



Doing Business in Australia:

2013 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Australia

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Market Overview

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Note: As of April 2013 **A\$1.00 = US\$0.98**

- Total U.S.-Australia bilateral trade of goods and services in 2012: US\$64.4 billion
- Total U.S.-Australia bilateral trade of goods in 2012: US\$40.6 billion
- U.S. merchandise exports to Australia in 2012: US\$30.8 billion
- U.S. services exports to Australia: US\$17.0 billion
- Australia's rank as a U.S. export market in 2012: 12th largest
- Principal U.S. exports to Australia in 2012: see Chapter 4
- Australia-U.S. Free Trade Agreement (AUSFTA) elimination of tariffs provided new market opportunities for U.S. companies.

Australia is the world's 12th largest economy, with a GDP of US\$1.5 trillion. It is the fourth largest economy in the Asia-Pacific region and is forecast to grow at around 3% in both 2011-12 and 2012-13. Australia's per-capita GDP of over US\$68,000 is among the highest in the world. The economy has recorded 21 years of uninterrupted annual growth to 2013 and now enjoys the highest terms of trade in 140 years. Growth in commodity exports to Asia buoyed Australia through the GFC but adversely affected the manufacturing and services sectors because of the strong Australian dollar.

The economic outlook for Australia is favorable, led by private investment in mining and commodity exports to emerging Asia, including China. Australia's economic stability has been supported by prudent fiscal policy and structural reforms, with unemployment currently at 5.6% and government net debt only around 10% of GDP. Recent policy initiatives include a carbon tax and a mineral resources rent tax.

In 2011-12, Australia exported over US\$265 billion worth of merchandise goods and imported over US\$244 billion worth of merchandise products and ranks as the U.S.'s 12th largest trade partner. The United States is a major economic partner, standing as its third largest trading partner and largest source of foreign investment, as well as the primary destination for Australian investment. In 2011-12, Australia recorded a goods trade surplus of A\$24 billion in 2011-12 and a surplus of A\$32 billion in 2010-11, a significant turnaround after a series of deficits in previous years.

The Australia-U.S. Free Trade Agreement (AUSFTA) came into effect in 2005 and lowered barriers for bilateral goods and services trade, which has increased by 81% to US\$64 billion in 2012. Over this period, U.S. goods exports to Australia grew 98.5% to

\$30.8 billion and the trade surplus expanded by 160% from US\$8.1 billion to US\$21.1 billion. The stock of Australian direct investment in the United States was A\$98 billion in 2011. Australia is the tenth largest investor in the United States.

The Australian financial system remained resilient throughout the GFC and Australian banks have rebounded. The four largest are now among the world's eleven AA rated banks. The Australian stock market is currently the largest liquid stock market in the Asia-Pacific region (ex-Japan) and ranks sixth in the world, with a total market capitalization of US\$1.4 trillion in March 2013.

Australia has a large services sector (over 70% of GDP), but is also a significant resources, energy and food exporter. Australia's abundant and diverse resources attract high levels of foreign investment and include extensive reserves of coal, iron ore, copper, gold, natural gas, uranium and renewable energy sources. A series of major investments, such as the US\$52 billion Gorgon LNG project led by Chevron, will significantly expand the resources sector. Currently there is a vast investment pipeline of over A\$400 billion. However, with the high dollar, trade exposed industries outside the resources and energy sector have come under great pressure.

- We advise American firms examining the Australian market to pay attention to macro measures of opportunity, which give it more purchasing power relative to that in less-developed economies. Along with the Free Trade Agreement, the case for entering or expanding in the Australian market is stronger than the population of 23 million might suggest, particularly with the strong Australian dollar and high per capita incomes stimulating greater demand for U.S. products and services.
- Australia's relative market appeal remains convincing, with few barriers to entry, a familiar legal and corporate framework, sophisticated consumer and industrial sectors, and a straightforward, English-speaking business culture. The Australia-U.S. Free Trade Agreement enhanced the long and successful trading relationship by eliminating tariffs on almost all U.S. manufactured and agricultural goods.
- We believe 2013 will continue to show demand for American companies with innovative products and technologies in the Australian market. We invite you to contact us to help you analyze and execute your objectives for the Australian market.

Market Challenges

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- **Competitive Market:** Australia's 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 integrated into the world economy and remains a commercial and financial center for the region. American companies will find that Australian and third-country competitors in Australia have some long-established brands with 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.

Market Opportunities

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The top performing export sectors from the US to Australia during 2012 were:

Machinery, Vehicles, Optical and Medical Instruments, Electrical Machinery, Pharmaceutical Products, Precious Stones, Plastics, and Chemical Products.

Market Entry Strategy

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- 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 often 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 given the population of 23 million. Performing due diligence is just as important as in the United States, and we offer numerous resources to assist in that work.

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COUNTRY FACT SHEET: AUSTRALIA

PROFILE

Population in 2011 (Millions): 22
 Capital: Canberra
 Government: Constitutionalmonarchy

ECONOMY

| | 2009 | 2010 | 2011 |
|---|--------|--------|--------|
| Nominal GDP (Current Billions \$U.S.) | 992 | 1,244 | 1,487 |
| Nominal GDP Per Capita (Current \$US) | 45,249 | 56,098 | 66,371 |
| Real GDP Growth Rate (% change) | 1.4 | 2.5 | 2.1 |
| Real GDP Growth Rate Per Capita (% change) | -0.21 | 1.3 | 1.1 |
| Consumer Prices (% change) | 1.8 | 2.8 | 3.4 |
| Unemployment (% of labor force) | 5.6 | 5.2 | 5.1 |
| Economic Mix in 2010: 19.8% All Industries; 9.3% Manufactures; 77.9% Services; 2.3% Agriculture | | | |

FOREIGN MERCHANDISE TRADE (\$US Millions)

| | 2009 | 2010 | 2011 |
|-------------------------------------|---------|---------|---------|
| Australia Exports to World | 153,767 | 206,705 | 245,631 |
| Australia Imports from World | 158,941 | 188,741 | 234,319 |
| U.S. Exports to Australia | 19,599 | 21,798 | 27,542 |
| U.S. Imports from Australia | 8,012 | 8,583 | 10,241 |
| U.S. Trade Balance with Australia | 11,588 | 13,215 | 17,301 |
| Position in U.S. Trade: | | | |
| Rank of Australia in U.S. Exports | 14 | 15 | 14 |
| Rank of Australia in U.S. Imports | 32 | 33 | 33 |
| Australia Share (%) of U.S. Exports | 1.9 | 1.7 | 1.9 |
| Australia Share (%) of U.S. Imports | 0.51 | 0.45 | 0.46 |

Principal U.S. Exports to Australia in 2011:

1. Machinery, Except Electrical (25.1%)
2. Transportation Equipment (16.9%)
3. Chemicals (11.2%)
4. Computer & Electronic Products (10.6%)
5. Miscellaneous Manufactured Commodities (6%)

Principal U.S. Imports from Australia in 2011:

1. Primary Metal Mfg (23.7%)
2. Food & Kindred Products (16.5%)
3. Chemicals (8.1%)
4. Miscellaneous Manufactured Commodities (7.8%)
5. Minerals & Ores (6.1%)

FOREIGN DIRECT INVESTMENT

| | 2009 | 2010 | 2011 |
|--|---------|---------|---------|
| U.S. FDI in Australia (US \$Millions) | 105,890 | 123,492 | 136,249 |
| FDI in U.S. by Australia (US \$Millions) | 36,760 | 38,770 | 55,862 |

DOING BUSINESS/ECONOMIC FREEDOM RANKINGS

World Bank Doing Business in 2012 Rank: 10 of 185
 Heritage/WSJ 2012 Index of Freedom Rank: 3 of 179

Source: Created by USDOC/ITA/OTII-TPIS from many sources: FDI from USDOC, Bureau of Economic Analysis. US Trade from USDOC, Census Bureau, Foreign Trade Division. Australia Trade with World from United Nations where available. National Macroeconomic data from IMF/World Bank databases including World Economic Outlook and World Development Indicators. .WORLD and other country aggregates are summaries of available UN COMTRADE, IMF and other data, and coverage varies over time and by source, but typically represents greater than 85 percent of world trade and production. Note: Principal U.S. Exports and Imports Are 3-digit NAICS Categories

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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>

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Using an Agent or Distributor

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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 that either accepts, rejects, or proposes modifications. The sales representative, nonetheless, is considered to be an agent of the foreign corporation, and under the general laws of agency, the foreign corporation may be liable for the actions of its agent.

Agents assume a number of duties and obligations once a representation contract with a foreign company is finalized, including 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 losses incurred due to improper termination. Australian law, however, has not required indemnity payments.

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 which defines a reasonable notice period, courts may take into consideration the nature and length of the contract when determining whether reasonable notice was given.

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, a foreign corporation cannot restrain a distributor from selling competitors' products. Because distributors are not considered to be an agent of a foreign corporation, however, a foreign company is not bound by the acts of a distributor. 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 jurisdiction does not, however, 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. 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. Either fixed or indefinite-term contracts may be employed. Repeated renewal of fixed-term contracts will not cause the contract to achieve indefinite-term status.

Foreign companies providing consulting and other services in Australia may be required to register for an Australian Business Number (ABN). Registration will depend on the value of the consulting service and whether that service is provided in Australia. U.S. firms can register online at: <https://abr.gov.au/ABRWeb/Homepage.aspx?Task=7a6ab87d-7e97-4724-861b-3097708500ce&NavGraph=Home&View=Home&pid=71&js=1>. 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 (Goods and Services Tax) on the services it receives. The invoice issued to the Australian customer 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. More information can be found later in this report.

Establishing an Office

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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 ASIC, each state registers individuals doing business under business names.

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 are incorporated 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 ASIC, covering accounting, financial statements, annual returns, auditing, 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 public offering of shares is not intended. 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 be converted 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 be assigned 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 will be required to register for an Australian Business Number (ABN) under the Goods and Services Tax 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 can be found on the websites of the Australian Taxation Office (<http://www.ato.gov.au/businesses/>) and the Australian Government's Business Entry Point (<http://www.business.gov.au/Pages/default.aspx>).

While establishing an office is fairly straightforward, we encourage U.S. 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 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 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. The sector is considered both a large and mature sector contributing 9 percent of Australia's GDP or USD 131 billion dollars. There are over 1,100 business format franchise systems currently operating in Australia.

The effect of the economic downturn on franchising is slight. The sector has shifted into recovery mode in the last 12 months following the GFC. There are now estimated to be more than 70,000 business format franchise units operating in the country.

The best opportunities for franchising in Australia are within the retail non-food industry which accounts for 26.6 percent of franchisors (24 percent of franchise units involved in retailing).

There is potential within the accommodation and food services (including food retail, fast food and coffee shops) which equates to 17.6 per cent of franchisors. Opportunities exist within food retail where the overall concept is to promote health and well-being along with a variety of niche food service options. Food niches include regional food concepts such as Tex-Mex and southern cooking.

The administration and support services category follows next, and includes travel agencies, domestic and industrial cleaning, and garden services. This sector accounts for 15.6 percent of franchising activity and represents five per cent of franchise units.

A total of 92 percent of franchise systems are home grown, and, on average, Australian franchises have been operating for 21 years, and franchising for 13 years. To be successful, franchisors must be flexible to "Australianize" their systems in order to suit the local market.

Legal Requirements:

The Australian franchise industry is heavily regulated by the Australian Competition and Consumer Commission since 1998 when it enacted a Franchising Code of Conduct in the *Competition and Consumer Act*. The mandatory Code was created to assist the ongoing relationship between the franchisee and franchisor. This code seeks to cover issues which include the disclosure of the pertinent information regarding the franchisor, conditions contained within the Franchise Agreement, complaint handling, and dispute resolution procedures.

In July 2010, the Australian Federal Government enacted a number of amendments to the Franchising Code of Conduct. These amendments include a disclosure document which must comply with the amended code. As a result, franchisors need to provide additional disclosure including: franchise failure; payments to third parties; significant capital expenditure; legal costs; notice of renewal and dispute resolution.

A future review of the Franchising Code of Conduct has been announced and is scheduled for completion in 2013.

Franchise Council of Australia (FCA): <http://www.franchise.org.au>

Australian Competition and Consumer Commission: <http://www.accc.gov.au>

Franchising Code of Conduct:

<http://www.innovation.gov.au/SmallBusiness/CodesOfConduct/Pages/FranchisingCodeofConduct.aspx>

Direct Marketing

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Advancements within the telecommunications industry and technological developments associated with database applications have resulted in significant growth in the direct marketing industry.

While the global economic climate dented consumer spending, decreases in the official interest rate and a government financial household stimulus package lifted consumer confidence and minimized the effects of the economic crisis in 2009. At the beginning of 2013, the interest rate once again dropped to 3%, its lowest level since 2009, however this is still higher than most developed nations. The director of an online direct marketing company in Australia recently advised that marketing firms must be able to target advertising campaigns on a tighter group of prospects in order to overcome the difficult economic climate this year.

