australia's auto sector for U.S. manufacturers of accessories and replacement parts is for light and medium-sized family cars and sports utility vehicles. Parts and accessories for both routine auto maintenance, as well as high-end cosmetic auto enhancement offer considerable opportunity for U.S. firms. Sales are generally through agents or distributors.

According to the Federal Chamber of Automotive Industries (FCAI), sales of light cars and all types of sports utility vehicles have helped the Australian motor vehicle market to strong 2007 sales. Furthermore, results from a local industry statistician show that the small car/light car segments were one of the main drivers of the 2007 market with sales up by 9 percent and 15.4 percent, respectively, in November 2007. This growth trend is as a result of spiking fuel prices together with a succession of rising interest rates in Australia.

## Standards

[Return to top](#)

Parts and some accessories must comply with the Federal Motor Vehicle Standards Act 1989. This applies to locally-manufactured, as well as new and used imported vehicle products. The Motor Vehicle Standards Act requires these items to meet the national standards that cover a variety of safety and emission requirements. These national standards are currently known as the Australian Design Rules (ADRs). The Department of Infrastructure, Transport, Regional Development and Local Government (<http://www.infrastructure.gov.au/>) oversees compliance with the ADRs, which use United Nations vehicle categories and are harmonized to a considerable extent with international standards.

The Australian Automotive Aftermarket Association reports that national standards are stable and well enforced.

## Resources

[Return to top](#)

Australian Automotive Aftermarket Association: <http://www.aaaa.com.au/>  
Australian Customs Service: <http://www.customs.gov.au/site/page.cfm>  
Department of Infrastructure, Transport, Regional Development and Local Government  
<http://www.infrastructure.gov.au/>  
Federation of Automotive Parts Manufacturers: <http://www.fapm.com.au/>  
Federal Chamber of Automotive Industries: <http://www.fcai.com.au/>

## Trade Shows

NATIONAL 4X4 SHOW

Frequency: Annual  
Exhibition Organizer: Exhibition & Trade Fairs Pty Ltd  
Contact: Chris Hill  
Email: [chill@etf.com.au](mailto:chill@etf.com.au)  
Tel: 61 2 9556 7999  
Fax: 61 2 9556 7979  
Web Site: <http://www.4x4show.com.au/> or <http://www.etf.com.au/etf>  
Brisbane: April 24-27, RNA Exhibition Grounds  
Melbourne: October 25-28, Melbourne Exhibition and Convention Center

AUTO EQUIP EXPO 2008  
Date: August 8-10, 2008  
Location: Sydney Convention and Exhibition Centre, Darling Harbor  
Frequency: Annual (alternates with Melbourne)  
Exhibition Organizer: Expertise Events Pty Ltd  
Tel: 61 2 9938 9938  
Fax: 61 2 9939 4229  
Contact: Ross Hannan  
Email: [RossH@expertiseevents.com.au](mailto:RossH@expertiseevents.com.au)  
Web Site: <http://www.autoequipexpo.com.au/sydney08.php>

THE AAAA TRADE FAIR 2009  
Date: April 2-4, 2009  
Location: Sydney Convention and Exhibition Center, Darling Harbor  
Frequency: Biennial  
Exhibition Organizer: The Australian Automotive Aftermarket Association and Australian Exhibitions and Conferences  
Tel: 61 3 9654 7773  
Fax: 61 3 9564 5596  
Email: [aaaa@aec.com.au](mailto:aaaa@aec.com.au)  
Web Site: <http://www.aaaa.com.au/> & <http://www.aec.net.au/aaaa>

COLLISION REPAIR EXPO  
Date: April 2-4, 2009  
Location: Sydney Convention and Exhibition Center, Darling Harbor  
Frequency: Biennial  
Exhibition Organizer: The Australian Automotive Aftermarket Association and Australian Exhibitions and Conferences  
Tel: 61 3 9654 7773  
Fax: 61 3 9564 5596  
Email: [aaaa@aec.com.au](mailto:aaaa@aec.com.au)  
Web Site: <http://www.collisionrepair.com.au> & <http://www.aec.net.au/aaaa/>

U.S. companies seeking information on the Australian automotive market are encouraged to contact Kate Wilkie at the U.S. Commercial Service in Melbourne (email: [kate.wilkie@mail.doc.gov](mailto:kate.wilkie@mail.doc.gov))

## CONSTRUCTION MACHINERY (CON)

### Overview

[Return to top](#)

#### DATA TABLE (Millions US\$)

	2005	2006	2007 (estimated)
Total Market Size	944.2	1,058.4	1,192.9
Total Local Production	27.9	27.6	30.7
Total Exports	262.5	192.8	211.0
Total Imports	1,178.8	1,223.6	1,373.2
Imports from the U.S.	463.7	512.9	578.3

Source: Australian Bureau of Statistics/Industry Estimates

#### Exchange Rates:

2005 0.762

2006 0.753

2007 0.836

Imported construction machinery dominates the Australian market. The construction/mining/extraction industries are the largest consumers of imported construction equipment in Australia.

Engineering construction prospects remain strong, with infrastructure activity set to record continuing growth. According to a recent *HIA/Reed Construction Data 100 Report*, engineering construction work increased 24.4 percent during the year ended June 30, 2007 to US\$42.3 billion. Private contractors accounted for 76 percent of this total. Public and private infrastructure initiatives lead the market. The Australian government allocated US\$18.6 billion in the 2007 budget to improve Australia's inland transport system over the next five years. State governments have also budgeted for high levels of capital work over the next few years, with most of it in engineering construction. A November, 2007 report of the *Australian Industry Group/Australian Constructors Association* estimated that during 2007-08, road project funding will rise 15.4 percent, rail projects 22.2 percent, water supply projects 24.8 percent, electricity generation and supply 19.3 percent, and telecommunications 15.1 percent. Other areas of growth include civil projects such as the construction and upgrading of freight and port facilities to ease export bottlenecks.

Non-residential construction is forecast to maintain an upward trend. *HIA/Reed Construction Data 100 Report* estimates the value of activity in this sector during year ended June 30, 2007 at US\$22.1 billion, up by 16.3 percent on the previous year. Demand for office space continues to underpin much of the growth, while the retail environment is strengthening. Health and community services' building is forecast to be a strong performer over the short, medium, and long terms.

The residential building industry has been on the decline since 2003, with a combination of rising interest rates and poor affordability affecting results for Australia's largest home

building companies. Housing starts by the top 100 builders in the year to June 30, 2007 fell 6.2 percent to 56,332, with a total of 149,000 for the whole industry. For October 2007, total building approvals declined 2.8 percent to 13,553, with the volatile apartment sector driving the overall fall. However, other parts of the market remain on track for recovery. The Housing Industry Association's Economics Group forecasts 158,000 start for year ending June 30, 2008 and 166,000 in 2008-09.

The estimated value of construction machinery during calendar year 2007 is US\$1.3 billion, with imports from the U.S. valued at US\$578.3 million. U.S. manufacturers, particularly those operating through wholly-owned subsidiaries or Australian agents, enjoy a good market image for their product quality. Major U.S. manufacturers supplying the market are Caterpillar, Case New Holland, John Deere, and Ingersoll-Rand. Others include Bobcat, Vermeer, Manitowoc, Terex, and Ditch Witch. Japan and Germany are the key third-country suppliers. Komatsu, Hitachi, Kobelco, Kawasaki, and Kubota are the principal Japanese companies exporting construction equipment to Australia. Liebherr, Demag, and Bomag are the main German brands in this market.

Australian manufacturing mainly comprises small amounts of customized products as wear parts, attachments (buckets, tractor tires, cabs, wheels and rims), and replacement parts for incorporation into imported base units. While construction machinery prices range from a few thousand dollars to well in excess of one million dollars, the items manufactured by the local industry generally are targeted to the lower end of this range.

The Free Trade Agreement between the U.S. and Australia (AUSFTA) has eliminated import duty on construction machinery from the U.S. This, together with a favorable exchange rate, puts U.S. imports in a stronger competitive position, as the import duty rate from other countries is five percent.

## **Best Prospects/Services**

[Return to top](#)

Investment in heavy equipment is likely to continue over the next few years, particularly to support ongoing growth in infrastructure construction activity. Equipment that is consistently in demand includes off-highway dumpers, graders and levelers, self-propelled track laying bulldozers and angle dozers, front-end shovel loaders, and scrapers.

Pricing, technology, and after sales service, influence the buying habits in this market. Australian end-users are willing to invest in technology that offers superior precision, flexibility, safety, and reliability features. Large construction machinery that consumes high levels of energy is at a disadvantage. Manufacturers and/or agents must provide on-call back up servicing programs and substantial product warranties.

## **Opportunities**

[Return to top](#)

The largest four States planning major infrastructure projects are New South Wales, Queensland, Western Australia, and Victoria. These projects include:

Project	Value US\$	Planned Commencement Date
Australian Inland Rail Expressway (Melbourne to Darwin via Brisbane)	2.5 billion	June 2008
Kimberley to Perth Water Supply, WA	2.5 billion	September 2009
Monish Energy Coal Gasification, VIC	1.6 billion	July 2009
North West Rail Link, NSW	1.1 billion	January 2009
Sydney Harbor Rail Tunnel, NSW	836 million	February 2010
Queensland Gas to Liquids Plant, QLD	836 million	July 2009
Nairobi Gas Fired Power Station, NSW	852 million	March 2009
Port Phillip Bay Channel Deepening, VIC	638 million	June 2008
Fremantle Ports Outer Harbor (Container Terminal), WA	602 million	January 2009
Desalination Plant and 400 km pipeline To Severance, WA	368 million	2009
AGL Gas Fired Power Station, QLD	293 million	March 2009

Source: Construction Forecasting Council/Access Economics Investment Monitor

## Resources

[Return to top](#)

### Associations

Australian Building Codes Board  
<http://www.abcb.gov.au>

Australian Construction Industry Forum (ACIF)  
<http://www.acif.com.au>

Australian Constructors Association  
<http://www.constructors.com.au>

Australasian Tunneling Association  
<http://www.ats.org.au>

Civil Contractors Federation  
<http://www.civilcontractors.com>

Housing Industry Association  
<http://www.hia.com.au>

Master Builders Australia Inc.  
<http://www.masterbuilders.com.au>

### Trade Shows

CIVENEX 2008  
Date: May 22-24, 2008



Location: Eastern Creek, Sydney  
Frequency: Annual  
Web site: <http://www.civenex.com>

NATIONAL CONSTRUCTION EXHIBITION  
Date: August 7-9, 2008  
Location: Annual  
Web site: <http://www.nce.reedexhibitions.com.au>

LOGOV EXPO  
Date: October 2008  
Location: Logan City, Brisbane  
Frequency: Bi-annual  
Web site: <http://www.logov.net>

U.S. companies seeking information on the Australian construction market are encouraged to contact Patricia Matt at the U.S. Commercial Service in Sydney (email: [patricia.matt@mail.doc.gov](mailto:patricia.matt@mail.doc.gov)).

## COSMETICS AND TOILETRIES (COS)

### Overview

[Return to top](#)

DATA TABLE (Millions US\$)

	2005	2006	2007 (estimated)
Total Market Size	1046	1085	1124
Total Local Production	581	612	633
Total Exports	56	67	76
Total Imports	521	540	567
Imports from the U.S.	154	161	177

(Australian Bureau of Statistics)

Exchange rates:

2005 0.762  
2006 0.753  
2007 0.836

The value of Australia's cosmetics and toiletries market exceeds US\$1 billion. Imports supply nearly 50 percent of the market. The U.S. holds a 31 percent share of the import market. Other major suppliers are France (18 percent) and the United Kingdom (10 percent). The most significant sub-sectors are color cosmetics and hair care, which are valued at US\$582 million and US\$250 million, respectively.

Driving growth in this market is the men's and women's concern about their personal appearance. In the past twelve months, personal products and hair care continue to experience the most growth, with sales growth in each of these sub-sectors exceeding 7 percent. As a result of the Free Trade Agreement between the United States and Australia, cosmetics and toiletries enter Australia free of duty.

### Best Prospects/Services

[Return to top](#)

Future growth is in two main areas: personal products and hair care.

U.S. imports of personal products including bath products and depilatories increased 16 percent in 2007. This growth is due, in part, to an increase in sales of established depilatory products, but more importantly, women are increasingly purchasing liquid hair removers and women's razors. There is also a growing popularity among men for premium shaving systems.

The colorant market is the prime driver in the hair care sub-sector, with considerable growth in premium color products for both women and men. Often world-renown hairdressers are integral to new entrants entering the Australian hair care market,

offering endorsement to these ranges. Australian consumers are keen to use brands associated with these hairdressers, many of whom are celebrities in their own right.

## Opportunities

[Return to top](#)

U.S. companies looking to enter the Australian cosmetic and toiletries market should offer innovative products, thus ensuring an entry point into this market. Distributors in Australia seek novel brands and, in particular, products with unique benefits. Success in the Australian market depends on the ability to secure a particular niche in the market e.g., organics, hypo-allergenic products. Products incorporating herbal and botanical extracts, plant acids, proteins, etc., are expected to experience strong growth in line with fashion trends that show a preference for natural or organic products.

## Standards

[Return to top](#)

Australia offers an established, regulatory environment regarding cosmetics ingredients and labeling. Ingredient safety (under the National Industrial Chemicals Notification and Assessment Scheme (NICNAS), administered by the National Occupational Health and Safety Commission) requires approval for a wide range of substances, including ingredients in cosmetics.

Cosmetic and toiletry products are also subject to approval by the Therapeutic Goods Administration (TGA), of the Australian Government. There are many issues concerning the registration process. Suppliers must demonstrate that a product is not a therapeutic good, otherwise the release of the product in Australia must follow the requirements of the Therapeutic Goods Act. For example, some sunscreens require registration with the Australian Register of Therapeutic Goods.

## Resources

[Return to top](#)

### Trade Events

International Beauty Expo  
Melbourne – April 12-13, 2008  
Sydney - August 30-31, 2008  
<http://www.internationalbeautyexpo.com.au/>

### Associations

Pharmacy Guild of Australia <http://www.guild.org.au/>  
Therapeutic Goods Administration <http://www.tga.gov.au/>

U.S. companies seeking information on the Australian cosmetics and toiletries market are encouraged to contact Annette Ahern at the U.S. Commercial Service in Melbourne (email: [annette.ahern@mail.doc.gov](mailto:annette.ahern@mail.doc.gov)).

## FRANCHISING (FRA)

### Overview

[Return to top](#)

The Australian franchise sector is a large, highly-sophisticated industry, contributing about 14% to the nation's GDP. It has more franchising outlets per capita than any country and three times more per capita than in the U.S. The total turnover of the franchising sector in 2007, including the motor vehicle and automotive fuel retail industries, approached US\$96 billion.

There are approximately 960 business-format franchise companies in Australia, up from 184 in 1988. Of these systems, 93 percent are Australian-based, as opposed to overseas imports. The remaining 7 percent are predominantly a mixture of systems from New Zealand, USA, UK and South Africa.

Franchised businesses in Australia are 2.5 times more likely to be successful than non-franchised business. The average total start-up cost for an individual franchise across all industries is US\$58,500. The average cost for a retail franchise unit has increased to \$197,000 to include the fit-out costs. On the other hand, non-retail franchise systems' start-up costs have decreased to \$38,000; this decline may be a result of the difficulty in finding quality candidates.

### Best Prospects/Services

[Return to top](#)

Franchising is continuing to experience growth in Australia and has spread into virtually every area of commercial activity. Sectors as diverse as home building, carpet cleaning, repair systems, waste management, and financial planning are enjoying high growth. The best opportunities for franchising in Australia are retail, non-food industry (29 percent of franchisors and 36 percent of franchise units), and the property and business services sector (21 percent of franchisors and 7 percent of franchise units).

#### Australian Franchise Industries:

Industry	Percent
Retail trade non-food (includes automotive services)	35.5
Property and business services	7.3
Retail trade food (includes fast food)	16.5
Personal and other services (includes video hire and gardening services)	12.2
Finance & Insurance	9.1
Education	2.4
Construction & trade services	3.2
Accommodation, cafes & restaurants	1.3
Cultural and recreation services	0.9
Wholesaling	0.4

Communication services (includes postal, courier & telecommunications)	3.1
Manufacturing & printing	1
Transport & Storage	6
Health & community services	0.5
Unclassified	0.7

(Franchising Australia 2006 Survey – Griffith University)

## Opportunities

[Return to top](#)

Australia's urban centers are the best markets for franchise operations. In addition to the positive market dynamics, Australia and the U.S. share a common language and very similar cultures (although there are some subtle differences to consider). Corruption risk is very low to non-existent and the franchise industry is well-regulated, well-educated, and highly-developed, enabling U.S. firms to enter the sector with confidence.

Most growth in the franchise sector has been within the services segment, predominantly in the 'personal and other services' arena such as video hire and home maintenance. Time saving (such as food catering) and financial service concepts are also very popular. Australia has a growing elderly population with many baby boomers moving into retirement. This presents many opportunities for concepts in home services, health/care, and mobile sectors.

The retail trade food sector (including fast food) also presents some level of opportunity for U.S. firms, accounting for 16.5 percent of franchisors, with a particular upsurge in the number of healthy food concepts. Like the U.S., Australia faces increasing, overweight/obesity rates. A recent health study showed that 68% of males and 53% of females were overweight or obese. The problem is just as prevalent for children. Therefore, franchise systems related to health foods and fitness could also find a receptive market.

## Resources

[Return to top](#)

Australian Industrial Relations Commission, The: <http://www.airc.gov.au>  
Franchise Council of Australia: <http://www.franchise.org.au/>  
International Franchise Association: <http://www.franchise.org/>  
Office of the Mediation Advisor, The: <http://www.mediationadviser.com.au>

## Trade Shows

### FRANCHISING AND BUSINESS OPPORTUNITIES EXPO

Frequency: Annual  
Exhibition Organizer: Diversified Exhibitions Australia  
Tel: 61 3 9261 4500  
Fax: 61 3 9261 4545  
Email: [shows@divexhibitions.com.au](mailto:shows@divexhibitions.com.au)  
Web site: <http://www.franchisingexpo.com.au/>

**Sydney:** March 28-30, 2008  
Sydney Convention and Exhibition Centre

**Adelaide:** May 5-6, 2008  
Royal Adelaide Show Grounds

**Perth:** May 17-18, 2008  
Perth Convention and Exhibition Centre

**Brisbane:** September 12-14, 2008  
Brisbane Convention and Exhibition Centre

**Melbourne:** October 10-12, 2008  
Melbourne Exhibition and Convention Centre

**FRANCHISE COUNCIL OF AUSTRALIA NATIONAL CONFERENCE**

Date: October 2008 (exact dates yet to be determined)

Location: Sydney

Website: <http://www.franchise.org.au>

U.S. companies seeking information on the Australian franchising market are encouraged to contact Kate Wilkie at the U.S. Commercial Service in Melbourne (email: [kate.wilkie@mail.doc.gov](mailto:kate.wilkie@mail.doc.gov)).

## INFORMATION TECHNOLOGY SERVICES (CSV)

### Overview

[Return to top](#)

### DATA TABLE (Millions US\$)

	2005	2006	2007 (estimated)
Total Market Size	7,500	8,500	9,000
Total Local Production	5,150	6,000	6,250
Total Exports	1,660	2,000	2,400
Total Imports	2,350	2,500	2,750
Imports from the U.S.	700	900	950

Exchange rates:

2005	0.762
2006	0.753
2007	0.886

The Australian information technology (IT) services industry accounts for approximately 38 percent of the total IT market. The market is growing at the expense of the shrinking hardware market. At the end of 2006, the value of the Australian IT services market was US\$8.5 billion.