Estimated spending on direct marketing is over US\$17 billion. As with most forms of advertising, direct marketing is becoming saturated in the marketplace and competition for the consumer's attention is increasing.

A wide range of communication facilities are used in this competitive industry. This includes telephones (telemarketing), mail (catalogs/direct mail), traditional broadcast and print media (direct response advertising via television, radio, newspapers, and magazines) and electronic media (the Internet). Telemarketing and mail are the two biggest sectors of the direct marketing industry. However, in August 2008 a poll carried out by the Direct Marketing Association illustrated that marketing via SMS could replace existing mail strategies. The results of the poll revealed that 24 percent of Australian consumers had responded to an advertisement text message.

In response to community concerns and complaints about unsolicited direct marketing calls to private telephones, the Australian government introduced the Do Not Call Register in May 2007 for those consumers who want to opt out of receiving calls from telemarketers. Organizations exempt from adhering to the Do Not Call Register regulations include charities, government bodies, religious groups, educational institutions, and registered political parties. Business telephone and fax numbers at present cannot be listed on the Register. In August 2008, the Australian government called for submissions into an inquiry to extend the Register to include either all or only small business numbers. The Australian Direct Marketing Association has stated that attempts to expand the coverage of the Do Not Call Register to businesses will jeopardize employment in the call center industry, as well as impede normal business commerce. At the end of October 2012, 8 million private numbers were on the Register. This could benefit companies that conduct direct mail campaigns, because those firms do not have to abide by as many regulations as telemarketers.

Commercial electronic messaging (emails, SMS, MMS, or similar) is regulated in Australia under the Spam Act. Such messages must be sent with the recipient's consent and identify the person or organization that authorized sending the message. Commercial electronic messages must also contain a functional 'unsubscribe' facility to allow the recipient to opt-out from receiving messages from that source in the future.

Australian legislation banned the commercial sale of email addresses, and businesses have been forced to draw on their own resources to build email marketing databases. Internet marketers find these email marketing database systems to be an inexpensive and efficient way to reach customers. These new database systems have also leveled the playing field for small businesses that would like to inform customers about the company's new deals.

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

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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. The rights and obligations of these 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 rarely used in Australia.

Hybrid Forms comprise elements of each of the foregoing. They can also be created to 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 is known for its practical approach to problem solving. In this context, the role of licensing is of particular importance for Australian commerce and industry. The common language and cultural similarities make negotiation and understanding easier.

License agreements involving Australian companies should contain the usual terms one would find in a license in the United States, for example, type of license being granted (i.e., sole, exclusive or non-exclusive), territory covered, license fee or royalty, licensee's duties and obligations, period of grant and field use of the technology involved, maintenance of quality control, ownership rights in improvements and innovations made by 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.)

Selling to the Government

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Australia is the only major industrialized country that is not a signatory to the multilateral WTO Agreement on Government Procurement (GPA), though it does have observer status with the agreement. 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) commits Australia to open its federal and state government procurement market to U.S. suppliers at all levels and eliminate discriminatory preferences for most domestic suppliers.

Distribution and Sales Channels

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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 and this method is often observed 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.

Before entering the market, prospective exporters to Australia should evaluate their selling techniques thoroughly 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 follow through with a personal visit. There is no substitute for a first-hand investigation and knowledge.

Australian's are early adopters of high-tech electronic equipment, making the local market attractive for U.S. vendors of IT products and services. Australia provides a robust regulatory framework that facilitates the use of e-commerce platforms.

According to the Australian Bureau of Statistics (ABS), there were approximately 12 million active internet subscribers at the end of June 2011, a 10% annual growth. Around 95 percent of these connections are non dial-up, with 88 percent of all access connections offering a download speed of 1.5 Mbps or greater. 5.9 million subscribers were using mobile wireless connections while 4.6 million were using DSL. Banks, and airlines have been quick to introduce mobile applications to access bank accounts, mortgages, as well as make flight bookings, and generate electronic tickets.

Australian Internet Subscribers June 2011

By Millions of subscribers

| | |
|-----------|-------|
| Broadband | 11.56 |
| Dial-Up | 0.44 |
| Total | 12 |

Source: Australian Bureau Statistics

Approximately 40 percent of broadband users utilize DSL technologies falling from 57 percent in June 2009.

Australian Broadband Technology Market

| <u>Technology</u> | <u>Market Share</u> |
|-------------------|---------------------|
| DSL | 39.9% |
| Cable | 7.5% |
| Wireless | 50.6% |
| Satellite | 0.8% |
| Fiber | 0.4 % |

Source: Australian Bureau of Statistics

The Australian Government has implemented legislation to protect consumers in an online environment. The Electronic Transactions Act states that electronic documents are as legal as traditional paperwork, this is a key component of the government's legal framework for the electronic environment. The Privacy Act also places strict guidelines about how companies can collect and use data.

The Australian Government is also developing the National Broadband Network (NBN) which is expected to reach 93 percent of the population by 2021. Implementation of the NBN was a highly debated topic; however construction of the network officially commenced in September 2012.

Trade Promotion and Advertising

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U.S. companies can promote their products by advertising in *The Australian Financial Review*, the financial sections of the major newspapers, industry magazines, and trade association newsletters. 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 U.S., without a local Australian presence, generally are not effective as a sole tactic. Companies should take note that households can also be placed on a "Do Not Mail List" that has been growing yearly.

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 Australian trade and industry buyers. The U.S. Commercial Service Australia organizes U.S. Pavilions at several Australian trade shows 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.export.gov/australia>

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

Newspapers

| | |
|---------------------------------|---|
| The Australian | http://www.theaustralian.com.au/ |
| The Australian Financial Review | http://www.afr.com/home |
| The Sydney Morning Herald | http://www.smh.com.au |
| The Age (Melbourne) | http://www.theage.com.au |
| The Canberra Times | http://www.canberratimes.com.au |
| Courier Mail (Brisbane) | http://www.couriermail.com.au/ |
| Adelaide Advertiser | http://www.adelaidenow.com.au/ |
| The West Australian (Perth) | http://au.news.yahoo.com/thewest/ |

Business Journals

| | |
|------------------------|---|
| Business Review Weekly | http://www.brw.com.au |
| Asia Business Today | http://www.asiatoday.com.au/ |

The following are magazines inserts in major Australian newspapers:

Boss Magazine: Australian Financial Review
<http://www.afr.com/boss>
The Deal Magazine: The Australian Newspaper
<http://www.theaustralian.com.au/news/features/the-deal-magazine>

The Eureka Report: Online and now part of News Limited
<http://www.eurekareport.com.au/>

Trade Fair Organizers

| | |
|--------------------------------------|---|
| Diversified Exhibitions Australia | http://www.divexhibitions.com.au/ |
| Reed Exhibitions Australia Pty. Ltd. | http://www.reedexhibitions.com.au/ |
| DMG World Media Australasia | http://www.dmgevents.com/ |
| Exhibitions & Trade Fairs | http://www.etf.com.au |
| Expertise Events Pty. Ltd. | http://www.expertiseevents.com.au |

Other Useful Websites

| | |
|--|---|
| Australian Bureau of Statistics | http://www.abs.gov.au |
| Australian Trade Commission | http://www.austrade.gov.au/ |
| Business Service Providers | http://export.gov/australia/businessserviceproviders/index.asp |
| Commercial Service Services | http://export.gov/australia/ourservices/index.asp |
| Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education | http://www.innovation.gov.au/Pages/default.aspx |
| Australian Yellow Pages | http://www.yellowpages.com.au |
| Australian White Pages | http://www.whitepages.com.au/ |

Pricing

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Australia is a free-enterprise economy and basic market factors of supply and demand apply in product pricing. This competitive market requires that companies be price competitive, expect lower profit margins, and expect sales of minimum quantity. Some factors to consider are:

Selling Costs and Price Competitiveness

Australia has a geographical area similar to that of the continental United States and a population of 23 million - comparable to the population of greater Los Angeles. In addition to Australian domestic supply, products from all over the world are represented in this sophisticated market, where sellers and end-users alike are all searching for something new. It is important for U.S. companies to adapt their pricing to the local market, which is active and highly-competitive.

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; goods and services tax (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 when compared with those from within Asia, and even from Europe. The cost of living is generally higher in Australia, and this is coupled with higher wages.

Volume Buying/Selling and Discount Pricing

Australian wholesalers and retailers traditionally have sought the highest markup the market would absorb, rather than thinking of volume buying or selling. This pattern is

changing 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 need to be able to deliver quality products 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. Many consumers are making on-line purchases from the United States to avoid high local prices and the 10 percent GST (only applied on import values exceeding A\$1,000).

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.

Sales Service/Customer Support

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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. Subtle cultural differences do exist, however, 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

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Several general principles are important for effective management of intellectual property (“IP”) rights in Australia. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Australia than in the U.S. Third, rights must be registered and enforced in Australia, under local laws. Your U.S. trademark and patent registrations will not protect you in Australia. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Australian market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. 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. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Australian law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the U.S. Government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government 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 potential 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. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. 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 Australian laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Australian- 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)

IP Resources

A wealth of information on protecting IP 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 U.S. 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 U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the U.S., contact the U.S. Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at <http://www.stopfakes.gov/>
- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia and South Africa. For details and to register, visit: 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 IP-infringing products) and allows you to register for Webinars on protecting IP.

The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Australia at:

Peter N. Fowler
Regional IP Attache for Southeast Asia
USPTO/Foreign Commercial Service
U.S. Embassy Bangkok
Room 302, GPF Witthayu Tower A
93/1 Wireless Road
Bangkok 10330, Thailand
Tel: 662-205-5913
Email: peter.fowler@trade.gov

Due Diligence

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U.S. firms should exercise normal commercial prudence when doing business in the Australian market and are advised to 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.

Another avenue is the Australian Securities and Investments Commission (ASIC), <http://www.asic.gov.au>, a government agency that enforces and administers Australia's Corporations Law and registers all companies. For a small fee, ASIC can provide you with a "historical company extract" which will tell how long a company has been in business, whether it is registered, its principal place of business, a list of directors, and details about its share capital. ASIC can also advise on whether any of the directors have been disqualified.

Local Professional Services

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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 at: <http://export.gov/australia/businessserviceproviders/index.asp>

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/
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/>
Business Review Weekly: <http://www.brw.com.au>
Canberra Times, The: <http://www.canberratimes.com.au>
Commercial Service Australia: <http://www.export.gov/australia>
Courier Mail (Brisbane): <http://www.couriermail.news.com.au/>
Dept. of Innovation, Industry, Science and Research: <http://www.innovation.gov.au>
Diversified Exhibitions Australia <http://www.divexhibitions.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>
Franchise Council of Australia: <http://www.franchise.org.au>
Franchising Code of Conduct:
<http://www.innovation.gov.au/SmallBusiness/CodesOfConduct/Pages/FranchisingCodeofConduct.aspx>
IP Australia: <http://www.ipaustralia.gov.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>

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

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Agricultural Sectors

Overview

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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). According to Global Trade Atlas data, total exports of U.S. food, forestry and fishery products to Australia in CY 2012 were valued at over US\$1.5 billion. The nature of agricultural products exported from the United States to Australia consists mainly of consumer-oriented and intermediate food products (US\$1.1 billion and US\$238 million respectively in CY 2012). Australia is the 9th largest market for U.S. exports of consumer oriented food products.

The United States faces stiff competition in this market from New Zealand, 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 Prospects

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- The **organic, healthy and natural products** market in Australia continues to grow 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 **nutritious snacks** category which experienced an overall 8.8% rise in value in 2011 following a 5.8% rise in 2010. The 'adult' segment of this category experienced a value change of almost 22% in 2011 after a 16% rise in 2010. The rice & grain cakes segment of the biscuits category also continues to experience good growth with a rise of almost 8% in value in 2011 following a 5.4% rise in 2010.

- **Gluten free** foodstuffs continue to grow in popularity. In 2011 this segment rose by over 85% in both grocery value & volume in the frozen food category alone. The value of frozen gluten free segment is \$24 million.
- **The iced tea** segment of the beverages category continues performing well, with overall growth by grocery value of 21% in 2011 after similar rises in 2009 & 2010 (28% & 14% respectively).
- **The energy drinks** segment also remains one of the best performing in the cold beverage category with value growth of over 24% in 2011 and 20% 2010. This segment is valued at \$280 million.
- The **mineral water** category grew by over 14% in 2010 and 6% in 2011 with the non-flavored segment showing the largest growth in 2011 (10%).
- In hot beverages, **roast pure coffee** was by far the best performer in 2011 with a rise in grocery value of 16%. Overall the **hot tea** segment was relatively stable except in the non-mainstream, flavored/health & premium categories, which grew by over 9.5% each.
- The value of the **spices** segment of the herbs & spices category grew by just over 8% in 2011 following growth of almost 11% in 2010. This segment is now valued at \$70 million overall.
- Elsewhere in the condiments category '**wet**' **recipe bases (sauces/marinades)** grew by 14% in value in 2011 after almost 23% growth in 2010. This segment is now valued at \$30 million.

Web Resources

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To view individual commodity reports produced by the Foreign Agricultural Service please go to the following website:

<http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>.

Aircraft and Parts (AIR)

Overview

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Unit: USD millions

| | 2011 | 2012 | 2013 (est.) | 2014 (est.) |
|------------------------|-------|-------|-------------|-------------|
| Total Market Size | 3,736 | 3,848 | 4,231 | 4,653 |
| Total Local Production | 4,572 | 4,736 | 5,208 | 5,728 |
| Total Exports | 1,143 | 1,184 | 1,302 | 1,432 |
| Total Imports | 307 | 296 | 325 | 357 |
| Imports from the US | 192 | 164 | 180 | 198 |
| Exchange Rate: 1USD | 1.00 | 1.00 | 1.00 | 1.00 |

*The above statistics are unofficial estimates.

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Unofficial Estimate

Total Exports: Global Trade Atlas

Total Imports: Global Trade Atlas

Imports from U.S.: Global Trade Atlas

The Australian aerospace and aviation industry is a significant market for U.S. exporters, and is the 13th largest export market for U.S. aircraft and parts. The Australian It is intrinsically connected with U.S. standards, suppliers, parts, and finished aircraft. U.S.-manufactured aircraft represents a sizeable proportion of the registered aircraft in Australia, ensuring a steady market for spares, accessories, and service. Other registered aircraft are manufactured in Australia, Germany, the U.K., and France. The Australian Civil Aviation Authority's acceptance of FAA certification standards strengthens the relationship between American aircraft and parts exporters and their Australian counterparts.

The Australian aerospace and aviation industry is a mix of small and medium enterprise (SME) subsidiaries that supply parts, engineering services, and expertise. Local firms specialize in repair, maintenance, airframe component manufacturing, airport systems, infrastructure, avionics, aero engine, and engine component manufacturing. A select group of specialists carries out commercial aircraft maintenance.

Australia is a primary market in the Asia Pacific region and a major distribution point for the region, offering opportunities for suppliers of quality aerospace products and services.

Sub-Sector Best Prospects

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The commercial airline market sources major equipment directly from manufacturers and prefers to obtain OEM spares from approved suppliers. In Australia, Qantas leads the field in commercial aviation, followed by Virgin Australia. Opportunities in the aviation

market include a range of products from avionics to ground support equipment. Best prospects remain in parts and components supplies for aircraft maintenance, repair, and overhaul of U.S.-manufactured airplanes. With some exceptions, the Australian avionics industry is limited to the supply and installation of components rather than the design and development of high technology products. A significant sub-sector is aerial agriculture, which uses special purpose aircraft, vehicles, equipment, and aircraft maintenance facilities.

Web Resources

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

Airservices Australia: <http://www.airservicesaustralia.com/>

Australian aerospace industry contacts page: <http://www.aerospace-technology.com/projects/region/australasia/>

Civil Aviation Safety Authority:

http://www.casa.gov.au/scripts/nc.dll?WCMS:HOMEPAGE::pc=PC_90001

Automotive Parts and Accessories (APS)

Overview

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Unit: USD thousands

| | 2011 | 2012 (estimated) | 2013 (estimated) | 2014 (estimated) |
|------------------------|---------|---------------------|---------------------|---------------------|
| Total Market Size | 9329000 | 9338030 | 9607709 | 10007709 |
| Total Local Production | 4850000 | 4825128 | 4885600 | 4985600 |
| Total Exports | 1101000 | 1200199 | 1190011 | 1090011 |
| Total Imports | 5580000 | 5713101 | 5912120 | 6112120 |
| Imports from the U.S. | 799000 | 804031 | 815089 | 845089 |
| Exchange Rate: 1 A\$ | 1.00 | 1.00 | 1.00 | 1.00 |

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Industry estimates

Total Exports: Industry estimates

Total Imports: Industry estimates

Imports from U.S: Industry estimates

Despite the relatively small size of the local automotive market, Australia remains one of the most competitive markets in the world. According to VFACTS 2012, 67 different vehicle brands are sold in the Australian market, compared to 51 in the USA, 49 in Canada, and 53 in the United Kingdom.

Local automotive production has remained flat over the last two years. Local consumers are turning away from purchasing locally built vehicles and instead are buying imported vehicles. The number of imported light vehicles (including Passenger Motor Vehicles (PMVs) Sports Utility Vehicles (SUVs), and Light Commercial Vehicles (LCVs) has increased steadily from 2009-2012 probably owing to the strength of the Australian dollar, and the relative affordability of foreign-made vehicles.

Of all sales of domestic light vehicles, MPVs account for 55 percent, SUVs for 27 percent of all sales, and LCVs for 18 percent of the market.

Japan still leads the way in total light vehicles imported into Australia, followed by the EU and North America.

Motor Vehicle Imports By Country of Origin 2012
Percentage

| | |
|----------------|----|
| Japan | 30 |
| European Union | 22 |
| NAFTA | 17 |
| ASEAN | 15 |
| Korea | 8 |
| China | 4 |
| Other | 4 |

Source: DFAT STARS Database based on ABS Cat 5368.0 Feb 2013

The Federal Chamber of Automotive Industries reported that in 2011 over one million automotive vehicles were sold in the local market, and over 110,000 motorcycles, ATVs and scooters were sold in the same period.

Australia has the third-highest vehicle ownership rate in the world with over 600 vehicles per 1,000 people. Growth in Australia's aftermarket has averaged above three percent over the past ten years. The retail market for replacement parts and accessories is valued at approximately US\$9 billion, and includes both locally manufactured and imported products. According to the World Trade Atlas, the United States is the leading supplier, accounting for 19.7 percent of imports or US\$548 million, while Japan comes second with 17.4 percent.

The U.S.-Australia FTA has resulted in the elimination of tariffs across most U.S. automotive imports. This fact coupled with the larger size of the U.S. industry has contributed to a 10.4 percent increase in U.S. exports to Australia since its inception. Future growth potential may be limited by the modest size of the Australian market. Although the United States is Australia's largest import source of these components, U.S. exports to Australia represent less than 2 percent of total U.S. exports of motor-vehicle parts.

Sub-Sector Best Prospects

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The Australian automotive market provides good opportunities for U.S. suppliers of both specialty aftermarket equipment/accessories as well as the necessary aftermarket parts such as; 4WD parts and accessories, street performance parts and accessories, and automotive tools. In general, high-quality, innovative, environmentally-conscious and competitively-priced parts and accessories have strong demand.

Standards

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Before a road vehicle can be registered for the first time in Australia, it must comply with the Federal Motor Vehicle Standards Act 1989. The Motor Vehicle Standards Act requires vehicles as well as automotive parts and accessories 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). Compliance with the ADRs is overseen by the Department of Infrastructure and Transport; <http://www.infrastructure.gov.au/>

The Australian Quarantine and Inspection Service (AQIS) inspect secondhand automotive parts. Therefore some U.S. companies may also have to comply with the AQIS standards; <http://www.aqis.gov.au>.

Opportunities

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A prime area of opportunity in Australia's automotive sector is for accessories and replacement parts for light and medium-sized family cars and sports utility vehicles. Parts and accessories for routine auto maintenance, street performance, and high-end cosmetic auto enhancement also offer considerable opportunity for U.S. firms. Sales are generally through agents or distributors, although some U.S.-based online stores have started selling direct to end-users who are realizing the cost savings that can be made.

Web Resources

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Australian Automotive Aftermarket Association: <http://www.aaaa.com.au>
Australian Customs Service: <http://www.customs.gov.au>
Department of Infrastructure and Transport; <http://www.infrastructure.gov.au/>
Federal Chamber of Automotive Industries: <http://www.fcai.com.au>
Federation of Automotive Parts Manufacturers: <http://www.fapm.com.au>

Biotechnology (BTC)

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Australia is a significant player in the global biotechnology industry. Australia has had a long, consistent tradition of excellent research and development (R&D), particularly in medicine and agriculture. The country's R&D assets are based on a high-quality science education system and expertise across a range of fields. As a result, Australia attracts a large number of major international pharmaceutical and agribusiness companies that either undertake research in Australia or enter into alliances with Australian companies and research providers.

Australia is a leading location for biotechnology in the Asia-Pacific region. Australia's competitive advantage lies in the quality of its universities, which have a heavy emphasis on life sciences, and research strength in scientific, agricultural, and medical research.

Australia has 450 core biotech companies. Forty-nine percent of firms are involved in Human Therapeutics, 16 percent in Agricultural Biotechnology, and 13 percent in Diagnostics. The Australian biotechnology industry is located primarily on the eastern seaboard of Australia in the states of Victoria, New South Wales, and Queensland.

Australia is well represented internationally for its capabilities in fundamental research in biotechnology and related disciplines. Researchers in Australia have outstanding credentials and are credited with the development of penicillin, the Cochlear hearing implant, Resmed treatment of sleep apnea, Relenza flu drug, and the Gardasil cervical cancer vaccine. Australia's technology productivity is very high with a per capita patent filing rate similar to that of the U.S. Australia produces 2.5 percent of the world's published and patented research from just 0.3 percent of the world's population.

The Australian biotechnology industry focuses on partnering for both primary research and commercialization. Approximately 46 percent of firms have partnerships with firms in the United States.

Sub-Sector Best Prospects

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Australia has numerous world-class medical research organizations and the majority of biotechnology companies are involved in human therapeutics, drug discovery, and diagnostics. Australia offers excellent opportunities for international partnerships and cost-effective clinical trials.

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

Construction Machinery (CON)

Overview

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Unit: USD thousands

| | 2011 | 2012 | 2013 (estimated) | 2014 (estimated) |
|------------------------|------|------|---------------------|---------------------|
| Total Market Size | 761 | 781 | 808 | 837 |
| Total Local Production | 509 | 522 | 540 | 559 |
| Total Exports | 225 | 230 | 238 | 246 |
| Total Imports | 477 | 489 | 506 | 524 |
| Imports from the U.S. | 164 | 200 | 207 | 214 |
| Exchange Rate: 1 USD | | | | |

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Source: Australian Bureau of Statistics/Industry Estimates

The construction industry in Australia continues to slow down on the back of supply constraints and easing of the mining sector boom. The apartment boom in Victoria appears to have come to halt as demand tapers off and the residential sector across Australia moderates. Non-residential sectors show a fragmented outlook with overall growth slowing to 8% (from 10%) in 2014. LNG and mining projects in the states of Queensland (QLD) and Western Australia (WA) continue to support strong growth (14.7%) in the heavy industrial sector.

Supply constraints are the greatest concern to the construction industry. While there is still demand, particularly in WA and QLD as noted above, shortages in labor, materials and plant and equipment is causing costs to rise and slowing growth across all other sectors. Approximately 35% of business owners reported moderate to strong difficulty in hiring or purchasing plant and equipment in 2013. A number of construction firms, particularly in NSW, collapsed in 2012 due to these supply constraints.

Despite these issues, economists continue to be optimistic for the sector over the next few years. There is expected growth in the industry with 3.5% annual increases anticipated between 2013 and 2019. The key factors influencing the growth of the industry in Australia are major infrastructure projects which include: transport, mining, electricity, telecommunications, sewerage and water supply, and other civil projects (including the construction and upgrading of freight and port facilities). The continued development of Australia's infrastructure is a key priority for the Australian Federal Government with an advisory council having been set up to work in partnership with State and Federal Government representatives and business leaders to determine significant infrastructure requirements. A total of 103 public sector projects, valued at approx. USD 58 billion, are listed on the National Infrastructure Construction Schedule (NICS).

In 2012, the U.S. accounted for 41.7% of construction machinery imports. The 2005 Free Trade Agreement between the U.S. and Australia (AUSFTA) has eliminated import

duty on construction machinery from the U.S. Major U.S. manufacturers supplying the Australian market include: Caterpillar, Case New Holland, John Deere, Ingersoll-Rand, Bobcat, Vermeer, Manitowoc, Terex, and Ditch Witch. Popular Japanese construction equipment brands in the Australian market include: Komatsu, Hitachi, Kobelco, Kawasaki, Kubota and Sumitomo. The main German brands in this market are Liebherr, Demag and Bomag. Construction machinery imports, the majority of which is for the mining sector, has decreased by 44% in the six months ending March 2013.

Australian manufacturing is mainly small amounts of customized products such as: attachments (buckets, tractor tires, cabs, wheels and rims), replacement parts and wear parts for incorporation into imported base units. While construction machinery prices range from a few thousand USD to an excess of one million USD, the local industry manufactures items at the lower end of the spectrum.