Over the last decade outsourcing has been one of the single largest contributors to the local services sector, led by the Federal Government's drive to outsource the majority of its agencies' and departments' provision of IT requirements. After a winding back of some of the "cluster" contracts, Federal Government agencies' IT spending is showing robust growth. Of the approximately 200 federal government tenders over the last year, approximately 50 percent were for the provision of IT services. The federal government accounts for 47 percent of all public-sector IT spending. While it may not be possible for smaller U.S. based IT service providers to compete with the large system integrators on whole department tenders, opportunities exist partnering with these companies to provide solutions and expertise that they do not have in house. Key government agencies include Department of Defence, Australian Taxation Office, Centrelink, Veterans Affairs, Australian Customs, Medicare, and Department of Human Services.

In the public sector, key market segments include finance and insurance, retail, transport, mining, telecommunications and media. Most of these companies look to IT service providers to provide technology expertise that the organizations do not possess internally.

The largest players in this market segment include IBM (revenue of US\$3 billion in 2006), EDS (US\$1 billion), CSC, Fujitsu (US\$500 million), HP (US\$2.5 billion), and Unisys, as well as major accounting and consulting firms like Accenture (US\$460 million revenue in 2006). These companies account for more than 75 percent of Australia's

outsourcing market. Local integrators of significant size include Kaz Computing (owned by Telstra) and AlphaWest (bought by Singtel Optus).

In addition, Indian integration and service companies including Tata, Infosys, Satyam, and HCL provide some of the strongest competition to U.S. integrators in the local market. These companies are relatively new to the market, but have positioned themselves aggressively by buying smaller local services companies in an effort to acquire clients.

## **Best Products/Services**

[Return to top](#)

Research group International Data Corporation (IDC) reported that Voice and Voice over Internet Protocol (VOIP) services will increase strongly in the local market in 2008. IDC also identified ITIL compliance as another area of strong growth (40 percent) in 2008, as well as storage over IP (25 percent), fixed wireless broadband (25 percent), document management (40 percent) and wireless LANs (52 percent).

Security solutions are also in demand. All the local banks are targets for “phishing” attacks, network security, email security, and virus protection solutions are in strong demand. Recent surveys of leading Australian enterprises have indicated that Australian IT executives are spending increasing amounts of IT budgets on IT security solutions.

While the provision of broadband technologies has increased 50 percent over a three-year period there is still scope to “convert” the two million or so existing dial-up accounts to broadband solutions.

The provision of IT services in the healthcare market is also expected to grow strongly over the next five years. The federal government is evaluating systems and standards to implement electronic patient records systems for public hospitals. This will provide good opportunities for US applications developers.

Still in its infancy, Software as a Service (SaaS) is showing signs of gaining traction in the local market, particularly in the small to medium sized enterprise (SME) market where customers want fully scalable enterprise-class solutions without the upfront expense involved in an outright purchase.

## **Opportunities**

[Return to top](#)

- Wireless and fixed broadband services. There are approximately 4,300,000 broadband subscribers in Australia. There is a challenge to migrate the two million or more dial up subscribers to broadband accounts. Services to run on this technology such as VoIP will also be in demand.
- IT infrastructure security services.
- Network services such as storage, desktop management and document management.
- General IT security projects.
- Software as a Service solution (customized software).



## Trade Shows

CeBIT Australia, 2008

Date: May 20-22, 2008

Location: Sydney Convention & Exhibition Center

Website: <http://www.cebit.com.au>

The U.S. Commercial Service is organizing a U.S. Pavilion in CeBIT Australia 2008 to provide a cost-effective platform for American companies to introduce their products and technology to this trade audience. Companies new to the Australian market, as well as those with established distributor relationships, are encouraged to participate. Please visit our website at: <http://www.buyusa.gov/australia/en/eventsinoz.html> for further details and other events in Australia.

AusCert Asia Pacific Information Technology Security Conference 2008

Date: May 20-25, 2008

Location: Royal Pines Resort, Gold Coast

Website: <http://www.auscert.org.au>

An international conference focusing on IT security for CFOs, CIOs, CTOs.

## Publications

Australian Reseller News: <http://www.Arnnet.com.au>

CIO: <http://www.cio.com.au>

## Associations/Government Agencies

Australian Communications Authority: <http://www.aca.gov.au>

- The Australian Communications Authority is the chief regulator of the Telecommunications and Radiocommunications Act.

Australian Information Industry Association: <http://www.aiia.com.au>

- The AIIA is the industry association acting for the local IT industry.

Internet Industry Association of Australia: <http://www.iiia.net.au>

- Australia's national industry body for Internet commerce, content and connectivity.

U.S. companies seeking information on the Australian Information Technology market should contact Duncan Archibald at the U.S. Commercial Service in Sydney (email: [duncan.archibald@mail.doc.gov](mailto:duncan.archibald@mail.doc.gov)).

## MEDICAL EQUIPMENT (MED)

### Overview

[Return to top](#)

Value of the Australian Medical Equipment (Millions US\$)\*

	2005	2006	2007
Total Market Size	\$2084	\$2491	\$2562
Total Local Production	\$920	\$1150	\$1210
Total Exports	\$806	\$1007	\$1058
Total Imports	\$1970	\$2348	\$2410
Imports from the U.S.	\$795	\$956	\$976

Exchange rates:

2005 0.76

2006 0.75

2007 0.83

\*The above statistics are unofficial estimates.

The medical equipment industry sector provides excellent prospects for U.S. exporters. Approximately 85 to 90 percent of devices and diagnostics in Australia are imports. The U.S. is the major supplier, followed by Germany, Japan, and the EU. Two Australian companies, Cochlear and ResMed, dominate local production, which is minimal. Australia exports most of its locally-manufactured medical devices.

The demand for medical products is growing due to the increasing affluence of the population, the increase in life expectancy, and the demands for a higher quality of life. Australia has a sophisticated healthcare system and is a mature market for medical equipment. Many of the major U.S. medical companies are represented in Australia, either through local representatives or subsidiary companies including: Bard, Baxter Healthcare, Boston Scientific, Cook Medical, Johnson & Johnson Medical, Medtronic, St. Jude Medical, and Stryker.

A large number of small companies and a small number of multinational firms serve the market. About 1,100 companies are involved in the medical device and diagnostics industry in Australia. The market value is approximately US\$2.5 billion, representing about one percent of the global market. Australia's spending on healthcare is approximately 8.8 percent of GDP which is more than in the U.K. and Japan, less than in the U.S., but comparable to that in Canada, Sweden, and Italy.

Health provisions and funding comes from the public and private sectors. Australia has a government-funded healthcare scheme with the Government being the primary purchaser of medical equipment. The Federal government funds approximately 46 percent of all health spending, the State governments 22 percent, and the private sector

32 percent. Public hospitals account for approximately 70 percent of sales of medical equipment, with the remaining 30 percent to the private sector. As the costs of maintaining a public healthcare system are increasing, public hospital administrators and medical staff must choose the best product available at the lowest cost. The quality of health provided is high in both the private and public sectors.

The Therapeutic Goods Administration (TGA) regulates the medical equipment market in Australia. Australia's regulatory framework is harmonized with international accepted best practice, and is based on the guidelines of the Global Harmonization Task Force (GHTF) and the European Community (EC) requirements.

If a U.S. manufacturer does not have a European Union European Community certificate, the manufacturer should, in the first instance, apply for a European Community certificate from a European Union Notified Body. If this is not possible, the manufacturer can apply to the TGA for a Conformity Assessment Certificate and undergo conformity assessment by the TGA.

Medical devices are classified according to the degree of risk associated with their application. U.S. exporters need to appoint an Australian representative/sponsor to obtain regulatory approval by the TGA.

## **Best Products/Services**

[Return to top](#)

Although a relatively-small market, Australia's high standard of medical practice means that there is a continuing need and demand for the full range of sophisticated, high quality, and innovative medical equipment.

Government policy and activity in the provision of public health services is a major factor in the demand for medical equipment. Nonetheless, private sector purchases of health services are increasing. Further increases are likely, due to the rise in the number of Australians with private health insurance and the expanding role of the private sector in the care of Australia's ageing population.

Due to its perceived high quality, U.S. medical equipment is traditionally well-received in Australia. Opportunities exist for state-of-the-art and innovative medical equipment, and products that can result in a significant improvement in clinical outcomes. In particular, prostheses, in vitro diagnostics, and products that serve Australia's ageing population are likely to experience growth.

## **Resources**

[Return to top](#)

Australian Therapeutic Goods Administration: <http://www.tga.gov.au/>  
Australian Department of Health and Ageing: <http://www.health.gov.au/>

U.S. companies seeking information on the Australian healthcare industry are encouraged to contact Monique Roos at the U.S. Commercial Service in Sydney (Email: [monique.roos@mail.doc.gov](mailto:monique.roos@mail.doc.gov)).

## MINING EQUIPMENT (MIN)

### Overview

[Return to top](#)

	2005	2006	2007
Total Market Size	3,304	3,820	4,393
Total Local Production	1,820	1,995	2,284
Total Exports	610	645	746
Total Imports	2,094	2,470	2,855
Imports from the US	730	860	999

All amounts are in USD \$ millions

Exchange rate:

2005 0.762

2006 0.753

2007 0.836

The above figures are unofficial estimates.

Australia is the world's largest exporter of black coal, diamonds, iron ore, lead, rutile, zinc and zirconium. It is the second largest exporter of gold and the third largest exporter of aluminum and bauxite. The state of Western Australia (WA) accounts for an estimated 50 percent of Australia's mineral production. WA has over 1,200 operating mine sites (open pit, underground, and quarries) and 170 processing plants. The states of Queensland and New South Wales produce about 90 percent of Australia's coal through open pit and underground coal mines.

Australian mining equipment manufacturers are particularly competitive in: fine coal beneficiation and process control; strata reinforcement technology; and mining-related software. Major capital-type goods are imported and/or locally assembled by subsidiaries of foreign companies. These products include drilling equipment, front-end loaders, earthmoving and excavating equipment, compactors, and draglines. The major suppliers of mining equipment are the U.S. (35 percent import market share), Japan (6 percent), and Germany (9 percent).

Continuing high mineral prices throughout 2007 have led to further exploration work across the country. Given the size of the country and difficult access to many areas, Australia is relatively unexplored by world standards. In 2006/07 private enterprises spent 55 percent more (USD3.1 billion) on minerals exploration than the previous financial year.

The value of mining projects also rose rapidly in 2007. Industry expects it to continue to rise throughout 2008 although at a reduced rate. World demand for minerals is still very strong but a shortage of skilled labor means that many projects remain on the drawing board. Demand for minerals is also having a strong impact on infrastructure projects. Port authorities are initiating work at many facilities to lift port capacity. Some of the major infrastructure projects include the RG Tanna coal terminal at Gladstone and stage 1 of the Dalrymple Bay Coal Terminal. With new mines and other resource-related

projects all requiring large amounts of power, companies are also spending more on energy.

### Best Products/Services

[Return to top](#)

- Products for open cut mining (as many miners shift from underground to open cut production).
- Heavy equipment parts. Companies are finding a shortage of tires and other components.
- Specialized treatment procedures for specific minerals (i.e. laterized nickel, heap leaching).
- Automation of materials handling and other operations.
- Mine planning / optimization software – as more mines move towards contract mining.

### Opportunities

[Return to top](#)

In December 2007, mining companies were either developing or about to commence construction on 51 projects. The projects had a combined estimated cost of USD17.2 billion. Just under half of these projects are located in the state of Western Australia.

Mineral Project	Number of Projects	Estimated Capital Expenditure
Coal	14	\$3,918m
Copper	5	\$566m
Gold	10	\$3,096m
Iron Ore	5	\$5,217m
Nickel	6	\$2,713m
Other	11	\$1,738m

### Resources

[Return to top](#)

#### Trade Event:

Queensland Mining and Engineering Exhibition

Date: July 22 –24, 2008

Location: Mackay, Queensland

<http://www.qme.reedexhibitions.com.au/>

#### Trade Associations:

Australian Coal Association: <http://www.australiancoal.com.au>

Australian Institute of Geoscientists – <http://aig.org.au>

Australasian Institute of Mining and Metallurgy: <http://www.ausimm.com.au>

Australian Drilling Industry Association: <http://www.adia.com.au>

Mineral Council of Australia: <http://www.minerals.org.au>

Mining Equipment & Services Council of Australia: <http://www.mesca.com.au>

U.S. companies seeking information on the Australian mining industry are encouraged to contact John Kanawati at the U.S. Commercial Service in Sydney (email: [john.kanawati@mail.doc.gov](mailto:john.kanawati@mail.doc.gov)).

## OIL AND GAS EQUIPMENT (OGS)

### Overview

[Return to top](#)

	2005	2006	2007
Total Market Size	2,190	2,450	2,573
Total Local Production	1,850	1,920	2,000
Total Exports	328	319	335
Total Imports	668	849	908
Imports from the U.S.	200	254	267

All amounts are in USD \$ millions

Exchange rate:

2005 0.762

2006 0.753

2007 0.836

The above figures are unofficial estimates.

Australia continues to be a good market for U.S. oil and gas equipment suppliers and service providers. Increasing demand for petroleum products (particularly LNG) is fuelling the exploration, development and production of both existing and new fields across Australia. The increasing demand is coming from the growing energy consumption needs of regional importers such as Japan, Korea, and China. Local power generators are also facing some pressure to use gas as a cleaner alternative to burning coal.

Australia is a net consumer of oil and gas equipment. Companies are importing much of the technology used in upstream and downstream projects. Estimates of the annual market for this kind of equipment are around USD2.5 billion. The Industry highly regards U.S suppliers given their reputation for product quality, safety, and reliability. Industry sources indicate that the U.S. is the major supplier of oil and gas equipment, including pumps, valves, and gauges. Other key suppliers are the U.K., Germany, Denmark, Sweden, and Japan. China and India's share of the import market within this sector is still relatively small but growing.

Much of the interest in Australia centers on the offshore gas industry. Companies used to confine projects to coastal shelves, but now they are extending their exploration and development into the deeper water around Australia. Companies are more commonly using technologies such as sub-sea connections, unmanned platforms, and floating, production, storage, and offloading (FPSO) systems. Companies are also likely to show a growing interest in technologies that can prolong the life of wells or assist in the recovery of oil from older wells.

The coal seam methane industry located on the eastern coast of Australia is another fast growing segment of the industry – having grown from around 20 terajoules (TJ)/day in

2000 to current production of around 150 TJ/day. The industry expects growth to continue with forecast of an industry producing more than 300 TJ/day in 2010.

### **Best Products/Services**

[Return to top](#)

- Deepwater exploration and production technology
- Coal seam methane production equipment
- Drilling related equipment
- High tech process control and analyzing equipment
- Technology that reduces labor or increases operational safety

### **Opportunities**

[Return to top](#)

Companies are investing about USD7 billion in existing oil and gas projects and planning/considering another USD40 billion worth of projects.

Onshore, Santos is investigating a USD5.6 billion LNG project at Gladstone in Queensland based on coal seam methane reserves. In Western Australia, the government has given approval to two very large projects - Woodside's USD8 billion LNG processing facility on the Burrup Peninsula, and Chevron's USD12 billion Gorgon gas project, Australia's largest resource development.

### **Resources**

[Return to top](#)

#### **Trade Events:**

APPEA Conference & Exhibition

Date: April 6 – 9, 2008

Location: Perth, Western Australia

<http://www.appea2008.com.au/>

South East Asia Offshore Conference

Date: July 16 – 18, 2008

Location: Holiday Inn Esplanade, Darwin, NT

<http://www.seaoc.com>

AOG 2009 / Australasian Oil & Gas

Date: February 17 – 19, 2009

Location: Perth Convention & Exhibition Centre, Western Australia

<http://www.imexmgt.com/shows/aog2009>

#### **Associations/Agencies:**

Australia Institute of Energy – <http://www.aie.org.au/>

Australian Petroleum Co-operative Research Centre - <http://www.apcrc.com.au/>

Australian Petroleum Production and Exploration Association -

<http://www.appea.com.au/>

Australian Pipeline Industry Association - <http://www.apia.net.au/>

Geosciences Australia - <http://www.ga.gov.au/>

U.S. companies seeking information on the Australian oil and gas industry are encouraged to contact John Kanawati at the U.S. Commercial Service in Sydney (email: [john.kanawati@mail.doc.gov](mailto:john.kanawati@mail.doc.gov)).



## RECREATIONAL BOATING (PLB)

### Overview

[Return to top](#)

DATA TABLE (Millions US\$)

HS Code 8903 - yachts and other vessels for pleasure or sports

	2005	2006	2007 (estimated)
Total Market Size	930	968	1,010
Total Local Production	771	765	790
Total Exports	183	168	190
Total Imports	342	371	410
Imports from the U.S.	160	155	170

Australian Bureau of Statistics and unofficial estimates

Exchange rates:

2005 = 0.762

2006 = 0.753

2007 = 0.836

Following a slow period of growth until the early 2000s, retail sales of boats and boating equipment have a more-optimistic outlook. The Australia - U.S. Free Trade Agreement that came into effect in 2005, and the strength of the Australian dollar against the greenback have given a boost in local purchasing power for U.S.-manufactured boats over the past three years. To equip their own exports, Australian manufacturers import equipment, accessories and raw materials, further benefiting U.S. sales.

There are about 640,000 registered boats in Australia, as well as hundreds of thousands not requiring registration. Australia's shores, bays, and estuaries are dotted with pleasure boats. Queensland is the largest market for boating with 8,000 miles of coastline. The major boat show in Australia takes place annually at Sanctuary Cove on Queensland's Gold Coast.

About a third of the nation's 640 marine equipment suppliers are in New South Wales, a quarter in Queensland, and a sixth each in Victoria and Western Australia. The remainder is in Northern Territory and South Australia.

According to the Australian Recreational and Sports Fishing Confederation, about five million people go fishing for sport and recreation each year, making it one of the biggest industries in the country, supporting about 90,000 Australian jobs. Sport fishing is more organized and business oriented than recreational boating.

The most common types of Australian-manufactured boats are fishing boats (25%) followed by cruising (20%), light commercial (18%), sailing (14%), and ski (14%). The most common material used in boat manufacturing in Australia is fiberglass (52% of manufacturers) followed by aluminum (21%), timber (13%), and composites (12%).

According to Ibis Research, the market is segmented into cruisers and powerboats 30%; ski-boats 20%; small runabouts 20%; sail (catamarans and yachts) 20%, and kayaks and canoes 10.0%.

Product distribution is typically through a dealer, distributor, or a sales agent. There are many accessory distributors that distribute on a nationwide basis to dealers and specialist stores, selling all types of boating accessories and fishing gear. Boat dealers increasingly stock a wide range of marine accessories with relatively high profit margins.

### **Best Products/Services**

[Return to top](#)

Australians purchase U.S. boats because of superior technology in electronics, and advanced plumbing such as hot and cold running water, and toilets with a sewerage unit.

Imports from the U.S. are very broad-based and range from yachts to motorboats and also include components such as engines, raw materials, motors, fiberglass resins, and motor components using state-of-the-art technology. U.S. companies are gradually increasing market share. U.S. companies dominating the market include Catalina, Four Winns, Mercury, Sea Ray, and Wellcraft,

The growth of general wealth in Australia has seen increased sales in luxury craft, yachts, and comfortably furnished vessels for family recreation.

### **Competition**

[Return to top](#)

Australia is a world leader in the design, construction, and standard of quality of alloy and fiberglass boats, and is a major exporter of its production, especially large pleasure craft. Riviera Marine is a leading recreational boat producer and exporter of luxury motor yachts, sport-fishing and general sports boats. Other leading Australian manufacturers include Haines Hunter, Pro Marine, Mustang Pleasure Boats, Blackwatch Boats, Whittley Marine, Perry Catamarans, Seafarer, International Marine and Stebercraft.

Leading aluminum boat manufacturers include Quintrex, Stacer Alloy Craft and Savage. Yacht builders include Seawind Catamarans, Northshore Yachts, Buizen Yachts, Bluewater Yachts, and Bashford International. Internationally successful Australian equipment manufacturers include Ronstan International, Muir Winches & Windlasses, the Australian Winch Company, Coursemaster, and Austral Propellers.