Sub-Sector Best Prospects

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- Heavy industry sector-particularly machinery for the construction of LNG facilities
- High-tech machinery that provides reliability, safety and precision
- Heavy duty construction vehicles- off-highway dumpers, graders and levelers, self-propelled track laying bulldozers and angle dozers

Opportunities

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Queensland (QLD), Victoria (VIC), South Australia (SA) and Western Australia (WA) are still planning major infrastructure projects. These include:

| Project | Location | Value USD (millions) | Planned Commencement Date |
|---|----------|----------------------|---------------------------|
| SCADDAN ENERGY JOINT VENTURE COAL PROJECT | WA | 21,000 | June 2013 |
| CURTIS ISLAND LNG PLANTS | QLD | 20,000 | March 2014 |
| CHINA FIRST COAL PROJECT | QLD | 8,000 | July 2013 |
| OLYMPIC DAM COPPER GOLD SILVER URANIUM OPERATIONS EXPANSION | SA | 7,000 | On hold |
| RAPID GROWTH6 IRON ORE PROJECT | WA | 6,500 | July 2013 |
| NEW SPORTING STADIUM | WA | 1,100 | TBA 2014 |

Source: Construction Forecasting Council

Web Resources

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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>

Infrastructure Partnerships Australia: <http://www.infrastructure.org.au>

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

Department of Infrastructure, Transport, Regional Development and Local Government:
<http://www.infrastructure.gov.au>

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

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

Australian Constructors Association <http://aigroup.com.au>

Trade Shows:**DESIGNBUILD**

Date: 2-4 April, 2014

Frequency: Annual

Location: Melbourne, VIC

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

CONSTRUCTION AND MINING EXPO

Date: 9-11 April, 2014

Frequency: Biennial

Location: Perth, WA

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

Cosmetics (COS)

Overview

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Unit: USD thousands

| | 2011 | 2012 | 2013 (estimated) | 2014 (estimated) |
|------------------------|-------|-------|---------------------|---------------------|
| Total Market Size | 1600 | 1672 | 1722 | 1773 |
| Total Local Production | 857 | 891 | 918 | 945 |
| Total Exports | 60 | 63 | 64 | 66 |
| Total Imports | 803 | 843 | 868 | 894 |
| Imports from the U.S. | 245 | 257 | 258 | 265 |
| Exchange Rate: 1 USD | 1.000 | 1.000 | 1.000 | 1.000 |

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Australian Bureau of Statistics

Total Exports: Australian Bureau of Statistics

Total Imports: Australian Bureau of Statistics

Imports from U.S.: Australian Bureau of Statistics

The Australian cosmetics and toiletries market value was US\$1.6 billion, with imports representing 50 percent.

The cosmetics and toiletries industry in Australia is strongly influenced by the importance of personal appearance, both for women and men. Australians are becoming more concerned with wellness issues and seek products that prolong a youthful appearance.

Of the import market, the U.S. holds a substantial share at 30 percent. Color cosmetics, which account for 45 percent of retail sales, is key to growth. As a result of the Free Trade Agreement between the United States and Australia, the general import duty on cosmetics and toiletries from the United States is zero.

Sub-Sector Best Prospects

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The three sub sectors experiencing growth are color cosmetics, hair care and beauty salon products.

Color cosmetics incorporating advanced formulas are spurring on growth. The continuing demand for appearance enhancing products is creating favorable prospects for suppliers of foundation/concealer, with this particularly relevant to products that contain ingredients with anti-aging properties. Growth is also occurring in lip-gloss and color palettes, with lip-gloss accounting for 14 percent of color cosmetic imports into Australia.

Prospects are also promising for professional hair products assisted by the support of a world-renowned hairdresser or hair care company. The demand for colorants to cover

grey, including colorants for the men's market, is increasing, as is the demand for hair straightening products.

The beauty salon industry is showing consistent growth with spa products leading the trend. Spa services are popular, with females between 20 and 55 years old most likely to frequent salons/ spas. New concepts in professional topical skin treatments and facial spa products are well received in the Australian market.

Innovative quality brands incorporating premium natural and/or organic ingredients are popular. Australian women are also keen to try new salon products in a professional salon/spa environment.

Opportunities

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Over the next year, the Australian cosmetic and toiletries market will continue to provide good opportunities for U.S. suppliers of the following products:

- Color cosmetics
- Hair care products
- Beauty salon based products

U.S. companies entering the Australian cosmetic and toiletries market should offer innovative products. Distributors in Australia seek novel brands and in particular, products with unique benefits.

Web Resources

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Pharmacy Guild of Australia http://www.guild.org.au/the_guild

National Industrial Chemicals Notification and Assessment Scheme www.nicnas.gov.au

Franchising (FRA)

Overview

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Business confidence in the franchising sector is relatively high due to the nature of support of the franchising model. This varies, however, on the specific industry sector involved.

The Australian franchise sector is a large and highly sophisticated industry, contributing approximately 9.3 percent to the nation's GDP. There are more franchising outlets per capita than anywhere else in the world, including three times more per capita than in the U.S. The total turnover in the franchising in Australia is USD131 billion. The global economic downturn has had little effect on franchising, particularly as the Australian economy continues to be buoyant.

There are over 1,100 business-format franchise companies in Australia in 2012, employing over 407,000 people. Of these systems, 92 percent are Australian-grown; the remaining 8 percent are a mixture from New Zealand, the United States, and Europe. Around 33 percent are involved in food or non-food retail.

Sub-Sector Best Prospects

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Franchising continues to experience growth in Australia and has spread into virtually every area of commercial activity. Franchises operate from retail locations or kiosks, with mobile and home-based systems also common.

Sectors as diverse as home building, carpet cleaning, repair systems, waste management, and financial planning have enjoyed high growth in the recent past. The most popular opportunities for franchising in Australia are in the non-food retail industry, which accounts for 26.6 percent of franchise systems. Food retail concepts that promote health and well being are growing. Opportunity also exists within administration and support services, which accounts for 15.6 percent of franchise systems. Please see the table below for a list of the Australian franchise sectors by percent of market share.

Australian Franchise Industries:

| Industry | Percent |
|---|---------|
| Retail trade (non-food) | 26.6 |
| Accommodation and food services (includes food retail, fast food, coffee shops, etc) | 17.6 |
| Administration and support services (includes travel agencies, office services, domestic and industrial cleaning, gardening services, lawn mowing, etc) | 15.6 |

| | |
|---|------|
| Other services (includes personal services, pet services, auto repairs and servicing, IT services, etc) | 10.3 |
| Education and Training | 5.9 |
| Rental, hire and real estate services | 7 |
| Financial and insurance services | 4.3 |
| Professional, scientific and technical | 3 |
| Arts and recreation services | 2.9 |
| Information media and telecommunications | 1.3 |
| Construction | 2 |
| Transport, postal and warehousing | 0.9 |
| Manufacturing | 0.6 |
| Health care and social assistance | 1 |
| Electricity, gas, water and waste services | 0.4 |
| Wholesale trade | 0.6 |

(Franchising Australia 2012 Survey – Griffith University)

Opportunities

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

The best opportunities for franchising in Australia are within the retail non-food sector. Growth in the franchise sector has generally been within the services segment, predominantly in ‘personal and other services’ such as home maintenance. Time-saving and financial-service concepts remain popular and the growing elderly population in Australia present opportunities in home services, healthcare, and convenience “at home” services, such as pet grooming and car maintenance.

There is potential within the accommodation and food services (including food retail, fast food and coffee shops). Opportunities exist within food retail where the overall concept is to promote health and well-being along with a variety of niche food service options. Food niches include regional food concepts such as Tex-Mex and southern cooking.

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Associations:

The Australian Industrial Relations Commission: <http://www.airc.gov.au>

Franchise Council of Australia: <http://www.franchise.org.au>

International Franchise Association: <http://www.franchise.org>

The Office of the Franchising Mediation Advisor:

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

Trade Events:

International Franchise Association

Frequency: Annual

Date: February 17-20, 2013

Location: Las Vegas, Nevada. MGM Grand Hotel and Casino

Website: <http://www.franchise.org/convention.aspx>

Franchising and Business Opportunities Expo

Frequency: Annual

Date: June 14 - 16, 2013

Location: Sydney, NSW. Sydney Convention & Visitors Centre

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

Franchising and Business Opportunities Expo

Frequency: Annual

Date: July 20 - 21, 2013

Location: Brisbane, Queensland. Brisbane Convention Centre

Web site: <http://www.franchisingexpo.com.au>

Franchising and Business Opportunities Expo

Frequency: Annual

Date: August 30 – September 1, 2013

Location: Melbourne, Victoria. Melbourne Convention Centre

Web site: <http://www.franchisingexpo.com.au>

International Franchise Expo

Frequency: Annual

Date: June 20 - 22, 2013

Location: New York City, New York. The Javits Center

Website: <http://www.ifeinfo.com/>

Franchise Council of Australia National Convention

Frequency: Annual

Date: 20 - 22 October 2013

Location: Gold Coast, Queensland. Jupiters Hotel and Casino

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

This information has been supplied by the Franchise Council of Australia (FCA). For more information on the Australian Franchising Industry, please visit the FCA website at: <http://www.franchise.org.au/>



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Information Technology Services (CSV)

Overview

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Unit: USD thousands

| | 2011 | 2012 (estimated) | 2013 (estimated) | 2014 (estimated) |
|------------------------|----------|---------------------|---------------------|---------------------|
| Total Market Size | 10950000 | 11350000 | 11410000 | 11560000 |
| Total Local Production | 7300000 | 7500000 | 7530000 | 7520000 |
| Total Exports | 1450000 | 1550000 | 1540000 | 1440000 |
| Total Imports | 5100000 | 5400000 | 5420000 | 5480000 |
| Imports from the U.S. | 1190000 | 1350000 | 1400000 | 1480000 |
| Exchange Rate: 1 A\$ | 1.00 | 1.00 | 1.00 | 1.00 |

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Industry estimates

Total Exports: industry estimates

Total Imports: Industry estimates

Imports from U.S: Industry estimates

The Australian Information and Communications Technology (ICT) market is valued at approximately US\$85 billion. The information technology (IT) services industry accounts for approximately 33 percent of the total IT market and is valued at nearly US\$11.4 billion. The Australian Federal Government is the largest public sector user of IT services. Key clients include: Department of Defense, Australian Taxation Office, Centrelink, Veterans Affairs, Australian Customs, Medicare, and the Department of Human Services. Federal Government spending on IT services and has been flat over the last 12 months as agencies adopt a more cautious stance towards ICT spending, preferring to avoid allocating resources on non-essential upgrades and implementations.

The major users of IT services in the private sector include: finance, insurance, retail, transport, mining, telecommunications, and media sectors. Australian financial service firms are significant users on information technology solutions and services. For example, the annual ICT spend by any of the large Australian banks is valued at approximately US\$3 billion.

The Australian IT services market is tipped to record strong growth over the next 18 months. The top 300 Australian companies all rely to some degree on outsourced services to deliver business efficiencies. As businesses strive to maintain a competitive edge, and budgets are increased, the amount of outsourced service work is set to grow in the private sector. The relative strength of the Australian dollar has meant that U.S. companies can compete strongly with other international service delivery firms for Australian business.

Sub-Sector Best Prospects

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Research group Frost and Sullivan has reported that the Australian cloud market is valued at US\$1 billion, and is set to grow by 40 percent annually to reach US\$3.3 billion by 2016. After a slow start, Australian companies are realizing the cost savings associated with cloud-based services, and the uptake is gathering momentum. Many Australian companies are already providing Infrastructure-as-a-Service (IaaS) solutions to the local market. Additionally, we are seeing the emergence of application service companies providing tightly-focused cloud solutions based on Microsoft 365, Netsuite, Salesforce, Workday, and Box technologies.

The provision of security solutions and technologies shows no sign of abating especially given the federal governments commitment to ensuring that critical infrastructure is not compromised. We predict that the demand for security solutions will be consistent over the next 18 months.

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With the roll-out the US\$36 billion National Broadband Network (NBN), private and public entities will be taking advantage of the high-speed fiber optic network, and build out more private and public cloud service solutions. For example, the federal government after consideration for issues such as the Privacy Act, has softened its stance towards the agencies' use of cloud services (particularly towards foreign vendors). The following link refers to the Australian Government Information Management Office's (AGIMO) approved supplier on the Datacentre-as-a-Service (DCaaS) Multi-Use List (MUL).

<http://agimo.gov.au/2012/10/18/launch-of-dcaas-multi-use-list/>

Opportunities exist for U.S. IT service companies providing cloud solutions and services to the federal government.

Thanks to the U.S. Australian Free Trade Agreement, there are no tariffs on the importation of software. A goods and service tax (GST) is levied on the landed value of goods imported into Australia. GST is also applicable to services that are carried out in Australia.

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

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

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

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

Australian Government Information Management Office: <http://www.agimo.gov.au>

National Broadband Network (NBN Co): <http://www.nbnco.com.au>

Medical Equipment (MED)

Overview

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Unit: USD Millions

| | 2011 | 2012 | 2013 (est.) | 2014 (est.) |
|------------------------|-------|-------|-------------|-------------|
| Total Market Size | 4,093 | 4,264 | 4,690 | 5,159 |
| Total Local Production | 1,874 | 1,867 | 2,053 | 2,258 |
| Total Exports | 1,630 | 1,624 | 1,786 | 1,964 |
| Total Imports | 3,849 | 4,021 | 4,423 | 4,865 |
| Imports from the U.S. | 1,437 | 1,520 | 1,672 | 1,839 |
| Exchange Rate: 1 USD | 1 | 1 | 1 | 1 |

*The above statistics are unofficial estimates.

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Unofficial Estimate

Total Exports: Global Trade Atlas

Total Imports: Global Trade Atlas

Imports from U.S.: Global Trade Atlas

Australia is the eighth-largest export market for U.S. manufacturers of medical technology products. Australia is a mature market for medical technology and there is demand for the full range of sophisticated medical equipment. The Australian population generally expects a high standard of medical treatment and there is a continuing need for state-of-the-art, high quality medical products.

The Australian market for medical technology represents a little less than two percent of the global market. Most of the medical equipment used in Australia is imported. The three major suppliers are the United States, the European Union, and Japan. Australia's spending on healthcare is approximately 9.3 percent of GDP, similar to Finland, Ireland, and Italy, but less than the United States (17.6 percent).

Many of the major U.S. manufacturers have local representation or subsidiaries in Australia. These companies include Bard, Baxter Healthcare, Boston Scientific, Cook Medical, Johnson & Johnson Medical, Medtronic, St. Jude Medical, Stryker, and Zimmer. Large, multinational firms dominate the Australian market. Small to medium-sized importers and distributors comprise the remainder of the industry.

Health provisions and funding comes from the public and private sectors. With Australia's government-funded healthcare scheme, the Government is the primary purchaser of medical equipment. The Federal and State governments fund

approximately 69 percent of healthcare spending. The private sector funds the remaining 31 percent. Depending upon the type of products, public hospitals generally account for approximately 70 percent of purchases of medical equipment, with the remaining 30 percent from the private sector. The Medical Technology Association of Australia (MTAA) reports that approximately 50 percent of sales are to the public sector and 50 percent to the private sector.

The Therapeutic Goods Administration (TGA) regulates the medical equipment industry. Australia's regulatory framework is based on Global Harmonization Task Force (GHTF) and European Community guidelines. U.S. exporters must appoint an Australian representative/sponsor to obtain regulatory approval from the TGA. U.S.-manufactured medical devices require an EC Certificate from a European Union Notified Body. Alternatively, U.S. manufacturers can apply to the TGA for a Conformity Assessment Certificate.

Sub-Sector Best Prospects

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The medical technology industry has consistently provided good prospects for U.S. exporters. U.S. medical technology is traditionally well received in Australia due to its perceived high quality. The market is sophisticated, mature, and quick to adopt new healthcare technologies. Importers seek to obtain cost-effective and innovative products that will improve patient outcomes and reduce healthcare costs.

Prices and volumes are influenced by government healthcare policies and provisions of public healthcare services. Products that serve Australia's ageing population are likely to experience growth. Diseases and illnesses for which incidence and prevalence rates are projected to increase include diabetes, cerebrovascular disease (stroke), ischaemic (coronary) heart disease, lung cancer, and musculoskeletal disorders.

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Australian Therapeutic Goods Administration (TGA): <http://www.tga.gov.au>
Australian Department of Health and Ageing: <http://www.health.gov.au/>
Medical Technology Association of Australia: <http://www.mtaa.org.au>

Mining Equipment (MIN)

Overview

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Unit: USD billions

| | 2011 | 2012 | 2013 | 2014 (estimated) |
|------------------------|------|------|-------|---------------------|
| Total Market Size | 9.65 | 9.95 | 10.15 | 10.45 |
| Total Local Production | 4.99 | 5.15 | 5.25 | 5.41 |
| Total Exports | 1.33 | 1.37 | 1.40 | 1.44 |
| Total Imports | 3.83 | 3.95 | 4.03 | 4.12 |
| Imports from the U.S. | 2.47 | 2.55 | 2.60 | 2.68 |
| Exchange Rate: 1 A\$ | 1 | 1 | 1 | |

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Industry estimates.

Total Exports: Global Trade Atlas and industry estimates.

Total Imports: Global Trade Atlas and industry estimates.

Imports from U.S.: Global Trade Atlas, U.S. Census Bureau and industry estimates.

Australia is the leading exporter of iron ore, black coal, diamonds, lead, rutile, zinc, and zirconium. The mining sector is heavily export orientated with very little processing. More than 70% of the industry revenue comes from exports. The state of Western Australia (WA) accounts for 50% of Australia's mineral production with 270 of the 400 operating mines based in WA. New South Wales and Queensland constitute 80% of the coal production through open-cut and underground mines

Mining revenue is expected to fall 1.9% in 2012-2013 due to lower commodity prices and a strong Australian dollar. Many projects have been put on hold including a \$20b Olympic Dam development in the north of Western Australia as rising operating costs (new taxes and labor) are no longer being matched by a rise in commodity prices. To combat costs firms have turned to automation. Rio Tinto has ordered 140 automated trucks over the next 4 years from a Japanese exporter and the big three companies are assessing automated solutions. Experts still predict growth of the Australian market over the next five years.

Australian mining equipment manufacturers are particularly competitive in: fine coal cleaning 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. Over 90 percent of earth-moving equipment is imported. Overall, 62 percent of mining equipment is imported. The U.S. remains the largest exporter to Australia with 42 percent market share followed by Japan (14%), China (7%) and Germany (6%).

A continued strong Australian dollar and a demand for high-tech equipment will mean U.S. suppliers can expect to maintain a strong presence in the Australian mining equipment sector.

Sub-Sector Best Prospects

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- Automation technology-trucks, drills, excavation equipment.
- High tech machinery.
- Equipment to reduce high operating costs.
- Open-cut mining equipment- 75% of mines are open-cut.

Opportunities

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Mining companies are considering the following projects:

| Project Type | Project Name | Company | Value US\$ |
|-----------------------|-------------------------|------------------|-------------|
| Coal Mine Development | Alpha Coal Project | Hancock Coal | 7.5 billion |
| Coal Mine Development | Carmichael Coal Project | Adani | 6.8 billion |
| Iron Ore Development | Project 5 (RGP5) | BHP Billiton | 5.6 billion |
| Iron Ore Development | Cape Lambert | MCC mining | 3.4 billion |
| Iron Ore Development | Jimblebar Mine and Rail | BHP Billiton | 3.4 billion |
| Coal Mine Development | Belvere Underground | Aquila Resources | 2.8 billion |
| Iron Ore Development | Solomon Hub | FMG | 2.7 billion |
| Gold Mine Development | Cadia East | Newcrest | 1.9 billion |

Web Resources

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

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

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

Oil & Gas Field Machinery (OGM)

Overview

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Unit: USD thousands

| | 2011 | 2012 | 2013 (estimated) | 2014 (estimated) |
|------------------------|--------|--------|---------------------|---------------------|
| Total Market Size | 519000 | 539600 | 611900 | 630260 |
| Total Local Production | 151400 | 157400 | 178490 | 183840 |
| Total Exports | 11400 | 11800 | 13380 | 13780 |
| Total Imports | 379000 | 394000 | 446800 | 460200 |
| Imports from the U.S. | 148660 | 157000 | 178000 | 183290 |
| Exchange Rate: 1 USD | | | | |

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Industry estimates.

Total Exports: Industry estimates.

Total Imports: U.S. Census Bureau and industry estimates.

Imports from U.S.: U.S. Census Bureau and industry estimates.

The oil and gas industry created over \$40bn in revenue for 2012/2013 (yearly growth of 13.2%) and is forecasted for strong growth over the next 5 years, largely due to the development of LNG facilities and the discovery of coal-seam gas (CSG). Revenue is expected to rise by 18.4% in 2013/2014 and to be worth \$66bn by 2020, with LNG making up 88.4% of the total revenue. Western Australia and Victoria are the largest gas-producing states. CSG is also expected to continue its rise in Queensland and NSW after production totals have doubled to 6.8 billion cubic meters over the last 4 years. With the increase in production, Australia is set to become the second largest exporter of LNG and currently contains 8 of the 14 liquefaction facilities operating or under construction in the world. Despite rising crude oil prices, oil production in Australia will continue to decrease as long-standing oil deposits dry up and energy companies focus on LNG.

Many of the largest multinational oil companies are exploring, operating, and partnering in one or more projects. Among these players are Apache, BP, Chevron, Conoco-Phillips, Exxon, and Shell, as well as the larger Australian companies BHP-Billiton, Woodside and Santos. Service companies such as Halliburton, Schlumberger, and Technip further enhance the international nature of the local industry. Australia is a receptive market to international operators, consultants, contractors, and equipment, as well as service providers.

Approximately 40% of LNG projects machinery, labor and inputs is imported in the Australian industry. Australian firms prefer high-quality and reliable machinery to help offset the high capital and depreciation costs for the industry and increases worker safety. This reliance on high-end equipment as well as a strong Australian dollar and

booming LNG and CSG industries mean there will significant opportunities for US suppliers to gain access to the Australian market.

Sub-Sector Best Prospects

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- High-end, high-tech equipment for all sub-sectors
- LNG machinery and inputs
- CSG production and drilling equipment
- Quality safety equipment

Opportunities

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Oil and gas companies are engaged in the following projects:

| Project Type | Project Name | Company | Value US\$ | State |
|---|-----------------------|-------------------------|--------------|-------|
| LNG project | Gorgon | Chevron | 50 billion | WA |
| LNG project | Wheatstone | Chevron | 27.8 billion | WA |
| CSG-LNG plant | Australia Pacific LNG | Origin / ConocoPhillips | 23.7 billion | QLD |
| Gas field and LNG plant | Ichthys Gasfield | Inpex Holdings | 32.7 billion | NT |
| LNG production wells, plant, and pipeline | Curtis LNG Project | BG Group | 19.6 billion | QLD |
| LNG Project | Gladstone | Santos Ltd | 17.8 billion | QLD |

Web Resources

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Useful Links

Australia Institute of Energy: <http://aie.org.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. Census Bureau: <http://www.census.gov/>

Trade Shows

AOG – AUSTRALASIAN OIL & GAS EXHIBITION & CONFERENCE

Date: 19-21 February 2014

Frequency: Annual

Location: Perth, WA

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

2014 APPEA CONFERENCE & EXHIBITION

Date: 6-9 April, 2014

Frequency: Annual

Location: Perth, WA

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

Renewable Energy (REQ)

Overview

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Unit: USD thousands

| | 2011 | 2012 | 2013 (estimated) | 2014 (estimated) |
|------------------------|--------|--------|---------------------|---------------------|
| Total Market Size | 115300 | 118750 | 125743 | 131237 |
| Total Local Production | 27300 | 28100 | 29580 | 30170 |
| Total Exports | 3000 | 3050 | 3232 | 3297 |
| Total Imports | 91000 | 93700 | 99395 | 104364 |
| Imports from the U.S. | 13700 | 14050 | 14790 | 15529 |
| Exchange Rate: 1 A\$ | 1.00 | 1.00 | 1.00 | 1.00 |

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Industry estimates.

Total Exports: Industry estimates.

Total Imports: Industry estimates.

Imports from U.S.: Industry estimates.

Power generation is a large sector in Australia with around US\$90 billion invested in generation, transmission, and distribution assets. Annual generation is approximately 270,000 gigawatt hours. Coal-fired and gas-fired generators account for 78 percent and 12 percent, respectively, of generated electricity. 9.6 percent of electricity is sourced from renewable sources.

Australia's renewable energy production is driven by hydroelectricity (6.4 percent) and wind (2.1 percent). Biomass, biogas, and solar account for about one percent of electricity generation. Most solar energy is used for residential water heating and accounts for 1.5 percent of residential energy consumption.

One of the key barriers to the development of the renewable energy industry has been the low cost of non-renewable energy such as coal or gas-fired generation. This barrier could be eroded by the introduction of a fixed price carbon tax of \$23 a ton which went into effect in July 2012. By 2015, the carbon pricing scheme will transition to an emissions trading scheme with the price of permits set by the market.

The Government has established the Clean Energy Finance Corporation which will manage a \$10 billion fund to finance and supporting emerging technologies. The Australian Renewable Energy Agency has also been set up to manage a range of grant programs for new technology. It made its first key decision under the Solar Flagship Program to award a major grant towards Australia's first large scale solar PV project.

The Australian Government has set a target to reduce greenhouse gas emissions by five percent on 2000 levels by 2050. The Government is also committed to ensuring that 20 percent of Australia's electricity supply will come from renewable energy sources by

2020. These policies, together with the introduction of a carbon tax, are 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. Bio-fuels 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.

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.