Australian imports include engines, raw materials, motors, and fiberglass resins. France provides inflatable boats, with Zodiac and Avon dominating the market. Australia imports sailing clothing from New Zealand, the U.K. and France, and yacht fittings from Norway. French yachts such as Benneteau, Jenneau and Dufour are popular, as well as the German Bavaria and Dehler yachts.

Australian boat owners have developed a taste for English yachts, German cruisers, and Italian sportscruisers. Despite the high quality of Australian boats, the glamour of purchasing European or American boats still influences the market.

### **Resources**

[Return to top](#)

## **Government:**

iMarine Western Australia: <http://www.dpi.wa.gov.au/imatech/703.asp>  
Infrastructure Planning and Environment Northern Territory:  
<http://www.nt.gov.au/ipe/dtw/>  
New South Wales Waterways: <http://www.waterways.nsw.gov.au>  
Marine Safety Victoria: <http://www.marinesafety.vic.gov.au>  
Maritime Safety Queensland: <http://www.msq.qld.gov.au>  
Marine & Safety Tasmania: <http://www.mast.tas.gov.au>  
Transport South Australia: <http://www.transport.sa.gov.au>

## **Maritime Safety:**

Australian Maritime Safety Authority: <http://www.amsa.gov.au/>  
ANZSBEG: <http://www.safeboating.org.au/>  
National Marine Safety Committee (NMSC): <http://www.nmsc.gov.au/>

## **Trade Associations**

Marina Association of Australia: <http://www.marinanet.au>  
Boatpoint Australia Electronic News: <http://boatpoint.ninemsn.com.au/>

## **State Boating Industry Associations:**

New South Wales:  
53 Hume Street,  
Crows Nest NSW 2065  
Telephone +61 2 9438 2077  
Fax +61 2 9439 3983  
<http://www.bia.org.au/>

South Australia:  
PO Box 10262  
Adelaide Business Centre SA 5000  
Telephone +61 8 8212 6000  
Fax +61 8 8410 0688  
<http://www.boatingsa.com.au/>

Northern Territory:  
PO Box 4598  
Darwin NT 0801  
Telephone +61 408 816 927  
Fax +61 8 8927 6529  
<http://www.boatshows.com.au/Darwin.html>

Tasmania:  
19 Conrad Drive  
Otago Bay TAS 7017  
Telephone + 61 3 6273 8788  
Fax +61 3 6273 8423

Queensland:  
PO Box 3305  
Tingalpa DC QLD 4173  
Telephone +61 7 3899 3333  
Fax +61 7 3899 3051  
<http://www.marineqld.com.au/>

West Australia:  
Suite 2, 799 Beaufort Street  
Mt Lawley WA 6050  
Telephone +61 8 9271 9688  
Fax +61 8 9271 9057  
<http://www.biawa.asn.au/>

Victoria:  
Marine House, 162-164 Adderley Street  
West Melbourne VIC 3003  
Tel: +61 3 9328 4855  
Fax: +61 3 9328 4898  
<http://www.biavic.com.au/>

## Trade Events

Sanctuary Cove International Boat Show

May 22-25, 2008 (20<sup>th</sup> anniversary)

PO Box 204,

Sanctuary Cove QLD 4212

Tel: +61 7 5577 6868

Fax: +61 7 5530 8067

<http://www.sanctuarycoveboatshow.com.au/>

U.S. companies seeking information on the Australian boating industry are encouraged to contact Phil Keeling at the U.S. Commercial Service in Sydney (email: [phil.keeling@mail.doc.gov](mailto:phil.keeling@mail.doc.gov)).

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## RENEWABLE ENERGY EQUIPMENT (REQ)

### Overview

[Return to top](#)

DATA TABLE (Millions USD)

	2005	2006	2007
Total Market Size	208	219	230
Total Local Production	62	66	69
Total Exports	9	10	10
Total Imports	155	163	171
Imports from the U.S.	23	24	26

All amounts are in USD millions

Exchange rate:

2005 0.762

2006 0.753

2007 0.836

The above figures are unofficial estimates.

Power generation is a large sector in Australia with around USD81 billion of investment in generation, transmission and distribution assets. Annual generation is 232,000GWh. Coal-fired generators account for the bulk of electricity generated.

One of the key barriers to the development of the renewable energy industry is the low cost of non-renewable energy such as coal or gas-fired generation. In 2000, the Australian Government provided a stimulus to the industry by requiring that electricity retailers source an additional two percent of their supply from renewable or specified waste sources.

In December 2007, the new Australian Government ratified the Kyoto Protocol as its first official act and has set a target to reduce greenhouse gas emissions by 60 percent on 2000 levels by 2050. The Federal Government is expected to develop grants and policy initiatives designed to substantially increase the number of renewable energy projects. This is also coming at a time when a number of states are facing potential energy shortfalls due to aging infrastructure.

Wind powered energy is one of the most rapidly growing areas of renewable energy in Australia. Foreign manufacturers of wind turbine equipment, primarily from Germany and Denmark, have set up representative offices, and in-country manufacturing facilities.

Australia also uses a range of biomass technologies. The most common is bagasse-generated energy used for the sugar industry and the national grid. Biofuels are another area of growth and a number of groups are working on several initiatives including large-scale bio-diesel and ethanol manufacturing. U.S. companies are making inroads into this area. Given the relatively new nature of these industries, industry sources do not know which countries are the major suppliers.

The Australian climate and location is ideally suited to solar power. Australia has become a world leader in photovoltaic (PV) technology. Cumulative installed PV electric power is around 52MW with 90 percent being off-grid. European and U.S. participation in PV cells is low. Asian suppliers dominate the PV cell import market.

## Best Products/Services

[Return to top](#)

- Suppliers to solar cell manufacturers.
- Solar energy equipment, particularly for isolated communities.
- Small-scale (<200kW) to large-scale (>2MW) wind turbines.
- Energy storage technology for intermittent generation.
- Geothermal generation technology for low temperature sources.
- Biomass generating technology.

## Opportunities

[Return to top](#)

Companies are planning/considering the following projects:

Company	Value USD millions	Project
Renewable Power Ventures	250	63-turbine wind farm in Capital Hill, NSW
RES Southern Cross	154	50-tower wind farm nears Taralga, NSW
Wind Hydrogen	382	116-turbine wind farm in Victoria
Wind Farm Developments	55	21-turbine wind farm at Naroghid, Victoria
TrustPower Australia	166	42-turbine wind farm in South Australia

Companies are also considering a number of ethanol plants, biodiesel facilities, and biomass-based power stations.

## Resources

[Return to top](#)

### Trade Show

Clean Energy Council Conference and Exhibition 2008 (inaugural event)

Date: Later part of 2008

Location: Yet to be determined

<http://www.cleanenergycouncil.org.au>

### Associations/Agencies

Renewable Energy Generators of Australia: <http://www.rega.com.au>

Australian Wind Energy Association: <http://www.auswea.com.au>

Australian Greenhouse Office: <http://www.greenhouse.gov.au>

Clean Energy Council: <http://www.cleanenergycouncil.org.au>

Australian Bureau of Agriculture and Resource Economics: <http://www.abare.org.au>

U.S. companies seeking information on the Australian renewable energy market are encouraged to contact John Kanawati at the U.S. Commercial Service in Sydney (email: [john.kanawati@mail.doc.gov](mailto:john.kanawati@mail.doc.gov)).

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## SOFTWARE (SFW)

### Overview

[Return to top](#)

### DATA TABLE (Millions US\$)

	2005	2006	2007 (estimated)
Total Market Size	5,500	6,000	6,500
Total Local Production	1,550	1,850	2,000
Total Exports	800	900	1,000
Total Imports	4,000	4,150	4,500
Imports from the U.S.	1,700	2,000	2,500

Exchange rates:

2005 0.762  
2006 0.753  
2007 0.886

The local software market was worth US\$6 billion in 2006 and should reach US\$6.5 billion by 2008. Overall it is growing at approximately eight percent. Some sub-sectors such as security solutions and Voice Over Internet Protocol (VOIP), however, have enjoyed double digit growth for many years.

The Australian software market offers some of the best opportunities for U.S. technology developers. The Australian IT market is mature and sophisticated. End-users, whether in corporate, public, or retail sectors, were early adopters of cutting-edge, technology products. U.S. companies and their products are widely-accepted in the local market, making it easier for new-to-market companies to enter the market. In 2005, U.S. software accounted for 42 percent of Australia's software imports.

Third-country and cutting-edge, software technologies are also well-established in the local market. Companies such as SAP, Fujitsu, and Alcatel have a strong client base in the local market. Israel, Japan, Germany, and the United Kingdom are the most common source of imports of third-country software into Australia.

Local market partners are very experienced in working with U.S. high-tech companies and have an excellent understanding of how best to market and generate sales leads in Australia. This and the commonality of English as the main spoken language, mean that Australia has become one of the first, non-U.S. destinations that U.S. software companies should consider. It is easier to find a local partner for cutting-edge applications than a mature, me-too product. Since it can be expensive to market a new product, local partners will want to ensure that they can maximize their return on investment, which a cutting-edge technology will ensure. The challenge for U.S. software developers when identifying a local partner is to fully understand the local market opportunities. Australia is a relatively-small market with a population of 20 million. Many potential partners will be small companies with four to eight, full-time employees.



Australia can provide excellent opportunities for small-to-medium (SME), U.S. software companies.

## **Best Products/Services**

[Return to top](#)

Unless the software has application to a specific, vertical market, the best opportunities lie in selling solutions to Australia's largest technology consumers. These include the government, finance/insurance, telecommunications, and retail markets. Solutions these markets demand include: voice messaging solutions (including VoIP applications); security solutions for networks/email environments/anti spam and "phishing;" workflow/document and asset management; corporate governance compliance solutions; and data cleansing and quality tools.

Software as a Service (SaaS) as a delivery mechanism is gaining traction with local end-users, SME companies.

## **Opportunities**

[Return to top](#)

- The provision of goods and services to Federal and State Government agencies offers excellent opportunities for U.S. IT companies. Some of the multi-million dollar contracts on offer are for the provision of a suite of very complex services calling for an experienced prime contractor. It is possible, however, for a smaller local integrator to win part of the contract if it has participated in the tender bid, due to the nature of the specific technology and product skills. Thus, if the U.S. company partners with a well-connected local firm, the opportunities present in this market segment are very promising.
- Good opportunities exist in the private sector in the finance/insurance, telecommunications, retail, and manufacturing markets.
- Australia has only just begun to see local ISPs offering viable, robust VoIP solutions to consumers. With over 4.3 million subscribers and the number expected to grow strongly again in the next year, U.S. developers of VoIP solutions should find substantial opportunities in the local market.
- Security solutions are also in demand. Given the ever-changing nature of security threats to networks, email systems, and websites, governments and companies are prepared to devote a good proportion of their IT budgets to ensuring that their assets are secure. This is particularly true for the government agencies like defense and Centrelink (welfare agency), as well as all private financial institutions.
- Software as a Service solution.

## **Resources**

[Return to top](#)

## **Trade Events**

CeBIT Australia, 2008  
Date: May 20-22, 2008  
Location: Sydney Convention & Exhibition Center  
Website: <http://www.cebit.com.au>

The U.S. Commercial Service is organizing a U.S. Pavilion in CeBIT Australia 2008 to provide a cost-effective platform for American companies to introduce their products and technology to this trade audience. Companies new to the Australian market, as well as those with established distributor relationships, should participate. Please visit our website at: <http://www.buyusa.gov/australia/en/eventsinoz.html> for further details on CeBIT and other events in Australia.

AusCert Asia Pacific Information Technology Security Conference 2008  
Date: May 18-23, 2008  
Location: Crowne Plaza, Royal Pines Resort, Gold Coast  
Website: <http://conference.auscert.org.au/conf2008/>

An international conference focussing on IT security for CFOs, CIOs, CTOs and technical staff from government agencies, universities and industry. Featuring local and international IT security experts.

### **Publications**

Australian Reseller News: <http://www.Arnnet.com.au>  
CIO: <http://www.cio.com.au>

### **Associations/Government Agencies**

Australian Communications Authority: <http://www.aca.gov.au>  
▪ The Australian Communications Authority is the chief regulator of the Telecommunications and Radiocommunications Act.

Australian Information Industry Association: <http://www.aiia.com.au>  
▪ The AIIA is the industry association acting for the local IT industry.

Internet Industry Association of Australia: <http://www.iia.net.au>  
▪ Australia's national industry body for Internet commerce, content and connectivity.

U.S. companies seeking information on the Australian Information Technology market are encouraged to contact Duncan Archibald at the U.S. Commercial Service in Sydney (email: [duncan.archibald@mail.doc.gov](mailto:duncan.archibald@mail.doc.gov)).

## TRAVEL AND TOURISM (TRA)

### Overview

[Return to top](#)

Australia ranks as the sixth-largest overseas market for visitors to the U.S. In 2006, Australian arrivals totaled a record 603,275, a four percent increase compared to 2005. This increase follows on strong double-digit growth in 2005.

Australians generally stay longer (average of 22 days) and spend more money than other international visitors, making their impact on U.S. tourism even more significant. The Australian Dollar experienced a significant appreciation against the U.S. Dollar during 2007, and, while they have stronger buying power, Australian travelers are seeing instant value. Australians tend to travel during the off-season months of April, May, June, September, and December.

Most Australian travelers to the U.S. are physically fit, independent, and quite resilient. Australians may change their travel plans in response to global incidents, but they do not stop traveling overseas.

In October 2007, the Australian Dollar rose to its highest level against the U.S. Dollar in 23 years, trading 18 percent higher than in October 2006. As a result of the stronger buying power of the Australian Dollar, a booming economy, and an increase in household wealth, more Australians than ever before are traveling overseas.

### Best Products/Services

[Return to top](#)

In previous years, Australians saved for one or two big trips to the United States. Tour operators are now finding that many Australians are returning to the U.S. more frequently. 'Triangle' itineraries from Anaheim/Los Angeles to Las Vegas/Grand Canyon to San Francisco remain popular. Australian cities are relatively small, compared to other major cities around the world, and Australians are attracted to metropolitan experiences such as New York, Los Angeles, and San Francisco.

Travel to the U.S. is forecast to continue to increase in 2008. Opportunities for growth include:

#### Ski Holidays

The number of Australians who ski overseas has grown markedly in the past few years. Colorado is one of the most popular destinations in the U.S., followed by Canada and Japan. With the strong Australian Dollar, this growth should continue into the 2007/2008 ski season and opportunities exist to further promote skiing holidays in the U.S. Winter is a good time to attract Australian travelers to the U.S. as it corresponds to the Australian Summer when school holidays are longer.

#### Baby Boomer Travel

The baby boom generation is a growing force in Australia's travel market. Australian baby boomers have money and time, and are willing to spend both on traveling. Many

baby boomers are looking for soft adventure travel but with the security of group travel, at an easy pace, and with all arrangements organized for them.

### Adventure Travel

Australians live in an active outdoors culture and interest in adventure travel is growing steadily amongst Australians. Specialist adventure travel operators report continual increases in demand. More Australians are seeking to do more than just observe beautiful scenery and are seeking a physical interaction with the environment.

### Shopping

Shopping is the second most popular activity for Australians when they visit the U.S. With the Australian Dollar trading at a favorable exchange rate, shopping in the U.S. is an increasingly attractive proposition and, accordingly, tour operators are packaging more shopping excursions.

### Sporting Holidays

Sports-loving Australians are increasingly combining their holidays around major sporting events. Greater media coverage of sporting events, higher disposable incomes and more affordable travel have all driven the growth in sports tourism in recent years. Australian travelers are combining attendance at a major sporting event with a visit to other parts of the U.S. Specialist operators selling sporting holiday are packaging U.S. events such as the Indianapolis 500, U.S. Tennis Open, and the U.S. Masters (golf).

## **Resources**

[Return to top](#)

Office of Travel and Tourism Industries

<http://www.tinet.ita.doc.gov/cat/f-2006-140-001.html>

U.S. companies seeking information on the Australian travel and tourism industry are encouraged to contact Monique Roos at the U.S. Commercial Service in Sydney (email: [monique.roos@mail.doc.gov](mailto:monique.roos@mail.doc.gov)).

## WATER RESOURCES EQUIPMENT/SERVICES (WRE)

### Overview

[Return to top](#)

DATA TABLE (Millions USD)

	2005	2006	2007
Total Market Size	1,173	1,235	1,300
Total Local Production	352	370	390
Total Exports	53	56	59
Total Imports	874	921	969
Imports from the U.S.	131	138	145

All amounts are in USD millions

Exchange rate:

2008 0.762

2009 0.753

2010 0.836

The above figures are unofficial estimates.

Australia spends an estimated USD4.2 billion on the water and wastewater treatment sector. Water collection and distribution accounts for about 70 percent of this spending. Product quality and treatment accounts for 30 percent of spending. Direct purchases of capital equipment accounts for 30 percent of that total spending.

Local firms manufacture the majority of pipes, fittings, and small-scale sewage treatment process equipment. Many local firms also manufacture under license. Imports supply approximately 60 percent of the market. France and Germany are the main suppliers, followed by the U.S.

A severe drought that began in 2002 has had the biggest impact on the Australian water and wastewater sector. While the crisis has eased over the last few months, water storage levels remain critically low in other cities and regional areas. Governments at all levels are grappling with strategies and projects aimed at securing future water supply.

Almost all of Australia's key industry sectors source water from the same catchment areas used to supply households. Some of these sectors are now developing a number of small water recycling projects. As the value of water increases, industries that are major users of water will find it more feasible to treat their own wastewater internally for re-use. Recycled water is also expected to affect households and a number of new housing developments are incorporating 3rd pipe reticulation to allow for recycled water.

Water authorities continue to spend significantly in the area of pipelines, storage, cleanup projects, pump stations and treatment plants. In addition, some water authorities servicing key cities such as Perth and Sydney have already commenced construction on major seawater desalination plants. Utilities are planning more large-scale desalination plants.

## Best Products/Services

[Return to top](#)

- Desalination technology
- Trenchless technology for pipeline replacement and nondestructive technology designed to detect and anticipate leakages and failures.
- Smart metering systems for remote and peak/off-peak measurement.
- Biofiltration systems
- Presses for conversion of water or sludge waste
- New oxidation systems for the removal of chemicals from industrial wastewater
- Filtration equipment for industrial waste applications
- Flowmeters for wastewater measurement.

## Opportunities

[Return to top](#)

Companies are planning/considering the following projects:

Company	Value USD millions	Project
Wyong Shire Council	62	7,000 Megaliter Desalination Plant in Gosford
Melbourne Water	250	Upgrade of Eastern Treatment Plant
Gold Coast City Council	66	Raising the Hinze Dam, Stage 3
BHP Billion	250	Seawater Desalination Plant in Whyalla, SA
United Utilities	365	Desalination Plant to Esperance Goldfields, WA

## Resources

[Return to top](#)

### Trade Events

Enviro08 Conference and Exhibition

Date: May 5 – 7, 2008

Location: Melbourne Exhibition and Convention Centre

<http://www.enviroconvention.com.au>

2<sup>nd</sup> Annual NSW WIOA Water Industry Engineers and Operators Conference

Date: April 8-10, 2008

Location: Newcastle, NSW

<http://www.wioa.org.au>

### Associations

Australian Water Association: <http://www.awa.asn.au>

Water Services Association of Australia: <https://www.wsa.org.au>

Water Industry Operators Association: <http://www.wioa.org.au>

U.S. companies seeking information on the Australian water industry are encouraged to contact John Kanawati at the U.S. Commercial Service in Sydney (email: [john.kanawati@mail.doc.gov](mailto:john.kanawati@mail.doc.gov)).

As educated, affluent consumers, Australians are willing to try new products. The population has absorbed a growing number of newly arrived immigrants from all over the world who bring with them diverse dietary tastes. In addition, foreign travel is relatively common, especially by the generation now entering the work force, and these consumers have broadened their culinary horizons.

Australian demographics are similar to those in the United States, with a large number of two-income families and the consequent need for more processed and consumer-ready foods. Australian consumers are oriented toward the same factors that many U.S. consumers seek - freshness, wholesomeness and healthy lifestyles. To a large extent, they are prepared to pay extra for them.

Given Australia's large agricultural base, market prospects for U.S. food products are best in areas drawing on innovative products, economies of scale, and the U.S. position as a counter-seasonal supplier of fresh product (for information on food export restrictions into Australia, see Chapter 5). Total exports of U.S. food, forestry and fishery products to Australia in 2006 were about US\$599 million. The nature of agricultural products exported from the United States to Australia consists mainly of consumer-oriented and intermediate food products.

The United States faces stiff competition in this market from European and Canadian suppliers, as well as from specialty suppliers in other Asian countries. Domestic production is also well established and growing in product lines. Foreign investment in the Australian food sector is substantial, with many large multinational companies participating.

### **Best Product Prospects**

The **organic and natural products** market in Australia is growing rapidly. Although Australia is a large producer of organic raw products, it does not have the manufacturing capacity to satisfy demand for the processed segment. Prospects are excellent for organic and natural ingredients as well as consumer-ready processed foods and beverages. Examples of this are the rice & grain cakes segment of the biscuits category that experienced growth of 21 percent in 2006. Likewise, organic pasta sauce was the best performing segment of the pasta sauce category.

The **Fruit/tea drinks** segment continues to perform well with overall growth by grocery volume of 24 percent in 2006.

The **Sports and energy drinks** segments are now the best performing in the cold beverage category with volume growth of 33 and 28 percent respectively in 2006. The value of these two sectors is now US\$123 million - a rise of US\$41 million over the 2005 value.

**Breakfast Cereal** – the 'portables' segment of this category has shown the most growth in 2006 with a volume increase of 24 percent.

To view individual commodity reports produced by the Foreign Agricultural Service please go to the following website:  
<http://www.fas.usda.gov/scriptsw/attacherep/default.asp>

[Return to table of contents](#)



## Chapter 5: Trade Regulations and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

### Import Tariffs

[Return to top](#)

In the past two decades, Australia has progressively reduced import tariffs that shielded protected industries. Tariffs now average 5% or less with a few exceptions such as motor vehicles, clothing and footwear. The result has been a shift in emphasis towards value-added and skilled manufacturing processes that have become more competitive in domestic and international markets. The remaining protection will phase out over time, with 2010 the target to bring protected areas such as textiles, clothing and footwear (TCF) into line with other products and with the goals of the Asia Pacific Economic Cooperation forum (APEC).

### The U.S.- Australia Free Trade Agreement (AUSFTA)

The Free Trade Agreement between the United States and Australia that came into effect on January 1, 2005 eliminated 99 % of tariffs on U.S.-manufactured industrial and consumer goods, and all agricultural products exported to Australia. This immediate reduction of industrial tariffs covered 93% of total U.S. sales to the Australian market, and over time will create new export opportunities for American manufacturers. Remaining selected duties on other manufactured goods will phase out by 2015.

### Rules of Origin

Goods for the purposes of tariff categorization are classified according to the Harmonized System (HS). To be eligible for preferential tariff treatment under AUSTFA, products must originate in the United States, that is, be wholly obtained or produced in the United States, or produced in the United States wholly from other originating materials from either Australia or the United States. They may also be produced in the United States partly from non-originating materials, if such non-originating materials meet the requirements of rules of origin, which determine the level of area content, and/or the sort of physical transformation required in the production process for the goods. Before claiming preference, local *importers* are required to take reasonable care to ensure that the goods meet the relevant rule of origin. Australian importers, U.S.

exporters, and U.S. producers of goods may obtain advance rulings from Customs regarding importations of goods into Australia. Customs will provide written advice on origin matters through the provision of an Origin Advice (OA). The OA exists to advise Australian importers, U.S. producers, and U.S. exporters on specific issues relating to the origin of their goods for the purposes of determining eligibility for preferential duty rates for goods Australia imports.

Australian Customs Manual Volume 8C, Division 10, contains information on how the Customs administers AUSFTA. This manual is available on the Customs website, <http://www.customs.gov.au>, and the full text of the AUSFTA is available on the Department of Foreign Affairs and Trade website, <http://www.dfat.gov.au>.

## **Non-Tariff Barriers**

As well as the elimination of tariffs, AUSFTA affords benefits in a range of other sectors as well: certain services markets are now open; intellectual property receives better protection; predictable access facilitates investments; and U.S. firms can compete in Australia government tenders on a nondiscriminatory basis. Some of these relaxations did not come into effect immediately, and until such time, existing impediments to a free flow of trade will remain. Some aspects, including provisions for local broadcasting content and local industry involvement expectations in major defense contracts, have been excluded from the agreement.

## **Trade Barriers**

[Return to top](#)

## **Quarantine**

The Australian Quarantine and Inspection Service (AQIS) is the federal body responsible for enforcing Australia's quarantine regulations, including issuing permits and inspecting shipments. The AQIS website <http://www.daffa.gov.au/aqis> offers substantial useful information.

Australia is a signatory to the WTO "Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures" (April 15, 1994). U.S. exporters, however, can find it very difficult to comply with Australia's import quarantine requirements. Aside from issues relating to the importation of foodstuffs and animals, quarantine measures extend to include a number of other imported products including farm, mining and construction machinery, some packaging types, and any other product that may pose a contamination risk to Australia's agricultural industry or natural environment.

**The Australian government enforces its quarantine measures very seriously. Importers have little recourse once a shipment encounters quarantine issues.**

Machinery imports may require an AQIS-issued import permit and it is a condition of the permit that machinery arrives in a clean state – where clean refers to "clean as new", Australian importers should contact AQIS to determine if they need an import permit. Note: "The classification of machinery as 'new' and 'agricultural' is at AQIS' discretion. For quarantine purposes, new field-tested equipment is classified as 'used machinery,' and will require an Import Permit." AQIS has the power to re-export contaminated machinery – and has done so on numerous occasions when the machinery landed in

Australia in an unclean state. Detailed information on importing machinery is available at -  
[http://www.aqis.gov.au/icon32/asp/ex\\_QueryResults.asp?Commodity=machinery&Area=All+Countries&EndUse=All+End+Uses](http://www.aqis.gov.au/icon32/asp/ex_QueryResults.asp?Commodity=machinery&Area=All+Countries&EndUse=All+End+Uses)

Packaging of imported goods presents a challenge to U.S. exporters, particularly where the packing materials include wood or other natural products. Information on compliance requirements is available at –  
[http://www.aphis.usda.gov/import\\_export/plants/plant\\_exports/wpm/country/index.shtml](http://www.aphis.usda.gov/import_export/plants/plant_exports/wpm/country/index.shtml)

For other products that may need to comply with Australia's quarantine regulations, U.S. exporters should check the requirements on the AQIS import condition (ICON) database at <http://www.aqis.gov.au/icon>. Click on ICON Search and enter the commodity name and end use and conduct a "pattern match" search.

### **Chemical Import Requirements**

There are several agencies that deal with importing chemicals to Australia, depending upon the proposed end use of those chemicals or compounds. The primary agency responsible for chemical imports is the National Industrial Chemicals Notification and Assessment Scheme (NICNAS) - <http://www.nicnas.gov.au>

Other agencies involved in regulating chemical imports include:

- Australian Pesticides & Veterinary Medicines Authority (APVMA) – <http://www.apvma.gov.au>
- Therapeutic Goods Administration (TGA) – <http://www.tga.gov.au>
- Food Standards Australia New Zealand (FSANZ) - <http://www.foodstandards.gov.au>

The relevant agency and regulations that will apply to a particular chemical import depend upon the end use of the product. NICNAS has a useful site illustrating the scope of the various agencies  
[http://www.nicnas.gov.au/Chemicals\\_In\\_Australia/Chemical\\_Schemes.asp](http://www.nicnas.gov.au/Chemicals_In_Australia/Chemical_Schemes.asp)

The Australian importer is responsible for notifying the relevant agency of the chemical it is introducing to Australia. The Australian importer could be a local subsidiary of a U.S. firm, an agent, or an end-user. The importer, not the U.S. exporter, usually completes the required paperwork.

Importers can find it complicated to introduce chemicals into Australia, given the level of regulation. It is therefore very helpful to U.S. companies interested in the Australian market to find Australian agents or importers familiar with requirements. NICNAS provides some guidance on the regulations in the following brochure:  
[http://www.nicnas.gov.au/Industry/Compliance/Compliance\\_Checklist\\_PDF.pdf](http://www.nicnas.gov.au/Industry/Compliance/Compliance_Checklist_PDF.pdf)

You may also need to ensure that your product complies with the Australian Dangerous Goods Code requirements, which are based upon international standards. State-based government health and safety agencies enforce these codes. The codes differ slightly from state-to-state. The following link provides a list of these agencies:  
<http://www.emplan.com.au/dangerous-goods/dangerous-goods.htm>

U.S. exporters will find that local requirements concerning Material Safety Data Sheets (MSDS) can differ from those in the U.S. You can find details regarding labeling, handling, and MSDS requirements at:

<http://www.ascc.gov.au/ascc/HealthSafety/HazardsSafetyIssues/HazardousSubstances/>

<http://www.ascc.gov.au/ascc/HealthSafety/HazardsSafetyIssues/HazardousSubstances/LebellingAndClassifying/CodeofPracticePreparation/NationalCodeofPracticeforthePreparationofMaterialSafetyDataSheets.htm>

## **Import Requirements and Documentation**

[Return to top](#)

### **Importing Goods**

The Australian Customs Service (Customs) has sole jurisdiction to clear imports. Local importers are responsible for obtaining formal Customs clearance for goods.

While there are several methods of valuing goods for Customs purposes, the method most frequently applied (transaction value) is based on the price actually paid (or payable) for the imported goods subject to certain adjustments. A major condition for using the transaction value is that there is no relationship between the buyer and seller that may influence the price. Valuation of imported goods can be complex and importers are urged to seek advice from a customs broker or to contact Customs. The Australian Customs Brokers and Forwarders Council posts a list of members at:

<http://www.cbfa.com.au/MembersDirectory.aspx>

Goods entering Australia may incur duty and/or Goods and Services Tax (GST), and charges. Customs duty rates vary and depend on a number of factors, such as type of goods and country of origin. For most U.S.-origin goods, duties are waived under the AUSFTA.

Customs does not require companies or individuals to hold import licenses, but importers may need to obtain permits to clear the goods. Further information on permits is contained in the import prohibitions and restrictions chapter of the useful "Customs Guide for Business", at: <http://www.customs.gov.au/site/page.cfm?u=4369>

The minimum amount of documentation required for Customs clearance comprises a completed Customs Entry or Informal Clearance Document (ICD), an air waybill (AWB) or bill of lading (BLAD), as well as invoices and other documents relating to the importation. Customs does not require the completion of a special form of invoice. Normal commercial invoices, bills of lading and receipts are acceptable. These documents should contain the following information:

- invoice terms (e.g., FOB, CIF),
- monetary unit referred to on invoice (e.g. AUD\$, US\$),
- country of origin,
- name and address of the seller of the goods (Consignor)

Some authorities, issuing permits required for import, publish brochures/pamphlets about their areas of concern. These agency publications may not, however, always

reflect current Customs legislation and procedures and, accordingly, it would be advisable to contact a Customs Information Center to check these issues.

## **Goods and Services Tax**

The liability to pay GST for imports rests with the importer. Payment of GST may not be required if the goods are being imported temporarily. Imported, second-hand goods are treated the same way as any taxable goods and are therefore subject to GST. Under the GST, the amount paid or payable for international transport and insurance is also added to the taxable importation value. GST is currently levied at a rate of 10%. Further information on GST can be found on the Australian Tax Office Website:

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

## **U.S. Export Controls**

[Return to top](#)

Australia is an important contributor to international control regimes relating to weapons of mass destruction. As such, it maintains a system of export controls on defense and dual-use items. Export controls on strategic goods are enforced through the Customs Prohibited Exports regulation, and administered by the Australian Department of Defense. Controlled goods are consolidated into the Defense and Strategic Goods List, containing defense and related, nuclear, and dual-use goods. Controls are applied through permits or licenses issued by the Department of Defense Trade Control and Compliance Section. Goods are listed with numbering common to major trading partners in strategic goods, and the numbering system of the Munitions List is derived from the Wassenaar Arrangement.

Australia is a member of international export control regimes including the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, the Australia Group on chemical and biological weapons materials, and the Nuclear Suppliers' Group, and the Missile Technology Control Regime. Guidance for controls on exports from Australia is obtainable by visiting:

<http://www.defence.gov.au/strategy/deco/>

Australian Customs is responsible for enforcement of the regulations at the point of export. Customs issues Export Clearance Numbers, based on export data lodged by exporters, which are checked electronically against required permits and licenses. Cargo may not leave Australian points of departure unless allocated an Export Clearance Number.

## **Temporary Entry**

[Return to top](#)

Goods may be brought into Australia on a temporary basis without the payment of duty or taxes for of up to twelve months. These goods, referred to as Temporary Imports, are considered temporary according to sections of the Australian Customs Act, or because of entry under a 'carnet.' All temporary imports must be re-exported within the period approved by Customs. The nature of the goods, what they will be used for while they are in Australia, and who is importing them will determine the provisions for which the goods may be eligible. Australia accepts two types of carnets, ATA Carnets and CPD carnets (more commonly known as FIA/AIT carnets).

The provisions cover temporary importation of goods owned by tourists and temporary residents, and goods in certain categories such as traveler's samples and goods imported for display at trade fairs. Also covered are goods eligible for admission under the provisions of certain international agreements to which Australia has acceded, information about which can be found in the Australian Treaties Library at: <http://www.austlii.edu.au/au/other/dfat/treaties/>

Copies of normal commercial import documents such as invoices, packing lists, bills of lading or airway bills, quarantine certificates and other shipping papers should be lodged with the any application for temporary entry, together with evidence of intended use of the goods in accordance with the relevant Customs Convention(s).

## **Labeling and Marking Requirements**

[Return to top](#)

U.S. suppliers should be aware of Australia's rules and procedures regulating the packaging, labeling, ingredients, marketing and sale of specific products, and of general weights and measures.

In general, goods imported in the packages in which they are customarily sold or offered for sale need to be marked with a true description of the goods and the country in which the goods were made. The trade description needs to be applied to the packages in prominent and legible characters. Any additional information applied and/or labeled on the packages must be true and may not contradict or obscure the information required as part of the trade description.

The quantity of a commodity sold in a package must be truly stated on the main display panel of the package, in units of the metric system. The word "net" should always be used when expressing quantity in mass.

The joint Australia New Zealand Food Standards Code requires all packaged food to be labeled with nutritional information on how much fat, protein, energy, carbohydrates, and salt is in the product. Labels must also show the percentage of key ingredients and all of the main ingredients that may cause allergies.

Information on the Food Standards Code (and a nutritional panel example) can be viewed on the website of Food Standards Australia New Zealand (FSANZ), <http://www.foodstandards.gov.au/thecode/>. Detailed guidance is also available in the Food & Agricultural Import Regulations and Standards (FAIRS) report from the Office of the Agricultural Counselor, U.S. Embassy, Canberra, Australia. This report is updated each year. A copy of the latest FAIRS report (#AS7040) is available on the following web site: <http://www.fas.usda.gov/scriptsw/attacherep/default.asp>

Mandatory labeling of genetically modified foods, where introduced DNA or protein is present in the final product, came into force in Australia in December 2001. Details of the requirements for biotech labeling and other labeling requirements are available in FSANZ User Guides at the following web site: <http://www.foodstandards.gov.au/thecode/assistanceforindustry/userguides/index.cfm>

U.S. exporters should ask their Australian importer to ensure that their products comply with Australian Federal and State Government labeling regulations before shipping any product.

Australia has stringent prohibitions and quarantines against a number of products, particularly those considered to be of potential public danger and agricultural products that are considered to have the potential to introduce pests or disease (see section below). Restricted items include drugs, steroids, weapons/firearms, heritage items, food, plants and animals, and protected wildlife. It is important to note that while some items may be imported, their use may be prohibited under individual State laws.

### **Sanitary and Phytosanitary Restrictions Affecting Imports**

Australia has stringent sanitary and phytosanitary restrictions affecting imports of fresh fruit and vegetables and imports of meat and poultry products. Under Australia's quarantine and inspection process, foreign-grown agricultural commodities must have an import risk analysis (IRA) before entering the country. An IRA to determine how and if the risk can be managed can take an average of two years to complete. Australia's "acceptable level of protection" is considered extremely restrictive, making access to the Australian market often difficult, expensive, time-consuming, and in some cases, virtually impossible.

All produce should have an Australian import permit and a U.S. phytosanitary certificate. The import permit can be requested from the Department of Agriculture, Fisheries and Forestry Australia in Canberra, or from the appropriate State Departments of Agriculture, located in the respective State capitals. The permit may specify additional import requirements.

When applying for import permits, as much detail as possible should be provided as to where the product is grown and how it is processed, so that the appropriate advice on treatments can be given without having to request additional information from the U.S. exporter.

All meat and poultry products must be accompanied by an Australian Import Permit and appropriate USDA Animal Health Certificate, and must originate from a plant approved for export to Australia.

The Australian Quarantine and Inspection Service (AQIS) has a detailed import conditions database on their website, called ICON, at <http://www.aqis.gov.au/icon>. Click on ICON Search and enter the commodity name and end use and conduct a "pattern match" search.

The AQIS site (<http://www.aqis.gov.au>) also contains information on Australian labeling requirements for imported packaged food, requirements for animals and animal products, documents for public comment (including import risk analyses), fee schedules, on-line forms, WTO Sanitary & Phytosanitary notifications, etc. This information is updated regularly.

The Australian Government expects that the international trading community will comply with Customs-related law in all transactions involving the importation of goods and services. Minimum documentation begins with a waybill and commercial invoice.

The Australian Customs Service (Customs) regulates the movement of goods and people across the Australian border and collects customs and other revenue. A principal objective is to maximize voluntary compliance and eliminate future errors. Customs does not scrutinize every transaction, relying on clients to self-assess the correctness of transactions. Australian importers are legally responsible for the accuracy of information supplied to Customs, regardless who prepares the documents. Cargo reporters, importers, customs brokers, freight forwarders, depot and warehouse proprietors, financial institutions, information storage facilities, bureau services, owners, stevedores, etc may be subject to compliance checks conducted by Customs, using its monitoring powers under the Customs Act. The importer is also responsible for *verification* of the country of origin. The *shipper* should declare on the commercial invoice "*the goods are of U.S. manufacture and comply with AUSFTA*".

Penalties apply for non-compliance with Customs legislation, and offences do not require intent to be proven. Information and legislation requirements associated with import and export transactions are extensive. It is the responsibility of importers to familiarize themselves with the information provided by Customs. All imported goods must be entered in accordance with approved documentation, classified correctly, and any surplus goods reported. Items not ordered, samples, and promotional merchandise must also be entered. All relevant commercial documents must be retained for five years from the date of entry.

Clicking on this link will take you to Customs web site:

<http://www.customs.gov.au/site/page.cfm>. The site provides extensive information and guidance, some of which was used in the preparation of this section. For more details about information on the Customs web site, email: [information@customs.gov.au](mailto:information@customs.gov.au).

Clients can also contact a Customs Information and Support Center on 1300 363 263 from anywhere within Australia, or + 61 2 6275 6666 from outside Australia.

## Standards

[Return to top](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

## Overview

[Return to top](#)

Australia is a signatory to the GATT/WTO Standards Code. Use of quality standards, such as the ISO 9000 series, is common and increasing. Standards Australia, the national standards body, has a Quality Assessment division and can provide a list of those companies adhering to the ISO 9000 series.



Australia still has in place various standards that can affect product entry, and while these may require product modifications, they are not insurmountable obstacles to U.S. companies.