Sub-Sector Best Prospects

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- 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

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Current renewable projects include:

| Project Type | Project Name | Company | Value US\$ |
|--------------|---------------------|----------------|-------------|
| Wind | Macarthur | AGL | 900 million |
| Wind | Collgar | UBS | 750 million |
| Wind | Musselroe | Hydro Tasmania | 400 million |
| Bioenergy | Victoria 2 | Sucrogen | NA |
| Landfill Gas | Woodlawn Bioreactor | Veolia | NA |
| Solar PV | Carnarvon | EMC Solar | NA |

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Australian Bureau of Agriculture and Resource Economics:

<http://www.daff.gov.au/abares>

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

Department of Climate Change and Energy Efficiency: <http://www.climatechange.gov.au/>

Smart Grid Australia: <http://www.smartgridaustralia.com.au/>

Traveland Tourism (TRA)

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Number of Australian Travelers to the United States:

| | 2011 | 2012 (estimated) | 2013 (estimated) | 2014 (estimated) |
|---------------------|-----------|---------------------|---------------------|---------------------|
| Total Arrivals | 1,038,000 | 1,121,000 | 1,188,000 | 1,259,000 |
| Percentage Change % | 15% | 8% | 6% | 6% |

Australians are traveling to the United States in record numbers. As the tenth-largest market for overseas visitors to the United States, Australia provides an important source of visitors for the U.S.-inbound tourism market.

Australia has posted eight straight years of growth in arrivals. Few, if any other international market has this record of growth. Comparing international arrivals for 2000 to 2011, Australia is the third-fastest growth market (+92%) among the top ten arrival markets. Only China (337%) and Brazil (105%) have grown faster.

Factors fueling demand for travel to the United States include increased air capacity, competitive airfares, and a strong Australian Dollar against the U.S. Dollar. The latest arrival statistics indicate that Australian travel to the United States is robust and the Australian market continues to be an important source of overseas visitors.

Long stays (average of 21 nights) and high spending characterize Australian travelers to the United States. The most popular months for Australians to travel to the United States are April-October, and December. Eighty-five percent of Australian travelers to the United States are leisure travelers and most are FIT (Independent) travelers. Australians travel throughout the United States visiting the west coast, the east coast, and the numerous destinations in-between. The most popular states visited are California and New York.

Sub-Sector Best Prospects

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Best prospect sectors include self-drive holidays, skiing, baby boomer travel, youth travel, adventure travel, shopping, cruising, and sporting holidays.

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Office of Travel and Tourism Industries: <http://www.tinet.ita.doc.gov>

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Chapter 5: Trade Regulations, Customs and Standards

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Import Tariffs

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

The Free Trade Agreement between the United States and Australia (AUSFTA) came into effect on January 1, 2005. AUSFTA eliminated import tariffs on 99 percent of U.S. manufactured industrial and consumer goods, and 100 percent of U.S. agricultural products. This has continued to create export opportunities for U.S. manufacturers and farmers. Tariffs on non-U.S. products average 5 percent or less, with a few exceptions, such as motor vehicles, clothing, and footwear.

Rules of Origin

Goods are classified according to the Harmonized System (HS) for the purposes of tariff categorization. To be eligible for preferential tariff treatment under AUSFTA, 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. Goods may also be produced in the United States partly from non-originating materials. The non-originating materials must meet the requirements of rules of origin, which determine the level of source content, and/or the sort of physical transformation required in the production process for the goods. Before claiming preference, local importers are required to ensure that the goods meet the required rules of origin. Australian importers, U.S. exporters, and U.S. producers of goods may obtain advance rulings from Australian 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. exporters, and U.S. producers on specific issues relating to the origin of their goods for the purposes of determining eligibility for preferential duty rates for goods that Australia imports.

Australian Customs Manual Volume 8C, Division 10, contains information on how Customs administers AUSFTA. This manual is available on the Customs website, <http://www.customs.gov.au>

Non-Tariff Barriers

In addition to the elimination of tariffs, AUSFTA provides a range of other benefits such as: certain services markets are now open, intellectual property receives better protection, predictable access facilitates investments, and U.S. firms can compete in Australia for government tenders on a nondiscriminatory basis. Some of these relaxations have not yet come into effect. Until such time, existing barriers to a free flow of trade will remain. The agreement does not exclude provisions for local broadcasting content and local content in major defense contracts. The full text of the AUSFTA is available on the Department of Foreign Affairs and Trade website, <http://www.dfat.gov.au/fta/ausfta/final-text/index.html>.

Trade Barriers

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Quarantine

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

Australia is a signatory to the WTO "Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures" (April 15, 1994). U.S. exporters, however, may find it difficult to comply with Australia's import quarantine requirements. Aside from issues relating to the importation of food and animals, quarantine measures cover a number of other imported products such as farm, mining and construction machinery, some packaging goods, and other products 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. It is a condition of the permit that machinery arrives in a 'clean' (refers to "clean as new") or new state. 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. More detailed information relating to the import of machinery can be found at: <http://www.daff.gov.au/aqis/import/vehicles-machinery/regulations>

Packaging of imported goods presents a challenge to U.S. exporters, particularly where the packing materials include wood or other natural products. Detailed information on the compliance requirements can be found at:

<http://www.aqis.gov.au/icon32/asp/homecontent.asp>.

For complete information on products that 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:

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

The Australian importer is responsible for notifying the relevant agency of the chemical it is importing to Australia. The Australian importer may be a local subsidiary of a U.S. firm, an agent, or an end-user. The importer usually completes the required paperwork.

Given the high level of regulation, U.S. exporters should find Australian agents or importers familiar with requirements. NICNAS provides some guidance on the regulation of chemicals in the following brochure:
http://www.nicnas.gov.au/Industry/Compliance/Compliance_Simple_Guide_PDF.pdf

U.S. exporters may also need to ensure that products comply 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 access to the specific state agencies:

<http://www.emplan.com.au/dangerous-goods/dangerous-goods.htm>

Import Requirements and Documentation

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The Australian Customs and Protection Border Service 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 a Customs Information Centre. The Customs Brokers and Forwarders Council of Australia posts a list of members at: <http://www.cbfc.com.au/MembersDirectory.aspx>

Goods entering Australia may incur duty, Goods and Services Tax (GST), and/or additional charges. Customs duty rates vary and depend on a number of factors, such

as type of goods and country of origin. As stated above, 99 percent of U.S.-origin goods enter Australia duty free. The importer is still responsible for applicable GST payments. (See below.)

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 Prohibited and Restricted Imports section at <http://www.customs.gov.au/site/page4369.asp>

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)
- name and address of the seller of the goods (Consignor)
- monetary unit referred to on invoice (e.g. AUD, USD)
- country of origin

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 as they are often modified. It would be advisable to contact a Customs Information Center to check these issues.

Goods and Services Tax (GST)

The liability to pay a 10 percent GST for imports rests with the importer. Payment of GST may not be required for temporary importation of goods. 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. Further information on GST can be found on the Australian Tax Office Website:

<http://www.ato.gov.au/businesses/pathway.aspx?sid=42&pc=001/003/103>

U.S. Export Controls

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Australia is an active member of the major international arms control treaties and all international export control regimes that seek to monitor and control the global movement of goods and technologies applicable for use in military or weapons of mass destruction programs. This includes items developed either specifically for defense purposes or for civil application that can be adapted for use in arms programs, also referred to as dual-use goods.

A national export control system is the mechanism for ensuring that Australia upholds its international obligations, whilst also maintaining the integrity of its national interests. Australia controls the export of defense and dual-use goods through a comprehensive licensing system established under the *Customs Act 1901* and the *Weapons of Mass Destruction (Prevention of Proliferation) Act 1995* (WMD Act) and associated regulations.

The *Customs (Prohibited Exports) Regulations* 1958 regulates the export of certain goods and technologies, with Regulation 13E providing for the Defence and Strategic Goods List (DSGL).

The Australian Department of Defence is responsible for administering controls on the export of defense and dual-use goods, and the granting of authorizations to export, in the form of permits and licenses. Within the Department of Defence, this role is done by the Defence Export Control Office (DECO).

Further information on the list of regulated goods and technology that cannot be exported from Australia without a license and the procedures for seeking export permission may be found on the DECO website <http://www.defence.gov.au/deco/>

The Australian Customs and Border Protection Service is responsible for border control. Cargo may not leave Australian points of departure without an Export Declaration Number (EDN). Australian Customs issues EDN, based on export data logged by exporters, and checks them electronically against required permits and licenses.

Additional Information:

On 2 November 2011, the Minister for Defence Materiel, the Hon Jason Clare MP, introduced the Defence Trade Controls Bill 2011, into the House of Representatives of the Federal Parliament. The Bill is drafted for the purpose of implementing the Australia-United States Defence Trade Cooperation Treaty and to strengthen Australia's export controls for defense and dual-use goods.

The Treaty removes the requirement for individual licenses to be obtained for each export, and allows for the license-free movement of eligible defense articles within the Approved Australian and U.S. Communities. At the same time, the Minister for Defence Materiel also introduced amendments to the *Customs Act 1901* with the Customs Amendment (Military End-use) Bill 2011. This Bill introduces a power to prohibit the export of "non-regulated" goods that may contribute to a military end-use that may prejudice Australia's security, defense or international relations.

Legislation is required for the Treaty to enter into force.

Temporary Entry

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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 and CPD carnets (more commonly known as FIA/AIT carnets).

The provisions cover temporary importation of goods owned by tourists and temporary residents. The provisions also include categories such as traveler's samples and goods

imported for display at trade fairs. Goods under the provisions of certain international agreements to which Australia has acceded are also eligible for admission. This information can be found in the Australian Treaties Library at:
<http://www.austlii.edu.au/au/other/dfat/>

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 application for temporary entry. Evidence of intended use of the goods should also be included in accordance with the relevant Customs Convention(s).

Labeling and Marking Requirements

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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 and calculator) can be viewed on the website of Food Standards Australia New Zealand (FSANZ), <http://www.foodstandards.gov.au/>. Detailed guidance is also available in the Food & Agricultural Import Regulations and Standards (FAIRS) report from the Office of Agricultural Affairs, U.S. Embassy, Canberra. This report is updated each year. A copy of the latest FAIRS report is available on the following web site:
<http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx> (search for FAIRS Country Report).

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

Prohibited and Restricted Imports

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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 very strict 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 undergo an import risk analysis (IRA) process before they can enter the country. An IRA to determine how and if the risk can be managed will take a minimum 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 fresh produce usually needs an Australian import permit and a U.S. phytosanitary certificate. The import permit can be requested (by the importer) from the Department of Agriculture, Fisheries and Forestry (DAFF) in Canberra, or from the appropriate State Departments of Agriculture, located in the respective State capitals.

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 Department of Agriculture, Fisheries & Forestry (DAFF) maintains a detailed database on their website of import conditions for most agricultural products. Called ICON, the website is: http://www.aqis.gov.au/icon32/asp/ex_querycontent.asp. If a product is not listed in ICON it is highly likely that that product is not permitted entry to Australia at this time. AQIS also maintains a website which provides checklists of the information that is required to accompany permit applications to import biological products (this includes food products). The website is: <http://www.daff.gov.au/aqis/import/biological/checklist>. Both these websites are currently undergoing updates/reviews so it is important that U.S. exporters check the websites regularly to be sure to have the most up-to-date information. It is very important that U.S. exporters rely on these websites only for general information regarding import regulations. Exporters must work with their Australian importer to ensure that ALL requirements are met. The import permit will set out the exact requirements for entry - this can differ markedly from country-to-country and from commodity-to-commodity and even from different regions within a country.

Additional information on Australian 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. is also available on the DAFF website (<http://www.daff.gov.au/aqis>). This information is updated regularly. Guidance on import requirements is also available in the Food & Agriculture Import Regulations & Standards (FAIRS) report mentioned in the Labeling and Marking Requirements section above.

Customs Regulations and Contact Information

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The Australian Customs Service regulates the movement of goods and people across the Australian border. 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. The importer is also responsible for verification of the country of origin. The U.S. 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/> . 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. 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

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Overview

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

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Standards Australia is Australia's leading standards development organization. While not a government agency, Standards Australia is recognized as the leading standards development body in Australia. In partnership with SAI Global Ltd., an information services company, it delivers standards and related products to industry.

Standards Australia has more than 70 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.

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 percent 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 have no international equivalent.

Imported consumer products, such as food products, must comply with state government packaging regulations. Australian states agree that any non-farm 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 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 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), <http://www.daff.gov.au/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.

Other standards organizations of interest to U.S. exporters are: The Australian Communications and Media Authority (ACMA), the Australian Environmental Protection Agency, and the Therapeutic Goods Administration.

The Australian Communications and Media Authority (ACMA), mandates technical standards relating to items of customer equipment, customer cabling, and other 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.

The Australian Environmental Protection Agency, also known as the Australian Government Department of Sustainability, Environment, Water, Population and Communities, develops and implements national policy, programs and legislation to protect and conserve Australia's environment and heritage. 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. 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. The Therapeutic Goods Administration is in charge of issuing approvals for all medical devices and health-related products.

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/>

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Product Certification

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SAI Global provides organizations around the world with information services and solution for managing risk, achieving compliance and driving business improvement.

Accreditation

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The Standards Accreditation Board's role is to review and accredit standards development organizations that wish to develop and publish Australian Standards.

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

Publication of Technical Regulations

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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

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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.

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.