## **Standards Organizations**

[Return to top](#)

Standards Australia, a non-profit organization, is Australia's leading standards development organization. While not a government agency, through a Memorandum of Understanding with the Commonwealth Government, Standards Australia is recognized as the leading ("peak") non-government standards development body in Australia. In partnership with SAI Global, it delivers standards and related products to industry.

It has 72 Members representing groups with an interest in the development and application of standards. It is Australia's representative on the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), and the Pacific Area Standards Congress (PASC).

Standards Australia develops and maintains more than 7,000 Australian Standards, and provides input into the development of approximately 18,000 International Standards by ISO and IEC. It publishes and distributes standards through a private corporation, SAI Global Ltd.

Standards Australia has a policy of adopting International Standards wherever possible. This policy is in line with Australia's obligations under the World Trade Organization's Code of Practice, which requires the elimination of technical Standards as barriers to international trade. As a result approximately 33% of current Australian Standards are fully or substantially aligned with International Standards. Areas of industry where no significant International Standards exist include building, construction and occupational health and safety. Around one third of Australian Standards simply have no international equivalent.

There are other standards organizations as well, but chief among these for U.S. exporters are: the Australian Communications Authority (ACA), the Australian Environmental Protection Agency, and the Therapeutic Goods Administration (TGA).

The Australian Communications Authority (ACA) mandates technical standards relating to items of customer equipment, customer cabling and specified devices. These standards include the Electromagnetic Compatibility Arrangements (EMC) and Electromagnetic Radiation Arrangements (EMR). Before a product covered by the EMC regulatory arrangements can be sold in Australia it must be tested to applicable standards and labeled. The label consists of a mark called "C-Tick" and a unique supplier identification. The C-Tick mark is intended for use on products that comply with EMC standards.

Safety-related automotive parts and accessories on a vehicle for environmental compliance (EPA compliant) must adhere to Australian Design Rules and Australian automotive standards as well as environmental compliance from the Australian Environmental Protection Agency. However, the supply of OE

(Original Equipment) automotive parts must adhere to Quality System QS9000, the system adopted in the U.S. by Ford, General Motors and Chrysler.

Certain medical devices and equipment must receive approval from the Therapeutic Goods Administration (TGA) prior to use.

Imported consumer products, such as food products, must comply with state packaging regulations. However, the Australian states agree that any product, including imports, meeting the legal requirements of one state, may be sold in all other states and territories. State agricultural quarantines prohibit interstate trade of some items.

American exporters of food products to Australia will find their product falling under the Australia New Zealand Food Standards Code (<http://www.foodstandards.gov.au/>). Food Standards Australia New Zealand (FSANZ) developed the code's standards. This is a bi-national independent statutory authority that develops food standards for composition, labeling and contaminants, including microbiological limits, that apply to all foods produced or imported for sale in Australia and New Zealand. In Australia, FSANZ (formerly ANZFA) develops standards to cover the entire supply chain for food, from primary producers through manufacturing and processing to delivery and point of sale.

Australian Quarantine and Inspection Service (AQIS) is responsible for enforcing the Standards Code for imported foods.

Both Standards Australia (<http://www.standards.org.au/>) and the National Institute of Standards and Technology (NIST), (<http://www.nist.gov/>) have current information on Australian standards.

### **NIST Notify U.S. Service**

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

### **Conformity Assessment**

[Return to top](#)

SAI Global Ltd. offers conformity assessments as a business service.  
<http://www.saiglobal.com/shop/script/Provider.asp?Db=AS>

### **Product Certification**

[Return to top](#)

SAI Global provides certification services for Australian Standards.

### **Accreditation**

[Return to top](#)

The Standards Accreditation Board is an independent Board reporting to the Council of Standards Australia, with the role of accrediting standards development organizations that wish to develop standards to be published as an Australian standard.

The accreditation process determines the competency of an organization to develop Australian standards. More information about the process by which the SAB grants accreditation can be found on the Board's website.

### **Publication of Technical Regulations**

[Return to top](#)

In an agreement with Standards Australia, SAI Global Ltd. is the lead publisher of Australian Standards as well as other standards such as ISO, DIN (German Institute for Standardization), IEC, and Japan Standards Association.

### **Labeling and Marking**

[Return to top](#)

A number of voluntary and mandatory labels and marks indicating standards conformance are in use in Australia, including international standards such as ISO and IEC. Information about the required labels can be found by contacting the relevant standards organization.

For example, electrical products supplied in Australia must comply with both electrical safety and EMC (electromagnetic compatibility) requirements. Those products that gain approval receive the C-Tick mark from the Australian Communications Authority.

Some electrical products are required to carry an approved energy label. These products include: refrigerators and freezers, clothes washers, dryers, dishwashers and air conditioners. A larger list is regulated on the basis of minimum energy efficiency levels and includes the preceding list as well as electrical motors and transformers. The National Appliance and Equipment Energy Efficiency Committee, consisting of officials from the Commonwealth, State and Territory government agencies and representatives from New Zealand, is responsible for managing the Australian end-use energy efficiency program.

### **Contacts**

[Return to top](#)

Post contact for Standards issues is Phil Keeling, Senior Commercial Specialist (email: [phil.keeling@mail.doc.gov](mailto:phil.keeling@mail.doc.gov)).

### **Trade Agreements**

[Return to top](#)

#### **The U.S.- Australia Free Trade Agreement (AUSFTA)**

On January 1, 2005, Australia entered into the Free Trade Agreement with the United States (AUSFTA), providing major benefits for both countries immediately through removal of tariffs, and the phased opening of markets. More information can be found at:

- <http://www.fta.gov.au/default.aspx?FolderID=248&ArticleID=195> (full text)
- and
- [http://www.ustr.gov/Trade\\_Agreements/Bilateral/Australia\\_FTA/Section\\_Index.html](http://www.ustr.gov/Trade_Agreements/Bilateral/Australia_FTA/Section_Index.html)

Australian Customs has prepared a very easy to follow step-by-step approach to help U.S. exporters assess whether their products can be classified as duty free under AUSFTA. A copy of the document can be obtained by clicking on the following link: <http://www.customs.gov.au/site/page.cfm?u=5342>

### **Other Agreements**

The Closer Economic Relations Trade Agreement (ANZCERTA, or CER) is the main instrument that governs economic relations between Australia and New Zealand. It is comprehensive agreement, prescribing that all bilateral trade and services originating in the two countries is free of tariffs, quantitative restrictions, anti-dumping measures, production subsidies and like measures.

The Singapore-Australia Free Trade Agreement became operational on July 28, 2003.

The Thailand-Australia Free Trade Agreement, that became operational on January 1, 2005, will result in the elimination by January 1, 2010 of Thai tariffs on virtually all goods imported from Australia.

Australia is currently exploring the possibility of a bilateral trade agreement with China.

Australia is a key member of the Asia Pacific Economic Cooperation (APEC) forum, and plays a leading role in promoting trade liberalization among the member economies. Australia exports approximately 70% of its goods and services to APEC economies and, like all APEC developed partners, is committed to tariff reductions by 2010.

Australia is a member of the Cairns Group of 17 agricultural exporting countries.

Australia is a keen supporter of the WTO, making regular submissions to trade negotiation rounds.

### **Web Resources**

[Return to top](#)

### **Associations/Government Agencies**

American National Standards Institute: <http://www.ansi.org>

Australian Biotechnology regulations: <http://www.bioregs.gov.au/questions/index.cfm>

Australian Communications Authority: <http://internet.aca.gov.au/>

Australian Customs Service: <http://www.customs.gov.au>

Australian Customs Service: rules of origin:

[http://www.customs.gov.au/webdata/resources/files/roUSBUSGuide\\_041104.pdf](http://www.customs.gov.au/webdata/resources/files/roUSBUSGuide_041104.pdf).

Australian Environmental Protection Agency (Department of Environment and Heritage): <http://www.deh.gov.au/>

Australian Department of Defence: <http://www.defence.gov.au>

Australian Pesticides & Veterinary Medicines Authority: <http://www.apvma.gov.au>  
Australian Quarantine and Inspection Service: <http://www.daffa.gov.au/aqis>  
Australian Safety and Compensation Council: <http://www.nohsc.gov.au/applications/hsis/>  
Australian Standards Accreditation Board:  
<http://www.standards.org.au/cat.asp?catid=26>  
Australian Taxation Office: <http://www.ato.gov.au>  
Dept. of the Environment and Climate Change:  
<http://www.environment.nsw.gov.au/home.htm>  
Dept. of the Environment, Water, Heritage and the Arts: <http://www.deh.gov.au/>  
Food Standards Australia New Zealand: <http://www.foodstandards.gov.au>  
Foreign Affairs and Trade, Department of: <http://www.dfat.gov.au>  
The National Appliance and Equipment Energy Efficiency Committee:  
<http://www.energyrating.gov.au/>  
National Industrial Chemicals Notification and Assessment Scheme (NICNAS) -  
<http://www.nicnas.gov.au>  
National Industrial Chemicals Notification and Assessment Scheme:  
<http://www.nicnas.gov.au>  
National Institute of Standards and Technology: <http://www.nist.gov/notifyus/>  
SAI Global Ltd.: <http://www.saiglobal.com/shop/script/Provider.asp?Db=AS>  
Standards Australia: <http://www.standards.org.au>  
Therapeutic Goods Administration: <http://www.tga.gov.au>

### **The Free Trade Agreement between the U.S. and Australia**

Australian Treaties Library: <http://www.austlii.edu.au/au/other/dfat/treaties/>  
Foreign Affairs and Trade, Department of: <http://www.dfat.gov.au/>  
<http://www.fta.gov.au/default.aspx?FolderID=248&ArticleID=195>  
International Agreements: <http://www.austlii.edu.au/au/other/dfat/treaties/>  
U.S. Trade Representative:  
[http://www.ustr.gov/Trade\\_Agreements/Bilateral/Australia\\_FTA/Section\\_Index.html](http://www.ustr.gov/Trade_Agreements/Bilateral/Australia_FTA/Section_Index.html)

### **Documents:**

Australian Customs Brokers and Forwarders Council Members Directory:  
<http://www.cbzca.com.au/MembersDirectory.aspx>

Australian Dangerous Goods Code: <http://www.emplan.com.au/dangerous-goods/dangerous-goods.htm>

Australia's Quarantine Import Condition Database at <http://www.aqis.gov.au/icon>

"Customs Guide for Business": <http://www.customs.gov.au/site/page.cfm?u=4369>  
Duty Free Classification Under the FTA:  
<http://www.customs.gov.au/site/page.cfm?u=5342>

"Export of Defence and Dual Use Goods": <http://www.defence.gov.au/strategy/deco/>

Food Labeling Requirements:  
<http://www.foodstandards.gov.au/thecode/assistanceforindustry/userguides/index.cfm>

Food Standards Code:

<http://www.foodstandards.gov.au/thecode/>

Foreign Agricultural Import Regulations and Standards:

<http://www.fas.usda.gov/scripts/attacherep/default.asp>

Importation of chemicals:

[http://www.nicnas.gov.au/Chemicals\\_In\\_Australia/Chemical\\_Schemes.asp](http://www.nicnas.gov.au/Chemicals_In_Australia/Chemical_Schemes.asp)

[http://www.nicnas.gov.au/Industry/Compliance/Compliance\\_Checklist\\_PDF.pdf](http://www.nicnas.gov.au/Industry/Compliance/Compliance_Checklist_PDF.pdf)

Importation of machinery:

[http://www.aqis.gov.au/icon32/asp/ex\\_QueryResults.asp?Commodity=machinery&Area=All+Countries&EndUse=All+End+Uses](http://www.aqis.gov.au/icon32/asp/ex_QueryResults.asp?Commodity=machinery&Area=All+Countries&EndUse=All+End+Uses)

Material Safety Data Sheets:

<http://www.ascc.gov.au/ascc/HealthSafety/HazardsSafetyIssues/HazardousSubstances/>

<http://www.ascc.gov.au/ascc/HealthSafety/HazardsSafetyIssues/HazardousSubstances/LebellingAndClassifying/CodeofPracticePreparation/NationalCodeofPracticeforthePreparationofMaterialSafetyDataSheets.htm>

Packaging of imported goods:

[http://www.aphis.usda.gov/import\\_export/plants/plant\\_exports/wpm/country/index.shtml](http://www.aphis.usda.gov/import_export/plants/plant_exports/wpm/country/index.shtml)

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

### **Openness to Foreign Investment**

[Return to top](#)

The Australian Government welcomes foreign investment, and the United States is the country's largest source of foreign capital. Total U.S. investment in Australia, including both direct and portfolio investment, was USD 274 billion in 2006-07. This accounted for about 25 percent of total foreign investment in Australia. Australia's foreign investment policy, as laid out in its general investment guidelines, is: "to encourage foreign investment consistent with community interests. In recognition of the contribution that foreign investment has made and continues to make to the development of Australia, the general stance of policy is to welcome foreign investment. Foreign investment provides scope for higher rates of economic activity and employment than could be achieved from domestic levels of savings. Foreign direct investment also provides access to new technology, management skills and overseas markets."

Foreign-invested takeovers of domestic firms, while sometimes generating nationalistic public reaction, generally do not encounter interference and come under the same guidelines as any other investment. There are no prohibitions on overseas investment or capital repatriation.

### **The Foreign Investment Review Board**

The Federal Department of the Treasury regulates foreign investment through the Foreign Investment Review Board (FIRB) whose secretariat sits within the Treasury. The Board screens investment proposals for conformity with Australian law and policy. Regulation of foreign investment is based on the Foreign Acquisitions and Takeovers

Act, (FATA) 1975 and the Foreign Acquisitions and Takeovers Regulations 1989. A full statement of Australia's foreign investment policy is at: <http://www.firb.gov.au>

FIRB's investment screening mechanism tracks foreign investment developments through a notification system. Certain criteria can trigger examination of specific proposals. Under the Free Trade Agreement between the U.S. and Australia (AUSFTA), which entered into force on January 1, 2005, separate and more generous investment criteria and thresholds now apply to U.S. investors.

Under the AUSFTA, Australia has committed to further liberalization of its foreign investment regime, as it applies to U.S. investors, while preserving the main feature of that regime, namely, the ability to ensure that significant U.S. investment proposals are in the "national interest." The following changes to Australia's foreign investment policy were agreed under the AUSFTA:

- exemption from the FATA of acquisitions in financial sector companies, as defined by the Financial Sector (Shareholdings) Act 1998;
- introduction of a screening threshold of A\$800 million (indexed annually to the GDP implicit price deflator) of acquisitions in Australian businesses in non-sensitive sectors;
- introduction of a screening threshold of A\$50 million (indexed annually to the GDP implicit price deflator) of acquisitions in Australian businesses in defined sensitive sectors.

The sensitive sectors are:

- media;
- telecommunications;
- transport (including airports, port facilities, rail infrastructure, international and domestic aviation and shipping services provided either within, or to and from, Australia);
- the supply of training or human resources, or the manufacture or supply of military goods or equipment or technology, to the Australian Defense Force or other defense forces;
- the manufacture or supply of goods, equipment or technology able to be used for a military purpose;
- the development, manufacture or supply of, or the provision of services relating to, encryption and security technologies and communications systems; and
- the extraction of (or holding of rights to extract) uranium or plutonium or the operation of nuclear facilities;



- introduction of a minimum screening threshold of A\$50 million (indexed annually to the GDP implicit price deflator) for acquisitions by entities in which the United States Government has a prescribed interest;
- introduction of a screening threshold of A\$800 million (indexed annually to the GDP implicit price deflator) for acquisitions in non-residential developed commercial property (other than accommodation facilities); and - removal of existing policy-based screening requirements for the establishment of new Australian businesses other than where the investment involves the United States Government.

The FIRB must receive notification of investment proposals in the following categories (Note: (2007) A\$1= USD 0.8726):

- Acquisitions of substantial interests (15 percent by a single foreigner and 40 percent in aggregate) in existing Australian businesses, the value of whose assets exceeds A\$50 million or where the proposal values the business at over A\$50 million. For U.S. investors a notification threshold of A\$831 million instead applies, except for investments in prescribed sensitive sectors or by an entity controlled by the U.S. Government, which are subject to a A\$52 million threshold. The FATA does not apply to investments by U.S. investors in those financial sector entities that are subject to the operation of the Financial Sector (Shareholdings) Act 1998;
- plans to establish new businesses involving a total investment of over A\$10 million or more. Proposals by U.S. investors, except an entity controlled by a U.S. Government, do not require notification but remain subject to other relevant policy requirements;
- portfolio investments in the media of 5 percent or more, and all non-portfolio investments irrespective of size;
- takeovers of offshore companies whose Australian subsidiaries are valued at A\$50 million or more, or the applicable U.S. investor threshold of either A\$831 million or A\$52 million;
- direct investments by foreign governments or their agencies, irrespective of size;
- acquisitions of interests in urban land that involve:
  - developed, non-residential, commercial real estate, where the property is subject to heritage listing, valued at A\$5 million property is subject to heritage listing, valued at A\$5 million or more and the acquirer is not a U.S. investor;
  - developed, non-residential, commercial real estate, where the property is not subject to heritage listing, valued at A\$52 million or more, or A\$831 million (indexed) for U.S. investors;
  - accommodation facilities regardless of value;

- vacant urban real estate regardless of value;
- residential real estate regardless of value; and
- proposals where any doubt exists as to whether they are notifiable.

The FIRB uses a national interest test to examine foreign investment proposals. Proposals are evaluated according to their consistency with existing government policy and law, where these are taken to define important aspects of national interest (for example, competition policy and environmental laws). Also, national security interests and economic development priorities are considered. However, it is the Federal Treasurer, under the authority of the FATA, who ultimately decides whether or not an investment is contrary to the national interest.

Due to the recent change of Government in Australia, the 2006-07 FIRB annual report has not yet been released. The following data was reported in last year's Investment Climate Statement. During FY 2005 (in Australia from July 1 to June 30) 4,702 proposals for investment in Australia were considered by the FIRB: 4,360 were approved (3,233 with conditions), 55 rejected and 287 were withdrawn (the remainder were judged exempt). All but 64 of the conditional approvals were in the real estate sector, where 80 percent of all approvals were subject to conditions. These included conditions relating to the period during which development must commence (usually 12 months), requiring temporary residents to reside in and sell established dwellings when residency ceases, and the imposition of reporting requirements on advanced 'off-the-plan' approvals. For the majority of conditional approvals outside the real estate sector, the condition related to the period that the approval would stand, ordinarily 12 months.

The value of total approvals in FY 2005 was A\$119.5 billion, a 21 percent increase on the previous year's approvals of A\$99.1 billion. The value of total rejections was negligible. The U.S. remained one of the largest sources of proposed foreign investment in Australia during 2004-05, accounting for A\$37.2 billion or around 31 percent of the total. The U.S. has objected to the continued utilization of this screening mechanism with its relatively broad and non-specific national interest test.

The release of the 2006-07 FIRB annual report has been delayed, by possibly up to two more months, because of the recent Federal Election. The previous Treasurer delayed the draft annual report and now it is being re-written due to the passage of time.

### **Sector-specific regulation**

**Media:** The Australian Government passed long-awaited media reforms through Parliament late in 2006. The new media framework, which relaxes foreign and cross-media ownership restrictions, gradually took effect through 2007. The new framework removes the existing foreign ownership restrictions but retains the media industry as a sensitive sector under the Government's foreign investment policy. The legislation will relax the current investment policy. The legislation will relax the current restrictions on cross-media ownership subject to safeguards that will ensure no less than five independent voices remain in metropolitan markets and four in regional markets. The new Labor Government has not indicated a radical change of direction in relation to media ownership policy.

**Civil Aviation:** Foreign investors (including foreign airlines) are subject to more stringent requirements than the standard limit of 49 percent of the equity in an Australian international airline. In the case of Qantas, existing statutory ownership restrictions imposed upon privatization (under the Qantas Sale Act 1992) are still in place. These limit total foreign ownership of Qantas to 49 percent, ownership by foreign airlines in aggregate to 35 percent, and ownership by an individual (including a foreign carrier) to 25 percent. Under existing bilateral aviation agreements, the limit of 49 percent in any Australian international carrier is based on the commercial risk that such a carrier's ownership structure could see it denied access to a foreign market. In relation to the domestic carrier market, foreign investors (including foreign airlines) can generally expect approval to acquire up to 100 percent of a domestic carrier (other than Qantas), or establish a new domestic aviation operation, unless this is contrary to the national interest.

**Airports:** Foreign investment proposals for acquisitions of interests in Australian airports are subject to examination in accordance with the standard notification requirements outlined above. In relation to the airports offered for sale by the Australian Government, the Airports Act of 1996 stipulates a 49 percent foreign ownership limit, a 5 percent airline ownership limit and cross ownership limits between Sydney airport (including Sydney West) and Melbourne, Brisbane and Perth airports apply.

**Telecommunications:** Prior approval is required for foreign entry into the telecommunications sector or for investment in existing businesses in the sector. In 2006, the Government sold down its majority shareholding (51.8 percent) in the leading telecommunications company Telstra to around 18 percent following a successful share offer. The remaining 18 percent shareholding has been transferred to the Future Fund (see paragraph below), a fund established since the Government achieving a net asset position in 2005-06. Aggregate foreign ownership of Telstra will remain restricted to 35 percent of the privatized equity and individual foreign investors restricted to a holding of no more than 5 percent of that privatized equity.

**Residential Real Estate:** Foreign persons wishing to acquire an interest in urban land require foreign investment approval (unless exempt under regulation). Proposals that require approval include acquisitions of:

- residential real estate;
- vacant land;
- developed commercial property valued at A\$50 million or more (for commercial heritage listed properties the threshold is A\$5 million);
- accommodation facilities (for example, hotels, guest houses);
- residential and commercial leases where the likely term of the lease is more than 5 years (the term should include any right or option to renew the lease);
- any profit sharing arrangement held over urban land (unless the asset subject to the profit sharing arrangement is developed commercial property valued at less than A\$50 million or heritage listed commercial property valued at less than \$5 million);

- shares in a company or units in a trust that holds more than half its total assets in urban land, except where the urban land owned would not normally require foreign investment approval (for example, developed commercial property with a value less than A\$50 million); or
- proposals where any doubt exists as to whether they are notifiable.

Proposals by foreign investors to acquire developed residential real estate are examined. They normally are not approved except in the cases of foreign companies buying residences for their senior executives living in Australia and foreign nationals temporarily executives living in Australia and foreign nationals temporarily resident in Australia for more than twelve months buying a principal residence for their own use, to be sold upon their departure. For more information on the FIRB, please visit its web site (<http://www.firb.gov.au/>).

### **Incentives for Investment**

Incentives that are available to investors include:

- Research and development tax concessions for companies incorporated in Australia;
- The Commercial Ready program, which offers competitive grants for early-stage commercialization activities, research and development with high commercial potential and proof of concept activities;
- The Pharmaceuticals Partnerships Program (P3) offers R&D incentive grants to established companies in the pharmaceutical sector. Grants consist of payment of 30 cents per dollar spent on eligible increased R&D activities in Australia above a base level of activity.
- Venture capital tax concessions. Capital gains tax exemptions are available for non-resident investment in Australian venture capital. The exemptions apply to investors from the U.S., the U.K., Japan, Germany, France and Canada.
- The Invest Australia Supported Skills (IASS) program is designed to encourage international firms to choose Australia as a location for foreign direct investment by providing streamlined immigration arrangements for eligible employees of an international company that is considering making a significant or strategic investment in Australia.

Hundreds of major foreign firms in most industry sectors invest in Australia. The Australian Federal and State Governments vigorously encourage investment by offering incentives to multinationals to set up regional headquarters for financial and other services, and manufacturing operations. In fact, States often compete to secure an international firm's headquarters in its capital city. Aimed initially at attracting information technology companies, the campaign has widened in scope to include manufacturing and provision of financial and administrative services for the Asia-Pacific region. The Government touts the benefits of

Australia's safe, stable business environment, skilled workforce, and lower facility site and operating costs in comparison to other regional centers, such as Singapore, Hong Kong and Taiwan. For more information on investment incentives visit <http://www.ausindustry.gov.au/> and <http://www.investaustralia.gov.au/>.

## **Conversion and Transfer Policies**

[Return to top](#)

The Australian dollar is a fully convertible currency. The government does not maintain currency controls or limit remittance, loan and lease payments. Such payments are processed through standard commercial channels, without governmental interference or delay.

## **Expropriation and Compensation**

[Return to top](#)

Private property can be expropriated for public purposes in accordance with established principles of international law. Due process rights are established and respected, and prompt, adequate and effective compensation is paid.

## **Dispute Settlement**

[Return to top](#)

The Free Trade Agreement between the United States and Australia establishes a dispute settlement mechanism for disputes arising under the Agreement. In the first instance disputes are to be settled through consultation between the parties. Where these consultations are not effective in resolving the dispute, the Agreement provides for an arbitral panel to consider the matter. The dispute settlement mechanism provides for compensation for breaches of the agreement, which may include requiring the breach to be corrected, trade compensation to be provided, or monetary compensation in lieu of trade compensation. The Agreement does not allow private investors to directly challenge government decisions; however, individual investors are able to raise concerns about their treatment by the Australian Government with the United States Government (or vice versa).

Property and contractual rights are enforced through the Australian court system, which is based on English Common Law. There have been no investment disputes involving foreign companies in recent years. Australia is a member of the International Center for the Settlement of Investment Disputes.

Australia has an established legal and court system for the conduct or supervision of litigation and arbitration, as well as alternate dispute processes. The traditional approach to commercial dispute resolution involves litigation, arbitration and more modern methods of alternative dispute resolution. Australia is a world leader in the development and provision of non-court dispute resolution mechanisms. It is a signatory to all the major international dispute resolution conventions and has organizations that provide international dispute resolution processes.

## **Performance Requirements and Incentives**

[Return to top](#)

### **Selling to the Government**

Australia has not signed the GATT/WTO Agreement on Government Procurement, which means that it is not bound by conditions prohibiting specification of locally-made product in tenders. However, the Australian Government procurement policy framework is non-discriminatory. That is, potential suppliers will not be discriminated against on the basis of their degree of foreign affiliation. The Free Trade Agreement with the United States prohibits the use of local preference arrangements and offsets, except in certain circumstances. Notable exceptions to the rule include preferences applying to local small to medium sized enterprises (SMEs). At the Federal level, there is a minimum target of 10 percent SME participation in all government procurements. Non-discriminatory treatment applies to most central government departments and 33 central government enterprises. A number of items, mainly relating to military equipment procurement by the Australian Department of Defence, have been exempted from the Agreement. A number of entities of regional governments are also subject to the Agreement.

The non-discrimination principle applies above certain thresholds. For central government procurement, the threshold is USD 64,000 (A\$81,800) for goods and services and USD 7,335,000 (A\$9,396,000) for construction services. For regional government entities, the threshold is USD 520,000 (A\$666,000) for goods and services and USD 7,335,000 (A\$9,396,000) for construction services.

### **Special Arrangements for Information and Communications**

Technology (ICT):

The Australian Government ICT procurement arrangements establish voluntary guidelines for ICT suppliers to government. The guidelines encourage government ICT suppliers to undertake strategic activities in Australia such as R&D, exports, technology transfer and alliances with local SMEs. For a contract less than A\$20 million, the only requirement for contractors and sub-contractors will be endorsement under the Endorsed Supplier Arrangement (see below). For contracts above A\$20 million, the Government will specify minimum SME participation rates determined by the nature of the contract, with a base level of SME participation of 10 per cent of hardware and 20 per cent of software and services. For the purposes of major ICT contracts, a SME is defined as a body corporate incorporated in Australia or New Zealand, which together with its related corporate and parent entities, has an average annual revenue over the last five financial years of less than A\$500 million. All publicly available business opportunities relating to the central government are notified on the AusTender website. Businesses can register their interest profile on the site and will receive automatic notification of the latest opportunities. Please visit the AusTender website for more information (<https://www.tenders.gov.au/federal/index.shtml>). For more information on the voluntary guidelines, please visit <http://www.dcita.gov.au/>

Under the Endorsed Supplier Arrangement (ESA), companies wishing to supply information technology (IT) products, major office machines (MOM), commercial office furniture and auctioneering services to the Australian Government must gain endorsement. For more information on ESA, please visit <http://www.esa.finance.gov.au/>.

### **Right to Private Ownership and Establishment**

[Return to top](#)

As a general rule, foreign firms establishing themselves in Australia are accorded national treatment. They do not have to seek government permission to establish and

own businesses unless their proposed activity meets tests established in law and regulation that trigger notification/review by the FIRB. These FIRB requirements are a matter of public record and are available upon application to FIRB.

Firms may, if they wish, seek "naturalization" (conversion to full Australian status, as opposed to foreign status). To be naturalized, a firm must be at least 51 percent Australian-owned; its articles of association must provide that a majority of its board be Australian citizens; and it must reach an agreement with the Government regarding the exercise of voting powers in respect of the firm's business in Australia. The only practical advantage of naturalization is relief from the requirement that the FIRB be notified of proposed investment activities.

## **Protection of Property Rights**

[Return to top](#)

Australian law protects patents, trademarks, designs, copyrights and integrated circuit layout rights. Australia is a member of the World Intellectual Property Organization (WIPO), the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, the Universal Copyright Convention, the Geneva Phonogram Convention, the Rome Convention for the Protection of Performers, Producers of Phonograms, and Broadcasting Organizations, and the Patent Cooperation Treaty. In 2007, Australia became party to the WIPO Copyright Treaty 1996 (WCT) and the WIPO Performances and Phonograms Treaty 1996 (WPPT).

IP Australia is the Australian government agency responsible for registrations of patents, trademarks and designs. Contact details for IP Australia are: Tel: 61-2 6283-2999; designs. Contact details for IP Australia are: Tel: 61-2 6283-2999; Fax: 61-2 6283 7999; or <http://www.ipaustralia.gov.au/>. For copyright matters contact the Copyright Law Branch, Attorney General's Department at: Tel 61-2 6250-6313; Fax 61-2 6250-5929; or at <http://www.ag.gov.au/>.

### **Patents, Trade Secrets, Designs:**

Patents are available for inventions in all fields of technology and are the principal system for protecting ownership of any device, substance, method or process that is new or inventive. They are protected by the Patents Act of 1990, which offers coverage for 20 years, subject to renewal. An application for patent in Australia provides international priority rights if applications follow in overseas jurisdictions within 12 months.

In 2006, the Australian Parliament introduced new laws aimed at preventing unauthorized access to copyright-protected material. The legislation implements the technological protection measures scheme in the Australia-United States Free Trade Agreement (AUSFTA). Technological protection measures (TPMs) are technical locks, such as passwords or encryption, used by copyright owners to prevent unauthorized access to and use of their material. These new laws complement other copyright reforms including new offenses to target piracy.

Under the United States - Australia Free Trade Agreement, the Australian government agreed to provide measures to prevent the marketing of a generic version of a pharmaceutical before the patent on that product expired. Australian regulations provide

5 years of protection of test data submitted to regulatory authorities for marketing approval of new pharmaceutical products and 10 years of protection to undisclosed data submitted with an application for marketing approval for a new agricultural product, when that approval is given in combination with the marketing approval of certain additional uses of the same product.

Design features, such as shape or pattern, can be protected from imitation by registration under the Designs Act of 1906 for up to 16 years. An important aspect of a design is that it must be applied industrially. Registration cannot be granted for a design that is purely artistic. Only the owner of the design can make an application for registration.

## **Trademarks**

Trademarks may be protected for ten years and renewed indefinitely, upon request by registration under the Trademarks Act of 1995. Once used, trademarks may also, without registration, be protected by common law; however registration with IP Australia does make enforcement easier. It is wise for any U.S. exporter intending to market a product in Australia to check with the Trademarks Office at IP Australia to ensure that its mark or name is not already in use.

## **Copyrights**

Copyrights are protected under the Copyright Act of 1968, which has been amended by the U.S. Free Trade Implementation Bill 2004 and the Copyright Amendment Act 2004 and Copyright Amendment Act 2006, to meet the obligations of the Australia-U.S. Free Trade Agreement. Works do not require registration, and copyrights automatically subsist in original literary, artistic, musical and dramatic works, film and sound recordings. Copyright protection is for the life of the author plus 70 years. For sound recordings and films, protection is 70 years after publication. The Australian Copyright Act provides protection and against video piracy and unauthorized third-country imports.

Amendments to the original Copyright Act of 1968 contained in the Copyright Amendment Act 2006 are related to: time-shifting, format-shifting and space-shifting; certain non-commercial activities of libraries, educational institutions and cultural institutions; use of copyright by people with a disability; parody and satire; the Copyright Tribunal; technological protection measures; unauthorized reception of encoded broadcasts and criminal penalties.

## **Transparency of Regulatory System**

[Return to top](#)

Australia subscribes to the 1976 declaration of the Organization for Economic Cooperation and Development (OECD) concerning international investment and multinational enterprises. The instruments cover national treatment and investment incentives and disincentives, and spell-out voluntary guidelines for the conduct of multinational enterprises in member countries. Australia also subscribes to two OECD codes of liberalization, one covering capital movements and the other invisible transactions.

Both Australian law and government practices foster transparency and favor competition. Taxation policy does not generally impede the efficient mobilization and



allocation of investment, although there are a number of differences between the U.S. and Australian tax systems that have potential implications for business. Businesses are advised to seek counsel from accounting and law firms familiar with the tax policies of both countries.

In early 1990, the Australian Taxation Office and the Internal Revenue Service formalized a simultaneous audits agreement to investigate suspected non-compliance with tax laws of both countries. The U.S. - Australia Double Taxation Treaty affects business investment between the two countries. The Treaty, effective since 1983, applies to federal income tax of the U.S., excluding accumulated earnings tax, personal holding company tax and Australian income tax. Separate agreements apply to gift and estate taxes.

Australia and the United States concluded negotiations to revise the Treaty in September 2001. A key objective is to provide a competitive tax treaty for companies located in Australia by reducing the rate of dividend withholding tax on U.S. subsidiaries and branches of Australian companies. Another objective is to prevent double taxation of capital gains derived by U.S. residents from interests in Australian entities while retaining Australian taxation rights. The Controlled Foreign Corporation and Controlled Foreign Trusts legislation, effective July 1, 1991, provides for taxing income that accrues to corporations or trusts, arranged after residency is established.

#### **Efficient Capital Markets and Portfolio Investment**

[Return to top](#)

Australia has a well-developed, deep and sophisticated financial market, regulated in accordance with international norms. The Australian stock exchange is the 8th largest in the world and the Australian dollar is the world's 5th most traded currency. The stock and commodities exchanges have corresponding arrangements with other world exchanges. Credit is allocated on market terms and several foreign banks operate successfully in Australia.

#### **Political Violence**

[Return to top](#)

As in all liberal democracies, political protests (e.g., rallies, demonstrations, marches, public conflicts between competing interests) form an integral, though generally minor, part of Australian cultural life. Australian protests cover the broad range of current issues and interests: ethnic and aboriginal concerns, pro- and anti-right wing demonstrations, community and environmental issues and denunciations of government policies, to name a few. Such protests, while often vociferous, rarely degenerate into violence.

#### **Corruption**

[Return to top](#)

Australia maintains a thorough system of laws and regulations designed to counter corruption. In addition, the government procurement system generally is transparent and well regulated, thereby minimizing opportunities for corrupt dealings. Accordingly, corruption has not been a factor cited by U.S. businesses as a disincentive to investing in Australia, or to exporting goods and services here. Non-governmental organizations interested in monitoring the global development or anti-corruption measures, including Transparency International, operate freely in Australia. Australia is perceived internationally as having low corruption levels, as demonstrated by Transparency

International's Corruption Perception Index 2005, which ranked Australia ninth, ahead of the U.K., Canada and the U.S. in terms of nations perceived as having low levels of corruption.

Australia is an active participant in international efforts to end the bribery of foreign officials. Legislation to give effect to the anti-bribery convention stemming from the OECD 1996 Ministerial Commitment to Criminalize Transnational Bribery was passed in 1999. Legislation explicitly disallowing tax deductions for bribes of foreign officials was enacted in May 2000. At the federal level, enforcement of anti-corruption laws and regulations is the responsibility of the Attorney General's Department.

## **Bilateral Investment Agreements**

[Return to top](#)

Australia has signed Free Trade Agreements with the United States, Thailand and Singapore, all of which contain chapters on investment. See section A.1.a for details on U.S. specific investment arrangements. Australia also has a longstanding Free Trade Agreement with New Zealand called the CER (Closer Economic Relations). While this agreement does not contain a specific section on investment, both countries have undertaken significant liberalization of their investment regimes vis-a-vis the other party. Both countries agreed in early 2005 to investigate the possibility of adding an investment chapter to the agreement. While a monetary union with New Zealand is not currently on the table, there is a sense in academic and government circles in both countries that it is a viable option in the long-term. Australia is currently negotiating agreements with the United Arab Emirates, Malaysia, ASEAN China, and Japan.

## **OPIC and Other Investment Insurance Programs**

[Return to top](#)

Australia provides foreign investment insurance to its firms investing abroad through the Export Finance and Insurance Corporation (EFIC). The U.S. Overseas Private Investment Corporation (OPIC) does not extend coverage to Australia, as it is not a high-risk or developing country.

## **Labor**

[Return to top](#)

Australia's unemployment rate stands at 4.4 percent, close to a 33-year record low. Australia is currently in its 17th year of uninterrupted economic expansion underpinned by best-practice economic management including a gradual but purposeful shift to more flexible labor market arrangements over the last 10 years. 2006 marked a further significant shift towards the goal of full labor market flexibility with the introduction of the Howard Government's Work Choices legislation. Work Choices was very unpopular, however, and some employers consider it to be too complicated; the incoming Labor Government has committed to rolling back parts of this law.

In 2007, annual average weekly earnings in Australia grew by a sustainable 4.1 percent, above the core inflation rate of 3.0 percent. Real wages have grown by over 15 percent over the last 10 years reflecting generally above-average productivity growth. Currently and for the foreseeable future, localized skills shortages exist in the resource-rich States of Western Australia and Queensland largely in the mining and construction industries. The main economic challenge facing the Australian economy in 2008 is inflation and shortages of labor.

In terms of industrial unrest, by October 2007, strikes caused the loss of 79.6 working days per thousand employees, a decrease of fifty percent over the year to September 2006. The 151 industrial disputes during the year ended September 2007 were 105 fewer than in the previous year.

Other Federal laws set specific employment conditions. For instance, the Superannuation Guarantee (Administration) Act 1992 supplements Australia's pension system. This compulsory, defined-contribution pension fund differs significantly from the U.S. Social Security system since it is privately run, and firms and their employees choose which investment company or companies will administer the funds. From July 1, 2002, employers were required by law to contribute a minimum of nine percent of each employee's base salary into that employee's superannuation account and employees can choose to make additional contributions. For more information on superannuation, see (<http://www.ato.gov.au/super/default.asp>.)

In 2001, the government established the General Employees Entitlements Redundancy Scheme (GEERS), a taxpayer-funded insurance scheme, in response to growing community concerns about the loss of employee entitlements after several companies collapsed. Employees currently stand ahead of unsecured creditors, but behind lenders with fixed security in the creditors' queue following a company collapse.

The Australian Government is nominally a party to all International Labor Organization (ILO) conventions. The Government does not regard ratification of ILO conventions as a high priority.

#### **Foreign-Trade Zones/Free Ports**

[Return to top](#)

The Commonwealth Government introduced the "Manufacturing-in-Bond" (MIB) scheme in 1997. This allows export manufacturers to import components and materials free from up-front customs, excise and sales tax charges, provided the goods produced are subsequently exported. Goods become subject to duties and taxes if removed for sale or use in Australia.