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.dfat.gov.au/trade/negotiations/us_fta/final-text/index.html (full text) and http://www.ustr.gov/Trade_Agreements/Bilateral/Australia_FTA/Section_Index.html

U.S. companies interested in exporting to Australia can access the document Customs Tariff Schedule 5 U.S. Originating Goods at: <http://www.customs.gov.au/tariff/tariff2012.asp>

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 a 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.

Australia has free trade agreements with:

- ASEAN
- Chile
- Malaysia
- New Zealand (CER)
- Singapore
- Thailand
- United States of America

Australia is negotiating or planning to negotiate free trade agreements with:

- China
- Gulf Cooperative Council
- India Comprehensive Economic Cooperation Agreement
- Indonesia
- Japan
- Korea
- Pacific Agreement on Closer Economic Relations (PACER) Plus
- Regional Comprehensive Economic Partnership
- Trans-Pacific Partnership Agreement

Australia is an active participant in the WTO, making regular submissions to trade negotiation rounds. 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 76 percent of its goods and services to APEC economies. Australia is also a leading member of the Cairns Group of 19 agricultural exporting countries.

AUSFTA – full text: http://www.dfat.gov.au/trade/negotiations/us_fta/final-text/index.html

Working Tariff Current: <http://www.customs.gov.au/tariff/tariff2012.asp>

Australia Food Standards Code: <http://www.foodstandards.gov.au/>

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

Australian Customs Tariff Schedule 5 U.S. Originating Goods: Australian Dangerous Goods Code: <http://www.emplan.com.au/dangerous-goods/dangerous-goods.htm>

Australian Pesticides & Veterinary Medicines Authority (ASPVMA):

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

Australian Quarantine and Inspection Service (AQIS): <http://www.daff.gov.au/aqis>

AQIS - biological products checklists:

<http://www.daff.gov.au/aqis/import/biological/checklist>

AQIS - ICON: <http://www.aqis.gov.au/icon>

AQIS – machinery/vehicles: <http://www.daff.gov.au/aqis/import/vehicles-machinery/regulations>

AQIS – packaging: <http://www.aqis.gov.au/icon32/asp/homecontent.asp>.

Australian Tax Office: <http://www.ato.gov.au>

Australian Treaties Library: <http://www.austlii.edu.au/au/other/dfat/>

Customs Brokers and Forwarders Council of Australia:

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

Defence Export Control Office (DECO): <http://www.defence.gov.au/deco/>

FAIRS reports: <http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>

National Institute of Standards and Technology (NIST): <http://www.nist.gov/>

NICNAS:

http://www.nicnas.gov.au/Industry/Compliance/Compliance_Simple_Guide_PDF.pdf

NIST Notification Service: <http://www.nist.gov/notifyus/>

Prohibited and Restricted Imports: <http://www.customs.gov.au/site/page4369.asp>

Standards Accreditation Board: <http://www.absdo.org.au/>

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

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

http://www.dfat.gov.au/trade/negotiations/us_fta/final-text/index.html

http://www.ustr.gov/Trade_Agreements/Bilateral/Australia_FTA/Section_Index.html

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Chapter 6: Investment Climate

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The 2013 Investment Climate Statement for Australia uses the exchange rate of A\$1 = U.S. \$1.036 which was the average rate over the year.

Openness to Foreign Investment

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Australia welcomes foreign investment. The United States is the largest direct investor in Australia, while Australia is the tenth largest source of foreign direct investment (FDI) for the United States. In 2011, U.S. direct investment in Australia was US\$136 billion while Australian direct investment in the United States was US\$56 billion. U.S. FDI in Australia accounts for 24 percent of total foreign direct investment in the country and is concentrated largely in resources and energy, manufacturing and the nonbank financial services sector.

Inward foreign investment in Australia is regulated by the Foreign Acquisitions and Takeovers Act 1975 and Australia's Foreign Investment Policy. The Foreign Investment Review Board (FIRB), a division of Australia's Treasury, screens potential foreign investments in Australia above a threshold value of A\$248 million (US\$257 million) and A\$1,078 million for US investors (from January 1, 2013). Based on advice from the FIRB, the Treasurer may deny or place conditions on the approval of particular investments above that threshold on national interest grounds.

Under the AUSFTA, all U.S. “greenfield” investments are exempt from FIRB screening. AUSFTA also raised the threshold for screening of most U.S. acquisition investments in Australia, which now stands at A\$1,078 million (US\$1,117 million) (indexed annually). All foreign persons, including U.S. investors, must notify the Australian government and get prior approval to make investments of five percent or more in the media sector, regardless of the value of the investment.

Measures of Openness

| Measure | Year | Index/Ranking |
|---------------------------------|------|---------------|
| TI Corruption Index | 2012 | 7th |
| Heritage Economic Freedom | 2012 | 3rd |
| World Bank Doing Business | 2012 | 10th |
| MCC Government Effectiveness | 2012 | Not listed |
| MCC Rule of Law | 2012 | Not listed |
| MCC Control of Corruption | 2012 | Not listed |
| MCC Fiscal Policy | 2012 | Not listed |
| MCC Trade Policy | 2012 | Not listed |
| MCC Regulatory Quality | 2012 | Not listed |
| MCC Business Start Up | 2012 | Not listed |
| MCC Land Rights Access | 2012 | Not listed |
| MCC Natural Resource Management | 2012 | Not listed |

Conversion and Transfer Policies

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

Expropriation and Compensation

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The Australian legal system is firmly grounded on the principles of equal treatment before the law, procedural fairness, judicial precedent, and the independence of the judiciary. Strong safeguards exist to ensure that people are not treated arbitrarily or unfairly by governments or officials. Private property can be expropriated for public purposes in accordance with established principles of international law. Due process rights are well-established and respected, and prompt, adequate and effective compensation is the norm.

Dispute Settlement

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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.

Property and contractual rights are enforced through the Australian court system, which is based on English Common Law. There are few investment disputes involving foreign companies. Australia is a member of the International Center for the Settlement of Investment Disputes.

AUSFTA 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 FTA does not allow private investors to directly challenge government decisions, but individual investors are able to raise concerns about their treatment by the Australian Government with the U.S. Government.

Performance Requirements and Incentives

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As a general rule, foreign firms establishing themselves in Australia are not subject to performance requirements and incentives.

Right to Private Ownership and Establishment

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The common law system which forms the basis of Australian jurisprudence guarantees the right to private ownership and the establishment of private business enterprises.

Protection of Property Rights

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A strong rule of law protects property rights in Australia and operates against corruption. Both foreign and domestically-owned businesses enjoy considerable flexibility in their licensing, regulation, and employment practices.

Transparency of Regulatory System

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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.

Australia ranked third in 2012 (behind Hong Kong and Singapore) on the Heritage Foundation's rankings for 'economic freedom.' The survey has found that Australia ranks highly in the ten economic freedoms and that: "Australia's modern and competitive economy performs well on many of the 10 economic freedoms. The country has a strong tradition of openness to global trade and investment, and transparent and efficient regulations are applied evenly in most cases".

Tax Issues

U.S. businesses have expressed concern over changes to Australia's cross-border transfer tax regime which give the Australian Taxation Office (ATO) significant powers to investigate alleged retrospective tax avoidance. As a result U.S. companies could face significant, unexpected and backdated tax obligations back to 2004 based on the reconstruction by the ATO of "arms length" transactions between parent and subsidiary companies. Further, the amount of interest that can be deductible under "thin capitalization" can be disputed retrospectively if it is considered by the ATO to be in excess of arm's length dealing. In addition, the regime applies only to countries with tax treaties and other companies are exempt from this measure.

U.S. financial firms are subject to a 10 percent interest withholding tax on funding to bank branches from overseas head offices which can make it difficult to more compete with domestic financial services firms. The rate of withholding tax has been phasing down and was to go to 7.5 percent but this was delayed by one year for Budget policy reasons.

Intellectual Property Regime

Australia generally provides strong intellectual property rights (IPR) protection and enforcement through legislation that, among other things, criminalizes copyright piracy and trademark counterfeiting. Under the AUSFTA, Australia must notify the holder of a pharmaceutical patent of a request for marketing approval by a third party for a product claimed by that patent. U.S. and Australian pharmaceutical companies have raised concerns that unnecessary delays in this notification process restrict their options for action against third parties that would infringe their patents if granted marketing approval by the Australian Therapeutic Goods Administration.

Australia was an active participant in the Anti-Counterfeiting Trade Agreement (ACTA) negotiations and signed ACTA in October 2011. It has not yet ratified the agreement. ACTA establishes an international framework that will assist Parties in their efforts to effectively combat the infringement of intellectual property rights (IPRs), in particular the

proliferation of counterfeiting and piracy, which undermines legitimate trade and the sustainable development of the world economy.

Australia is currently considering options to address piracy via peer-to-peer file sharing, but negotiation of a voluntary industry code of conduct between Internet service providers and content owners has yet to produce an agreement. A 2012 High Court ruling found ISPs were not responsible for policing online piracy. The court rejected an argument by the film industry that an Australian ISP, iiNet, had the power to prevent its customers from infringing copyright by issuing warnings and suspending or terminating customer accounts. Copyright holders, including U.S. companies, retain the option of suing individuals that breach copyright, but this option is costly.

Efficient Capital Markets and Portfolio Investment

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Australia has an AAA international credit rating with a well-developed, deep and sophisticated financial market, regulated in accordance with international norms. In terms of global turnover, Australia's foreign exchange market is the seventh largest in the world, and the Australian dollar/U.S. dollar is the fourth most traded currency pair globally (BIS, Triennial Central Bank Survey, December 2010).

Australia's four leading banks are highly ranked in terms of financial security and international rankings. Australian banks have one of the lowest non-performing loan ratios of economies surveyed by the IMF. Australia has an open and transparent approach to mergers and acquisitions. There are no "cross-shareholding and "stable shareholder" arrangements used by private firms to restrict foreign investment through mergers and acquisitions. Measures used by private firms to defend against hostile takeovers are not focused on foreign investors. In 2011, Chi-X became Australia's second stock exchange operator in a policy change designed to increase competition.

Competition from State Owned Enterprises

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Australia has steadily privatized most of its SOEs and few remain. Private enterprises are generally allowed to compete with public enterprises under the same terms and conditions with respect to markets, credit, and other business operations, such as licenses and supplies. Public enterprises are not generally accorded material advantages in Australia. Remaining SOEs do not exercise power in a manner which discriminates against or unfairly burdens foreign investors or foreign-owned enterprises.

Australian Commonwealth and state governments have followed policies of privatizing their remaining state-owned assets in areas such as electricity generation, transmission, distribution, and retailing to both domestic and foreign investors. Australia has one sovereign wealth fund, the Future Fund, which was established by the Future Fund Act 2006 to help future governments meet the cost of public sector superannuation (i.e. retirement pension) liabilities by delivering investment returns on contributions to the Fund. There is no regulation prescribing the proportion of the Future Fund's assets which must be invested in Australia or offshore. The Future Fund will increase its foreign exposure, but now has funds mostly invested in Australia.

Corporate Social Responsibility

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In Australia, there is a general awareness of corporate social responsibility among both producers and consumers. Both foreign and local enterprises tend to follow generally accepted corporate social responsibility (CSR) principles such as the OECD Guidelines for Multinational Enterprises. Firms that pursue CSR are often rated highly in surveys of corporate behavior.

Political Violence

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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. Such protests rarely degenerate into violence.

Corruption

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Australia maintains a comprehensive 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. 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. Transparency International's Corruption Perception Index in December 2012 ranked Australia seventh, ahead of Korea, Japan and the United States.

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 Commonwealth level, enforcement of anti-corruption laws and regulations is the responsibility of the Attorney General's Department.

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party], but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. [Insert information as to whether your country is a party to the OECD Convention.]

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international

cooperation, and asset recovery. [Insert information as to whether your country is a party to the UN Convention.]

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) [Insert information as to whether your country is a party to the OAS Convention.]

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see www.coe.int/greco.) [Insert information as to whether your country is a party to the Council of Europe Conventions.]

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and transnationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. [Insert information as to whether your country has an FTA with the United States: Country [X] has a free trade agreement (FTA) in place with the United States, the [name of FTA], which came into force. Consult USTR Website for date: <http://www.ustr.gov/trade-agreements/free-trade-agreements>.]

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s

overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA" is available at the U.S. Department of Justice's Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.

- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: <http://www.transparency.org/research/cpi/overview>. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See: <http://www.transparency.org/whatwedo/publications>
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral and Plurilateral Investment Agreements

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The Australian Government supports the negotiation of comprehensive Free Trade Agreements (FTAs) that are consistent with the World Trade Organization rules and guidelines and which complement and reinforce the multilateral trading system. Australia has FTAs with the United States, Thailand, Singapore, Chile, Malaysia, and a multilateral FTA with New Zealand and the countries of the Association of Southeast Asian States (ASEAN), all of which contain chapters on investment. The countries covered by these FTAs account for 28 percent of total trade.