#### **Foreign Direct Investment Statistics**

[Return to top](#)

#### **Levels of investment**

The level of foreign investment in Australia increased by A\$225.0 billion in 2006 to reach A\$1.44 trillion at 31 December 2006. Portfolio investment accounted for A\$730.5 billion (60 percent), direct investment for A\$281.1 (23 percent), other investment liabilities for A\$160.4 billion (13 percent) and financial derivatives for A\$38.0 billion (3 percent). Of the portfolio investment liabilities, debt securities accounted for A\$491.4 billion (67 percent) and equity securities for A\$239.1 billion (33 percent). The leading investor countries at 31 December 2006 were as follows.

<b>Country</b>	<b>Level of investment</b>	<b>Level of investment</b>	<b>Total investment</b>
----------------	----------------------------	----------------------------	-------------------------

	<b>A\$billions</b>	<b>USDOL billions</b>	
United States	362.8	274.8	25
United Kingdom	352.7	267.1	24
Japan	51.0	38.6	4
Hong Kong SAR	38.5	29.2	3
Switzerland	35.3	26.7	3
Netherlands	26.8	20.3	2
Belgium and Lux	24.5	18.6	2

The level of Australian investment abroad reached A\$835.569 billion at 31 July 2007, an increase of 151 billion on the previous year. Direct investment abroad accounted for A\$287.5 billion (34 percent), portfolio investment for A\$315.6 billion (38 percent), other investment for A\$110.9 billion (13 percent), reserve assets for A\$69.6 billion (8 percent) and financial derivatives for A\$52.0 billion (6 percent). Equity has been the main form of Australian investment abroad during the past decade. At A\$483.8 billion, equity represented 58 percent of the total level of investment at 31 July 2007. The leading destination countries as at 31 July 2007 were as follows.

<b>Country</b>	<b>Level of investment</b>	<b>Level of investment</b>	<b>Percentage of total investment</b>
	<b>A\$billions</b>	<b>USDOL billions</b>	
United States	320.8	253.7	38.4
United Kingdom	133.3	105.4	16.0
New Zealand	62.3	49.3	7.8
Japan	39.8	31.5	4.8
Netherlands	31.2	24.7	3.7

## **Flows of investment**

### **Inflows**

Foreign investment in Australia recorded a net inflow of A\$68.6 billion for the year ended 31 December 2006, an increase of A\$13.0 billion over the previous year. The leading

investor countries were the United States (A\$15.5 billion or 23 percent), the United Kingdom (A\$11.3 billion or 16 percent), Switzerland (A\$3.9 billion or 6 percent), Hong Kong (A\$1.5 billion or 2 percent) and Germany (A\$1.4 billion or 2 percent).

## Outflows

Australian investment abroad recorded a net outflow of A\$27.6 billion for the year ended 31 December 2006, an increase of A\$7.3 billion. The leading destination countries were the United States (A\$11.9 billion or 43 percent), New Zealand (A\$3.9 billion or 14 percent), and the United Kingdom (A\$2.5 billion or 9 percent).

## Web Resources

[Return to top](#)

AusTender: <https://www.tenders.gov.au/federal/index.shtml>

Australian Taxation Office – Superannuation: <http://www.ato.gov.au/super/default.asp>

Copyright Law Branch, Attorney-General's Department: <http://www.ag.gov.au/>

Endorsed Supplier Arrangement: <http://www.esa.finance.gov.au/>

Foreign Investment Review Board: <http://www.firb.gov.au>

Investment Incentives: <http://www.ausindustry.gov.au/>

Investment Incentives: <http://www.investaustralia.gov.au/>

IP Australia: <http://www.ipaustralia.gov.au/>

Voluntary guidelines: <http://www.dcita.gov.au>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

### How Do I Get Paid (Methods of Payment)

[Return to top](#)

As in other industrialized countries with mature financial systems, Australia has a range of export finance methods available. A few basic tools are described below, although each company's situation and transaction would be unique. We recommend consulting the international services division of a U.S. or Australian financial institution for a more complete description and for recommendations regarding the best method for a given transaction.

**Cash in Advance:** The exporter demands cash in advance before exporting. From the buyer's perspective, this is the least popular method. A U.S. exporter requiring cash in advance lowers his risk but potentially also reduces his competitive position. Some form of this method (e.g. deposit with progress payments) is used normally for custom-built equipment or other unique products.

**Letters of Credit:** These documents substitute the credit of the issuing bank for that of the buyer. In the case of Confirmed Irrevocable Letters of Credit, the confirming bank is guaranteeing payment by the issuing bank. A Letter of Credit (L/C) includes terms and conditions, however, which the exporter must perform to receive payment. This is a very secure form of payment and is used frequently for new or unknown clients, where there may be more risk of nonpayment. While offering more flexibility and while not as onerous as Cash in Advance, Letters of Credit still represent an obligation on the Australian importer's credit line, and incur bank fees.

**Commercial Bills of Exchange:** These bills of exchange (sight and time drafts and cash against documents) are processed through the banks of both parties involved in the transaction. Like an L/C, banks do not guarantee payment or release shipping documents until the parties meet the terms of the bill of exchange.

This method carries higher risk than for a Letter of Credit, as the importer may refuse to pay. The exporter should obtain credit references or have had a long-standing relationship with the importer before offering this form of financing. Importers prefer this method because it does not affect their cash flow or tie up commercial credit lines. Conversely, these advantages to the importer have made it one of the most widely-used forms of trade finance.

**Under an Open Account,** the exporter ships the goods and sends an invoice for payment. These accounts are used widely, particularly with shipments to U.S.

subsidiary operations in Australia. Because this is the least-secure form of financing, it is typically used for the very best and long-established accounts. Australian importers frequently request open account credit terms to allow them to receive and sell goods before paying the exporter. The standard credit terms depend on the nature of the good, the competitiveness of the industry, and the sales history between buyer and seller. The majority of Australian imports from the U.S. allow payment terms from 30 to 180 days from the date of the shipping documents. This method carries the greatest risk to the exporter but is the most attractive to the importer.

## Australia's Banking System

[Return to top](#)

In the early 1980's, Australian state and federal governments divested themselves of their banking interest as part of an economy-wide trend of deregulation and privatization. There are no government-owned banks in Australia now. The State Bank of New South Wales merged as far back as 1982 with the Victorian-based Commercial Bank of Australia Ltd to form the Westpac Corporation.

The four largest retail banks in Australia are Westpac Banking Corporation, the Commonwealth Bank, the Australian New Zealand Bank (ANZ), and the National Australia Bank (NAB).

While the banking system in Australia is reliable and transparent, there are structural and operational differences from the American system. Historically, Australian banks have not operated under the restrictions that limited U.S. bank operations between 1933 and the repeal of the Glass-Steagall Act. In Australia, the distinction between retail banks and investment banks has become increasingly blurred.

The Australian banking system is undergoing progressive deregulation and privatization. Beginning with deregulation in the 1980's, foreign banks have been allowed to enter the financial market. Retail banks, in general, now provide a wider range of financial services, including life and general insurance, stock brokering and security underwriting to retail customers, in addition to making corporate and consumer loans. This places them in competition with brokerage houses and merchant banks.

In early 1992, the Australian Government further liberalized the banking system by abolishing limitations on the number of foreign bank licenses. This permitted non-Australian banks to operate as branches to serve the wholesale market. Banking regulations, however, only allow retail-banking activities through a locally-incorporated subsidiary.

Changes brought about as a result of recommendations by the 1997 Wallis inquiry into the Australian financial system established the Reserve Bank of Australia's (RBA) key roles as monetary policy, systemic stability and payments system regulator. The Australian Prudential Regulation Authority (APRA) became the prudential regulator of the Australian financial services industry in 1998. It oversees banks, credit unions, building societies, general insurance and reinsurance companies, life insurance, friendly societies, and most members of the superannuation industry. APRA currently supervises institutions holding approximately \$2.2 trillion in assets for 20 million Australian depositors, policyholders, and superannuation fund members.

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

## **Foreign-Exchange Controls**

[Return to top](#)

Australia does not restrict the flow of currency into or out of the country. There are, however, cash reporting obligations under the Cash Transaction Reports Act (CTRA). To control tax evasion and money laundering, the Australian Transaction Reports and Analysis Center (AUSTRAC) requires reports of international currency transfers of Aus\$10,000 or more. AUSTRAC does not inhibit normal currency transfers associated with international trade.

The Australian dollar has been allowed to float since 1983. The currency is freely convertible, and international supply and demand determine exchange rates. Official policy is not to defend any particular exchange rate level. Reserve Bank intervention is minimal and occurs only to moderate extreme foreign exchange market volatility. Only authorized foreign exchange dealers, including trading banks and most merchant banks, can make legal foreign exchange transactions. There are no specific restrictions regarding the remittance of profits, dividends, or capital.

## **U.S. Banks and Local Correspondent Banks**

[Return to top](#)

### **American Banks and Financial Institutions**

Bank of America NA  
<http://www.bankofamerica.com>

BT Financial Management  
<http://www.btfunds.com.au>

Citibank Limited  
<http://www.citibank.com.au>

Credit Suisse First Boston Australia Securities Ltd (CSFB)  
<http://www.csfb.com>

JP Morgan Australia Pty Ltd  
<http://www.jpmorgan.com.au>

Merrill Lynch Australasia  
<http://www.ml.com>

Morgan Stanley Australia Limited  
<http://www.morganstanley.com>

State Street Bank and Trust Company  
<http://www.statestreet.com>

UBS Warburg  
<http://www.ibb.ubs.com>



## **Australian-Owned Banks**

Adelaide Bank Ltd  
<http://www.adelaidebank.com.au>

AMP Bank  
<http://www.amp.com.au>

Australia and New Zealand Banking Group Limited (ANZ)  
<http://www.anz.com>

Bank of Queensland Ltd  
<http://www.boq.com.au>

Bendigo Bank Ltd  
<http://www.bendigobank.com.au>

Commonwealth Bank of Australia  
<http://www.commbank.com.au>

Macquarie Bank Ltd  
<http://www.macquarie.com.au>

National Australia Bank Limited  
<http://www.national.com.au>

St. George Ltd  
<http://www.stgeorge.com.au>

Suncorp-Metway Ltd  
<http://www.suncorpmetway.com.au>

Westpac Banking Corporation  
<http://www.westpac.com.au>

## **Project Financing**

[Return to top](#)

A number of national and international financial management companies practice in Australia. These companies provide the complex financial structuring services required to fund projects, using the most competitive package available for a particular project. Long-term debt financing is available from a variety of sources and methods. These include:

- Banks
- Financial institutions
- Retail investors
- Government loans
- Export credit agencies
- Credit enhancement agencies
- Bonds

- Formation of national and international banking consortia
- BOOT (build, own, operate and transfer)
- Direct investment by local and international companies
- Formation of loan syndicates
- Formation of joint ventures

Project financing includes finance made available by non-participants (i.e., loan funds by financial institutions) and finance provided by participants (that is, shares in a stock company), as well as a host of hybrid arrangements. U.S. companies participate actively in all types of project financing in Australia.

Traditionally, banks have provided project finance term debt and currently are the only source of project credit. While other sources might fund project loans, funding is undertaken only on the basis of bank credit enhancement, through a bank guarantee or letter of credit. The development of new and innovative funding mechanisms is a key element in financing projects and infrastructure development, as public projects at the federal, state and local levels become available for privatization.

The major trading banks have the dominant ownership of the major finance companies, which control about three-quarters of the total assets of the industry. Commercial banks are the major source of medium-term loans. A wide range of merchant banks operate in Australia, many of which are associated with some of the world's largest financial institutions. They also provide short-to-medium term funding.

Venture capital is usually available from management and investment companies, which are funded by tax-deductible capital subscriptions. Other alternatives include obtaining funds from finance companies (including leasing arrangements), building societies, credit cooperatives or unions, insurance companies, pension and superannuation funds, and cash management trusts.

The larger finance companies obtain their funds mainly by public issues of debentures and unsecured notes, with terms of up to five years. Syndicated lending by Australian and overseas banks provides long-term financing. A specialized market exists for direct borrowing and lending on an unsecured basis between large, well-established companies. Factoring of book debts can be arranged with finance companies, but it is not a widespread practice.

Unlike their U.S. counterparts, Australian banks are free to participate in virtually all forms of financial services, including overdrafts (a traditional form of borrowing), fixed-term loans, commercial bills of exchange, letters of credit, domestic and international debt and equity issues, underwriting, leasing and Eurocurrency borrowing. A wide range of non-bank institutions also provides financial services.

Several U.S. Government agencies, as well as state and local bodies, offer programs to assist exporters with their financing needs. Some are guarantee programs that require the participation of an approved lender; others provide loans or grants to the exporter, or to a foreign government. Many financing and guarantee programs apply only to high-risk or developing countries. Therefore, most business dealings with Australia do not qualify for coverage. Exporters should seek counseling on availability of these U.S. Government programs in Australia.

The Export-Import Bank of the United States (Eximbank) is the federal government's trade finance agency, offering numerous programs to finance and facilitate U.S. exports through loans and providing guarantees and insurance for loans from commercial sources. Although Australia participates in Eximbank programs for major projects, such as commercial aircraft sales, there is relatively little Eximbank activity in Australia.

Other organizations fill various market niches. A group of large banks owns the Private Export Funding Corporation (PEFCO), which makes Eximbank-guaranteed loans to foreign purchasers of U.S. goods. The U.S. Department of Agriculture offers a variety of programs to foster agricultural exports. The U.S. Small Business Administration addresses the international trade needs of small U.S. exporters.

Because Australia is an industrialized country and a donor nation to the multilateral development banks (MDBs), lending institutions such as the World Bank and the Asian Development Bank do not operate here. Like other prosperous countries, Australia has a large pool of private funding available for debt financing of projects.

World Bank and Asian Development Bank support for development projects in the developing countries of Asia provide opportunities for American/Australian consortia to compete for MDB-funded contracts in these countries. Australian companies often have established relationships in the region and are in a strong position, when teamed with U.S. companies, to offer very competitive bids and performance qualifications.

## Web Resources

[Return to top](#)

Adelaide Bank Ltd: <http://www.adelaidebank.com.au>  
AMP Bank: <http://www.amp.com.au>  
Australia and New Zealand Banking Group Limited (ANZ): <http://www.anz.com>  
Australian Prudential Regulation Authority: <http://www.apra.gov.au>  
Australian Transaction Reports and Analysis Center: <http://www.austrac.gov.au/>  
Bank of America NA: <http://www.bankofamerica.com>  
Bank of Queensland Ltd: <http://www.boq.com.au>  
BankWest <http://www.bankwest.com.au/>  
Bendigo Bank Ltd: <http://www.bendigobank.com.au>  
BT Financial Management: <http://www.btfunds.com.au>  
Citibank Limited: <http://www.citibank.com.au>  
Commonwealth Bank of Australia: <http://www.commbank.com.au>  
Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)  
Credit Suisse First Boston Australia Securities Ltd (CSFB): <http://www.csfb.com>  
Export-Import Bank of the United States: <http://www.exim.gov>  
JP Morgan Australia Pty Ltd: <http://www.jpmorgan.com.au>  
Macquarie Bank Ltd: <http://www.macquarie.com.au>  
Merrill Lynch Australasia: <http://www.ml.com>  
Morgan Stanley Australia Limited: <http://www.morganstanley.com>  
National Australia Bank Limited: <http://www.national.com.au>  
OPIC: <http://www.opic.gov>  
SBA's Office of International Trade: <http://www.sba.gov/oit/>  
State Street Bank and Trust Company: <http://www.statestreet.com>  
St. George Ltd: <http://www.stgeorge.com.au>  
Suncorp-Metway Ltd: <http://www.suncorpmetway.com.au>  
Trade and Development Agency: <http://www.tda.gov/>

UBS Warburg: <http://www.ibb.ubs.com>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

Westpac Banking Corporation: <http://www.westpac.com.au>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

### **Business Customs**

[Return to top](#)

Conducting business is relatively easy for American companies because the language, cultural environment, business practices, and customer expectations are similar. Australia's business etiquette also is similar to that of the U.S. Australians pay attention to advance planning, promptness, and follow-up, and are generally direct in their business dealings. They typically conduct business on a first-name basis, and exchange business cards for information purposes, but without any special ceremony. Token gift exchange is not common.

Luncheon and breakfast meetings are common, and Australians do not typically schedule business functions on weekends. Business attire is the norm for the cities, with country areas being slightly more informal.

### **Travel Advisory**

[Return to top](#)

For State Department travel warnings, please visit:  
[http://travel.state.gov/travel/cis\\_pa\\_tw/tw/tw\\_1764.html](http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html)

For additional State Department information on Australia, please visit:  
[http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_954.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_954.html)

### **Visa Requirements**

[Return to top](#)

Americans traveling to Australia for business and/or leisure must hold a valid U.S. passport and either a visa or an Electronic Travel Authority (ETA). Apply to Australian Embassies, High Commissions and Consulates for visas. For the location of the nearest Australian consulate refer to: <http://www.immi.gov.au/contacts/overseas/index.htm>. ETA's are also available via the Internet (<http://www.eta.immi.gov.au>), and from participating U.S. travel agents and airlines when making travel arrangements. The Australian Embassy has a list of participating travel agencies. U.S. citizens traveling to Australia should note that they must obtain the ETA in the U.S.

Requirements for work and resident visas are more stringent. Americans should contact the nearest Australian visa office well in advance.

U.S. companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

Australian Embassy Website <http://www.austemb.org/>

## **Telecommunications**

[Return to top](#)

Australia's telecommunications infrastructure is excellent: national and international prices continue to decline as competition increases. Services to businesses include Internet access, ISDN, voice messaging, and facsimile. Phone cards are common and are available at numerous retail outlets.

Australia runs GSM, CDMA, W-CDMA, and 3G networks. Telstra, Optus, and Vodafone provide GSM, while Telstra, the 3 Network, Orange, AAPT, Optus, and Virgin Mobile provide CDMA services. The leading mobile carriers have carried 3G since 2005. Users of these technologies should receive wide coverage across Australia, although it has been suggested that Telstra may switch off its CDMA network in 2008. Mobile phone rentals are available at the airport and in the major city centers. You will need to make prior arrangements with your communications carrier or service provider to ensure you are able to use your cellular phone in Australia. You should also check if your cellular phone equipment is safe to operate in Australia. Power voltage is 240 volts/50Hz.

Internet access is widely available at airports, hotels, and Internet cafés. Facsimile services are also available for public use in post offices, hotels, and some news agencies.

For further information, see the Australian Communications and Media Authority website at <http://www.acma.gov.au>

## **Transportation**

[Return to top](#)

Travel time from the U.S. to Australia is a 14-hour non-stop flight from the West Coast (San Francisco or Los Angeles), with a choice of flights on several international airlines including United Airlines, Qantas Airways, Hawaiian Airlines, Air New Zealand, Air Tahiti Nui, and Air Pacific. Most departures from the U.S. leave in the evening and arrive in Australia early in the morning, with a day lost at the International Date Line. Travel to or from the rest of Asia, Europe, South America and South Africa is also convenient.

Frequent interstate flights connect the five major Australian cities. The major airlines servicing domestic routes include Qantas Airways, Virgin Blue and Jetstar Airways (a subsidiary of Qantas). Savings are available on domestic airfares when purchased in

conjunction with international tickets. Australia has an extensive and efficient domestic transportation system, including air, rail, coach, and sea.

Australians drive on the left side of the road. Major U.S. and Australian car rental agencies operate throughout the country. Reservations are available through airports, hotels, travel agents or directly, using a credit card and a U.S. or international driver's license. Public transportation is well-developed throughout urban areas. Comfortable and convenient bus, rail, and air services are available between cities and country towns.

### **International Air Travel Times**

Los Angeles to Sydney - 14 hrs  
New York to Sydney (via Los Angeles and San Francisco)- 21 hrs  
Honolulu to Sydney - 9 hrs  
Tokyo to Sydney - 9 hrs  
Hong Kong to Sydney - 9 hrs  
Singapore to Sydney - 8 hrs

### **Air Travel Times Within Australia**

Sydney to Melbourne - 1 hr  
Sydney to Brisbane - 1 hr  
Sydney to Perth - 4 hrs  
Sydney to Canberra - 35 mins  
Melbourne to Brisbane - 2 hrs  
Melbourne to Perth - 4 hrs  
Brisbane to Perth - 6 hrs

## **Language**

[Return to top](#)

Australia is an English-speaking country.

## **Health**

[Return to top](#)

Australia has no notable health risks and public tap water is safe to drink. There are active campaigns to encourage the population to protect themselves from sun exposure and HIV/AIDS. Medical and dental services, and all types of health facilities, are comparable with those in the U.S. Visitors can receive medical attention easily, but may be required to pay for services immediately, by cash or credit card.

## **Local Time, Business Hours, and Holidays**

[Return to top](#)

Australia has three time zones: Eastern, Central, and Western. Not all Australian states observe daylight saving time and the dates for the switch to and from Daylight time varies. To check the current time in Australia, refer to: [www.timezoneconverter.com](http://www.timezoneconverter.com)

Office business hours generally are 9:00 am-5:00 pm, Monday through Friday. Retail shops increasingly keep longer business hours, and all city centers have evening shopping at least one day per week, along with Saturday, and (in most areas) Sunday trading. Banks are open to the public from 9:00 a.m. to 4:00 p.m., Monday through

Friday, with 7-day/24-hour ATM service. Restaurants and convenience stores are commonly open for extended hours.

Australians generally take annual vacation in December and January, combining Christmas/New Year with the school summer vacation period. Consequently, business slows down and it is often difficult to make business appointments during this time. Business travelers should be certain that their contacts are available during this period before scheduling trips.

A list of Public Holidays in Australia can be found at:  
<http://www.buyusa.gov/australia/en/283.html>

## **Temporary Entry of Materials and Personal Belongings**

[Return to top](#)

Commercial goods brought into Australia with the intention of being sold will be subject to the normal rates of duty and sales tax, where applicable. In most cases, imported items solely for exhibiting at local trade fairs are not subject to import duties.

Goods may enter Australia on a temporary basis without the payment of Customs duty or taxes for a period of up to 12 months. These goods are referred to as Temporary Imports. The legislative provisions for Temporary Imports are contained in Sections 162 and 162A of the Customs Act 1901 and Regulations 124, 125, 125A and 125B of the Customs Regulations 1926. Another way for goods to enter Australia on a temporary basis is under the cover of a 'carnet,' an international "passport for goods." All temporary imports must leave within the approved period. The nature of the goods, their intended use in Australia, and who is importing them will determine the eligibility provisions under Australian customs law.

For further information: <http://www.customs.gov.au/site/page.cfm?u=4355>

There are no restrictions to the temporary importation of personal computers and software applications for use in normal business situations. Before you arrive in Australia, you are advised to check if your communications equipment (for example, mobile phone, wireless microphone, notebook computer) is safe to operate in Australia. Power voltage is 240 volts/50Hz.

## **Web Resources**

[Return to top](#)

Australian Communications Authority: <http://www.acma.gov.au>

Australian Customs: <http://www.customs.gov.au>

Australian Embassy/Consulate listing:

<http://www.immi.gov.au/contacts/overseas/index.htm>

Australian Embassy Website <http://www.austemb.org/>

Australian Visa information: <http://www.eta.immi.gov.au>

Public Holidays in Australia: <http://www.buyusa.gov/australia/en/283.html>

Time conversion: <http://www.timezoneconverter.com>

U.S. State Dept. Australia: [http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_954.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_954.html)

U.S. State Dept. Destination USA: <http://www.unitedstatesvisas.gov/>

U.S. State Dept. Travel Warnings:

[http://travel.state.gov/travel/cis\\_pa\\_tw/tw/tw\\_1764.html](http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html)



U.S. State Dept. Visa Website: <http://travel.state.gov/visa/index.html>

**Australian Tourist Office**

Australian Tourist Commission

<http://www.australia.com>

**Australian State Tourist Offices**

Australian Capital Territory

<http://www.canberratourism.com.au>

New South Wales Tourist Commission

<http://www.tourism.nsw.gov.au>

Victorian Tourist Commission

<http://www.visitvictoria.com>

Tourism Queensland

<http://www.queenslandholidays.com.au>

South Australian Tourist Commission

<http://www.southaustralia.com>

Western Australian Tourist Commission

<http://www.westernaustralia.net>

Northern Territory Tourism Commission

<http://www.nttc.com.au>

Tourism Tasmania

<http://www.discovertasmania.com.au>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 9: Contacts, Market Research, and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

### Contacts

[Return to top](#)

#### U.S. Government Organizations

Embassy Of The United States Of America  
<http://usembassy-australia.state.gov>

U.S. Commercial Service Offices In Australia  
<http://www.buyusa.gov/australia/en/>

Senior Commercial Officer for Australia  
David J. Murphy  
U.S. Commercial Service  
U.S. Consulate General  
Level 59, MLC Centre,  
19-29 Martin Place  
Sydney NSW 2000  
Australia  
Tel: 61 2 9373 9205  
Fax: 61 2 9221 0573  
Email: [Sydney.Office.Box@mail.doc.gov](mailto:Sydney.Office.Box@mail.doc.gov)

For mail from the U.S.:

U.S. Commercial Service  
U.S. Consulate General, Sydney  
PSC 280, Unit 11024  
APO AP 96554-0002

Deputy Senior Commercial Officer  
Karen Pilmanis  
Commercial Service  
U.S. Consulate General  
553 St. Kilda Road, 6th Floor  
Melbourne VIC 3004  
Australia  
Tel: 61 3 9526 5900  
Fax: 61 3 9510 4660  
Email: [Melbourne.Office.Box@mail.doc.gov](mailto:Melbourne.Office.Box@mail.doc.gov)

For mail from the U.S.:

U.S. Commercial Service  
U.S. Consulate General, Melbourne  
Unit 11011  
APO AP 96551-0002

### **AmCham And Bilateral Business Councils**

The American Chamber Of Commerce In Australia (Amcham)  
<http://www.amcham.com.au>

Australian and New Zealand American Chambers Of Commerce  
<http://www.usa.embassy.gov.au/whwh/AACCinUS.html>

### **Australian Chambers Of Commerce (By State)**

Each Australian state has a Chamber of Commerce to promote business relations and investment, including imports and exports.

State Chamber of Commerce (New South Wales)  
<http://www.thechamber.com.au>

Commerce Queensland  
<http://www.commerceqld.com.au>

Victorian Employers' Chamber of Commerce and Industry  
<http://www.vecci.org.au>

Business South Australia  
<http://www.business-sa.com.au>

Tasmanian Chamber of Commerce & Industry  
<http://www.tcci.com.au>

Chamber of Commerce and Industry of Western Australia  
<http://www.cciwa.com>

### **LEADING TRADE OR INDUSTRY ASSOCIATIONS**

(Listed by Standard ITA Industry Codes)

Australia, like the U.S., has active trade and industry associations that have various information and industry promotion programs to assist their members.

### **General Business And Trade Associations**

Association of Consulting Engineers Australia  
<http://www.acea.com.au>

Australian Chamber of Commerce and Industry  
<http://www.acci.asn.au>

Australian Commercial Disputes Centre  
<http://www.acdcltd.com.au>

Australian Industry Group  
<http://www.aigroup.asn.au>

Australian Institute of Company Directors  
<http://www.companydirectors.com.au>

Australian Institute of Management – Victoria & Tasmania  
<http://www.aimvic.com.au>

Australian Market and Social Research Society  
<http://www.mrsa.com.au>

Australian Retailers Association  
<http://www.ara.com.au>

Business Council of Australia (policy advisory group)  
<http://www.bca.com.au>

Customs Brokers and Forwarders Council of Australia Inc.  
<http://www.cbfa.com.au>

Engineers Australia  
<http://www.engineersaustralia.org.au>

Institute of Business Leaders  
<http://www.businessleaders.com.au>

Institute of Patent and Trade Mark Attorneys of Australia  
<http://www.ipata.com.au>

New South Wales Business Chamber (formerly Australian Business Chamber)  
<http://www.nswbusinesschamber.com.au/>

Standards Australia  
<http://www.standards.org.au>

### **Accounting Firms (ACT)**

CPA Australia  
<http://www.cpaaustralia.com.au>

Institute of Chartered Accountants in Australia  
<http://www.icaa.org.au>

### **Agricultural Machinery And Equipment (AGM)**

Agricultural Machinery Research and Design Center

<http://www.unisa.edu.au/amrdc>

**Aircraft/Parts (AIR)  
Airport/Ground Support Eqpt (APG)  
Aviation Services (AVS)**

Aircraft Owners and Pilots Association of Australia  
<http://www.aopa.com.au>

Australian Aerospace Industry Forum  
<http://www.industry.gov.au/content/itrinternet/cmscontent.cfm?objectID=DDF6A156-C6BE-BAFD-053A95D2382A2D3C>

Helicopter Association of Australasia  
<http://www.haa.net.au>

**Automotive Parts/Service Equipment (APS)**

Australian Automotive Aftermarket Association  
<http://www.aaaa.com.au>

Federation of Automotive Products Manufacturers  
<http://www.fapm.com.au>

Federal Chamber of Automotive Industries  
<http://www.fcai.com.au>

Motor Trades Association of Australia  
<http://www.mtaa.com.au>

**Biotechnology (BTC)**

AusBiotech Limited  
<http://www.ausbiotech.org>

**Books/Periodicals (BOK)**

Australian Booksellers Association Inc. (ABA)  
<http://www.aba.org.au/home.asp>

**Building And Construction (CON)**

Australian Building Codes Board  
<http://www.abcb.gov.au>

Australian Construction Industry Forum (ACIF)  
<http://www.acif.com.au>

Australian Constructors Association  
<http://www.constructors.com.au>

Australasian Tunnelling Society  
<http://www.ats.org.au>

Civil Contractors Federation  
<http://www.civilcontractors.com>

Housing Industry Association  
<http://www.hia.com.au>

Master Builders Australia Inc.  
<http://www.masterbuilders.com.au>

**Chemical Production Machinery (CHM)  
Chemicals, Industrial (ICH)**

Chemical Advisory Service  
<http://www.cas.com.au>

Plastics and Chemicals Industries Association (PACIA)  
<http://www.pacia.org.au>

**Computers/Peripherals (CPT)  
Computer Software (CSF)  
Computer Services (CSV)**

Australian Computer Society  
<http://www.acs.org.au>

Australian Information Industry Association (AIIA)  
<http://www.aiia.com.au>

Australian Interactive Media Industry Association (AIMIA)  
<http://www.aimia.com.au>

Australian Visual Software Distributors Association Ltd (AVSDA)  
<http://www.avsda.com.au/>

Internet Industry Association  
<http://www.iiia.net.au>

**Defense Industry Equipment (DFN)**

Australian Industry & Defence Network, Inc.  
<http://www.aidn.org.au/>

Australian Industry Group  
<http://www.aigroup.asn.au>

**Direct Marketing (DIR)**

Australian Direct Marketing Association  
<http://www.adma.com.au>

### **Drugs and Pharmaceuticals (DRG)**

Medicines Australia  
<http://www.medicinesaustralia.com.au>

### **Education/Training (EDS)**

Adult Learning Australia Inc.  
<http://www.ala.asn.au>

Australian Institute of Training & Development (AITD)  
<http://www.aitd.com.au>

Department of Education, Science, and Training  
<http://www.dest.gov.au>  
[http://www.dest.gov.au/sectors/training\\_skills/policy\\_issues\\_reviews/key\\_issues/nts/](http://www.dest.gov.au/sectors/training_skills/policy_issues_reviews/key_issues/nts/)

### **Electrical Power Systems (ELP)**

Australian Bureau of Agricultural Resource Economics  
<http://www.abare.gov.au>

Department of Energy, Utilities and Sustainability  
(Formerly the Sustainable Energy Development Authority)  
<http://www.deus.nsw.gov.au>

Department of Industry, Tourism and Resources  
<http://www.industry.gov.au>

Energy Supply Association of Australia  
<http://www.esaa.com.au>

Energy and Water Ombudsman (Victoria)  
<http://www.ewov.com.au>

Office of the Regulator-General, Victoria  
Essential Services Commission  
<http://www.esc.vic.gov.au>

The Warren Centre for Advanced Engineering  
<http://www.warren.usyd.edu.au>

### **Electronics (EIP)**

Australian Electrical and Electronic Manufacturers' Association  
<http://www.aeema.asn.au>

### **Environmental Technologies (POL)**

Australian Water Association  
<http://www.awa.asn.au>

Environment Business Australia (EBA)  
<http://www.environmentbusiness.com.au>

Waste Management Association of Australia  
<http://www.wmaa.asn.au>

### **Film, Videos/Other Recordings (FLM)**

Australasian Performing Right Association Ltd. (APRA)  
<http://www.apra.com.au>

Australian Copyright Council  
<http://www.copyright.org.au>

Australian Council of Film Societies  
<http://www.acmi.net.au/acofs.htm>

Australian Film Institute (AFI)  
<http://www.afi.org.au>

Australian Recording Industry Association (ARIA)  
<http://www.aria.com.au>

Australian Visual Software Distributors Association Ltd (AVSDA)  
<http://www.avsda.com.au/>

Screenrights 2007 (Audio-Visual Copyright Society Limited)  
<http://www.screen.org>

### **Financial Services (FNS)**

Australian Prudential Regulation Authority (APRA)  
<http://www.apra.gov.au>

Australian Securities & Investment Commission (ASIC)  
<http://www.asic.gov.au>

Dun & Bradstreet (Australia) P/L  
<http://www.dnb.com.au>

Reserve Bank of Australia (RBA)  
<http://www.rba.gov.au>

### **Food Processing/Packaging Equipment (FPP) Foods, Processed (FOD)**



Australian Institute of Food Science & Technology Inc.  
<http://www.aifst.asn.au>  
<http://www.foodaust.com.au> (Official journal of AIFST)

Australian Food and Grocery Council  
<http://www.afgc.org.au>

Food and Beverage Importers Association Inc.  
<http://www.fbia.org.au/>

Food Science Australia  
<http://www.foodscience.afisc.csiro.au>

Packaging Council of Australia Inc.  
<http://www.packcoun.com.au>

### **Franchising (FRA)**

Franchise Council of Australia (FCA)  
<http://www.franchise.org.au>

### **Information Services (INF)**

Australian Computer Society Inc.  
<http://www.acs.org.au>

Australian Information Industry Association (AIIA)  
<http://www.aiia.com.au>

### **Investment Services (INV)**

Investment and Financial Services Association Ltd.  
<http://www.ifsa.com.au>

### **Jewelry (JLR)**

Jewellers Association of Australia Ltd.  
<http://www.jaa.com.au>

### **Machine Tools/Metalworking Equipment (MTL)**

Australian Industry Group  
<http://www.aigroup.asn.au>

Australian Manufacturing Technology Institute Limited  
<http://www.amtil.com.au>

### **Medical Equipment (MED)**

Medical Industry Association of Australia (MIAA)  
<http://www.miaa.org.au>

## **Mining Industry Equipment (MIN)**

Minerals Council of Australia  
<http://www.minerals.org.au>

## **Oil & Gas Field Machinery (OGM) Oil, Gas, Mineral Production/Exploration Services (OGS)**

The Australian Gas Association (AGA)  
<http://www.gas.asn.au>

## **Packaging Equipment (PKG)**

Packaging Council of Australia  
<http://www.packcoun.com.au>

## **Plastic Materials/Resins (PMR) Plastics Production Machinery (PME)**

Plastics and Chemicals Industries Association (PACIA)  
<http://www.pacia.org.au>

## **Pollution Control Equipment (POL)**

Australian Water Association (AWA)  
<http://www.awa.asn.au>

Environment Business Australia (EBA)  
<http://www.environmentbusiness.com.au>

## **Printing/Graphic Arts Equipment (PGA)**

Graphic Arts Merchants Association of Australia Inc.  
<http://www.gamaa.net.au>

Printing Industries Association of Australia  
<http://www.printnet.com.au>

## **Process Control Instrumentation (PCI)**

Institute of Instrumentation, Control and Automation  
<http://www.iica.org.au>

## **Railroad Equipment (RRE)**

Australasian Railway Association Inc.  
<http://www.ara.net.au/>

Australian Railway Industry Corporation (ARIC)  
<http://www.aric.net.au>

## **Security/Safety Equipment (SEC)**

Australian Security Industry Association Limited (ASIAL)  
<http://www.asial.com.au>

## **Telecommunications Equipment (TEL) Telecommunication Services (TES)**

Australian Telecommunications Users Group Limited (ATUG)  
<http://www.atug.com.au>

## **Textiles, Clothing And Footwear (TXP)**

Council of Textile & Fashion Industries of Australia Limited  
<http://www.tfia.com.au>

## **Travel And Tourism Services (TRA)**

Australian Federation of Travel Agents Limited (AFTA)  
<http://www.afta.com.au>

See America Association (Australia)  
<http://www.visitusa.org.au>

## **Water Resources Equipment/Services (WRE)**

Australian Water Association (AWA)  
<http://www.awa.asn.au>

## **AUSTRALIAN GOVERNMENT AGENCIES**

### **Australian Government Offices In The United States**

Embassy of Australia  
<http://www.austemb.org>

Tourism Australia  
<http://www.tourism.australia.com/>

### **Key Australian Federal Government Agencies**

Airservices Australia  
<http://www.airservicesaustralia.com>

Broadband, Communications and the Digital Economy, Department of  
(Formerly: Communications, Information Technology and the Arts, Department of)  
<http://www.dcita.gov.au>

Building Codes Board, Australian  
<http://www.abcb.gov.au>

Bureau of Statistics, Australian (ABS)

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

Communications and Media Authority, Australian (ACA)

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

Competition and Consumer Commission, Australian (ACCC)

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

Customs Service, Australian (ACS)

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

Defence, Department of

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

Foreign Affairs and Trade, Department of (DFAT)

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

Foreign Investment Review Board (FIRB)

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

Health and Ageing, Department of

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

Immigration and Citizenship, Department of

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

Industry, Tourism and Resources, Department of (ITR)

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

Content of this website is being reviewed. As of Jan 2008, this Department became known as the Department of Innovation, Industry, Science and Research and the Department of Resources, Energy and Tourism.

Infrastructure, Transport, Regional Development and Local Government, Department of (Formerly: Transport and Regional Services, Department of)

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

IP Australia (Intellectual Property)

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

Quarantine and Inspection Service, Australian (AQIS)

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

Taxation Office, Australian (ATO)

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

Therapeutic Goods Administration

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

Treasury, The

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

## **AUSTRALIAN STATE ECONOMIC DEVELOPMENT AGENCIES**

### **Australian Capital Territory**

Business ACT

<http://www.business.act.gov.au>

### **New South Wales**

Department of State and Regional Development

<http://www.business.nsw.gov.au>

NSW Sport and Recreation

<http://www.dsr.nsw.gov.au>

### **Northern Territory**

Department of Business

<http://www.nt.gov.au/business>

### **Queensland**

Department of Tourism, Regional Development and Industry  
(Formerly: Department of State Development and Trade)

<http://www.sd.qld.gov.au>

### **South Australia**

Department of Trade and Economic Development

<http://www.southaustralia.biz>

### **Tasmania**

Department of Economic Development

<http://www.development.tas.gov.au>

### **Victoria**

Department of Innovation, Industry and Regional Development

<http://www.diird.vic.gov.au>

### **Western Australia**

Department of Industry and Resources

<http://www.doir.wa.gov.au>

**Market Research**

[Return to top](#)

To view U.S. Commercial Service-produced market research reports please visit the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

<http://www.buyusa.gov/australia/en/events.html>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

<http://www.buyusa.gov/australia/en/services.html>

[Return to table of contents](#)

U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.