Australia is currently engaged in eight FTA negotiations - five bilateral FTA negotiations: China, Japan, Korea, India and Indonesia; and four plurilateral FTA negotiations: the Trans-Pacific Partnership Agreement (TPP), the Regional Comprehensive Economic

Partnership (RCEP, consisting of the ASEAN+6 group of nations), the Gulf Cooperation Council (GCC), and a Pacific trade and economic agreement (PACER Plus). The countries covered by these negotiations account for a further 44 percent of Australia's trade.

In December 2009, the United States announced its intention to enter into an Asia-Pacific trade agreement called the Trans-Pacific Partnership (TPP), with the objective of shaping a high standard, broad-based regional agreement. This agreement will create a potential platform for economic integration across the Asia-Pacific region, a means to advance U.S. economic interests with the fastest-growing economies in the world, and a tool to expand U.S. exports, which are critical to U.S. economic recovery and the creation and retention of high-paying, high-quality jobs in the United States. In addition to Australia and the United States, the TPP negotiating partners currently include Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

Australia-United States FTA (AUSFTA): The Australia-United States FTA (AUSFTA) entered into force on January 1, 2005. The comprehensive agreement covers goods, services, investment, financial services, government procurement, standards and technical regulations, telecommunications, competition-related matters, electronic commerce, intellectual property rights, labor and the environment. The agreement has guaranteed U.S. access to the Australian market and the gradual expansion of this access. Under the FTA, trade in goods and services as well as foreign direct investment has continued to expand. More than 99 percent of U.S. exports of manufactured goods are now duty-free. The FTA will also eliminate tariffs on textiles within 10 years of entry into force.

Other Free Trade Agreements: Australia signed a free trade agreement with the Association of Southeast Asian Nations and New Zealand, which became effective in January 2010. The 2003 Singapore-Australia Free Trade Agreement (SAFTA) eliminated most tariffs and increased market access for services. It also harmonized competition policy, government procurement, intellectual property, e-commerce, customs procedures, and business travel. The Thailand-Australia FTA cut tariffs to zero on virtually all goods from January 2010. The Australia-Chile FTA will eliminate tariffs on all merchandise trade between Australia and Chile by 2015.

The Australia-Malaysia FTA (MAFTA) took effect from January 1, 2013 and provides for 98 percent of Australian goods currently exported to Malaysia to be eligible for tariff-free treatment, rising to 99 percent in 2017. Service providers benefit from increased access to the Malaysian market and an easing of rules on control of Malaysian businesses. All remaining Australian tariffs on Malaysian goods have been removed.

OPIC and Other Investment Insurance Programs

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The Australian Government provides assistance to business for the development or expansion of export markets, and business advice on exporting and financial grants through the Export Market Development Grants scheme and the activities of Austrade, Australia's export promotion agency. The Export Finance and Investment Corporation (EFIC) provides export financing assistance to Australian businesses and sometimes

overseas buyers. The U.S. Overseas Private Investment Corporation (OPIC) excludes Australia, which is not a developing country. In some cases, the U.S. Export-Import Bank (EXIM) can support major resources and energy projects in Australia to support U.S. jobs and exports.

Labor

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The Australian Government is a party to all International Labor Organization (ILO) conventions.

Australia's unemployment rate was 5.3 percent in November 2012, seasonally adjusted, down from 5.6 percent in early 2010. In the year to May 2012, annual average weekly earnings in Australia grew 3.5 percent, seasonally adjusted. The core inflation rate was 2.5 percent for the year to September 2012. Real wages have grown strongly over the last decade and the mining boom has led to skills shortages in that sector, particularly in Western Australia.

The Fair Work Act provides a safety net of enforceable minimum employment terms and conditions through the National Employment Standards (NES). The NES sets out ten minimum workplace entitlements which apply to all employers and employees in the national workplace relations system, though only certain entitlements apply to casual employees. In 2010, a new body, Fair Work Australia, took over the functions of the former Industrial Relations Commission as an arbitrator of industrial disputes and sets minimum wages for lower paid workers. Other Commonwealth laws set specific employment conditions.

The number of industrial disputes is low by historical standards but has been increasing. In the year ended September 2012, 302,000 working days were lost due to strikes compared to 214,000 during the previous year. 206 industrial disputes were recorded compared to 190 during the previous year.

The Superannuation Guarantee (Administration) Act 1992 requires employers to contribute a minimum of nine percent of each employee's base salary into that employee's superannuation (i.e., retirement pension) account. Employees may make additional contributions and are entitled to choose their superannuation fund. In the 2010-11 Federal Budget the government announced that the superannuation guarantee rate will gradually increase from 9 percent to 12 percent between July 2013 and July 2019.

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. GEER is a basic payment scheme established to assist employees who have lost their employment due to the liquidation or bankruptcy of their employer and who are owed certain employee entitlements. The scheme covers capped unpaid wages, annual and long-service leave, capped payment in lieu of notice, and capped redundancy pay. Employees currently stand ahead of unsecured creditors, but behind lenders with fixed security in the creditors' queue following a company collapse.

General Skilled Migration Program: Immigration has always been an important source for skilled labor in Australia. The Immigration Department has a 'skilled occupations list' (SOL) which can be used by potential applicants seeking to nominate skilled occupations which are acceptable for permanent and temporary skilled migration to Australia under the General Skilled Migration program, and the Employer Nominated Scheme. Applicants must have a nominated occupation when they apply which is applicable to their circumstances.

In 2010–11, 168,685 people migrated to Australia, with a skilled worker component of 113,725. There was an increase in the employer-sponsored program to 39 percent of the skill stream, part of the government's policy to directly target skills shortages through a more demand-driven approach. For the first time, China was Australia's largest source of migrants with a total 29,547 places or 17.5 percent, followed by the United Kingdom (23,931) and India (21,768) respectively. In 2010–11, the government continued to provide for family reunions with 54,543 family places (32 percent of the total migration program).

The number of places available in the Migration Program for 2012-13 is 190,000, which is 5,000 more than the 2011-12 planning level. Of the 5,000 places, 3,400 are allocated to the skilled stream. This is to help meet the demand for skilled migrants. The Family stream has increased to 60,185 places. This is an increase of 1,585 places from the 2011-12 program year. Most of this increase will be in the uncapped Child and Partner visa categories to help keep families together.

The 457 Long Stay Business visa: If an overseas business decides to establish a presence in Australia and relocate for its business operations, it may apply for the status of a Business Sponsor and sponsor personnel for a 457 visa through the Department of Immigration. Business can use the 457 visa program to gain access to priority processing and approval to sponsor skilled workers for six years under a new accreditation scheme. The scheme applies to business that used 457 visas for three years and has a commitment to ensure 75 percent of their workforce is Australian. The 457 visa program aims to alleviate skill shortages in sectors such as mining.

Foreign-Trade Zones/Free Ports

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Australia does not have free trade zones.

Foreign Direct Investment Statistics

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Levels of Foreign Investment: The level of foreign investment in Australia increased by A\$59 billion (US\$61 billion) in 2011 to reach A\$2,030 billion (US\$2,103 billion). Portfolio investment accounted for A\$1,171 billion (US\$1,213 billion) or 58 percent, direct investment for A\$507 billion (US\$525 billion or 25 percent), other investment liabilities for A\$244 billion (US\$253 billion or 13 percent), and financial derivatives for A\$95 billion (US\$98 billion or 5 percent). Of the portfolio investment liabilities, debt securities accounted for A\$858 billion (US\$889 billion or 73 percent) and equity securities for A\$313 billion (US\$324 billion or 27 percent).

The leading investor countries in 2011 by level of investment were the United States, with A\$556 billion (US\$576 billion or 27 percent), the United Kingdom with A\$471 billion (US\$488 billion or 23 percent), Japan with A\$123 billion (US\$127 billion or 6 percent), the Netherlands with A\$44 billion (US\$46 billion or 2 percent), Singapore with A\$41 billion (US\$42 billion or 2 percent) and the Hong Kong Special Administrative Region with A\$39 billion (US\$40 billion or 2 percent). Note: Australian foreign investment statistics are based on current market values.

The stock of foreign direct investment (FDI) in Australia in 2011 was A\$507 billion (US\$525 billion) and the ratio of FDI to GDP of A\$1,487 billion was 34 percent. There is no official listing of major foreign investments by U.S. companies or other companies. The Australian Bureau of Statistics collects this information, but does not release it on a disaggregated basis due to confidentiality provisions. A list of major new resources and energy projects, which often involve significant foreign investment, is compiled by the Australian Bureau of Resources and Energy Economics (BREE). In October 2012 BREE reported 87 committed projects worth A\$268 billion of which 73 percent are gas and petroleum projects.

Australian Investment Abroad: The level of Australian investment abroad reached A\$1,175 billion (US\$1,217 billion) in 2011, an decrease of A\$21 billion (US\$22 billion) in the previous year. Direct investment abroad accounted for A\$339 billion (US\$351 billion or 29 percent), portfolio investment for A\$447 billion (US\$463 billion or 38 percent), other investment for A\$243 billion (US\$252 billion or 21 percent), reserve assets for A\$46 billion (US\$48 billion or 4 percent), and financial derivatives for A\$100 billion (US\$104 billion or 9 percent). Equity has been the leading form of Australian investment abroad during the past decade but this share has declined and in 2011, equity of A\$582 billion (US\$603 billion) represented 50 percent of the total level of investment.

The leading destination country in 2011 was the United States, which accounted for A\$411 billion (US\$426 billion) or 35 percent of the stock of Australian investment abroad. Other major countries of investment were the United Kingdom with A\$193 billion (US\$200 billion, 16 percent), New Zealand with A\$74 billion (US\$77 billion, 6 percent), Canada with A\$43 billion (US\$45 billion, or 3 percent), Japan with A\$35 billion (US\$36 billion, or 3 percent), France with A\$27 billion each (US\$28 billion, 2 percent) and the Netherlands with A\$27 billion (US\$287 billion or 2 percent).

Investment Inflows: Foreign investment in Australia recorded a net inflow of A\$87 billion (US\$90 billion) for 2011, a decrease of A\$15 billion (US\$16 billion) over the previous year. The leading investor countries were the United States with A\$37 billion (US\$38 billion) or 43 percent, the United Kingdom with A\$17 billion (US\$17 billion) or 20 percent, Germany with A\$17 billion (US\$18 billion) or 20 percent and France with A\$11 billion (US\$11 billion) or 13 percent.

Investment Outflows: Australian investment abroad recorded a net outflow of A\$55 billion (US\$57 billion) for 2011, a decrease of A\$8 billion (US\$8 billion). The leading destination countries were the United States with A\$38 billion (US\$39 billion) or 69 percent, the United Kingdom with A\$17 billion (US\$18 billion), Japan with A\$5 billion (US\$5 billion) or 10 percent and Canada with A\$7 billion (US\$7 billion) or 13 percent.

Investment Climate Statement - Australia

<http://www.state.gov/e/eb/rls/othr/ics/2013/204594.htm>

Investment Climate Statement - Index

<http://www.state.gov/e/eb/rls/othr/ics/2013/index.htm>

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Chapter 7: Trade and Project Financing

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How Do I Get Paid (Methods of Payment)

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Australia has a wide range of export financing options available. A few basic tools are described below. Each U.S. company should choose the option that is favorable to both transacting parties. We recommend consulting the international services division of a U.S. or Australian financial institution for a more complete description and recommendations regarding the best option 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 reduces his competitive position. Modified forms of this method (e.g. deposit with progress payments) are normally used for custom-built equipment or other unique products.

Letters of Credit: These documents substitute credit issued from the buyer's bank. 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), however, includes terms and conditions that the exporter must perform to receive payment. This is a very secure form of payment and is frequently used for new or unknown clients, where there is a higher risk of nonpayment. Offering more flexibility, and not as onerous as Cash in Advance, Letters of Credit still represent an obligation on the Australian importer's credit line, and will 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 a L/C, banks do not guarantee payment or release shipping documents until both parties meet the terms of the exchange.

This method carries higher risk than Letters of Credit, as the importer may refuse to pay. The exporter should obtain credit references or have long-standing relationships 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. These advantages to the importer have made it one of the most widely-used forms of trade financing.

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.

How Does the Banking System Operate

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The four largest retail banks in Australia are Westpac Banking Corporation, Commonwealth Bank, Australian New Zealand Bank (ANZ), and National Australia Bank (NAB). These are four of the ten global banks that carry AA – ratings (from Standard & Poor's ratings made in December 2011). Nevertheless, trade finance liquidity is an issue here as in the rest of the world.

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. Foreign banks are 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.

The Australian Government permits 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.

The Reserve Bank of Australia (RBA) sets monetary policy and regulates the payment system. The Australian Prudential Regulation Authority (APRA) oversees banks, credit unions, building societies, general insurance and reinsurance companies, life insurance, friendly societies (co-ops), and most members of the superannuation industry. APRA currently supervises institutions holding approximately US\$ 4 trillion in assets for almost 23 million Australian depositors, policyholders, and superannuation fund members (<http://www.apra.gov.au/>).

Foreign-Exchange Controls

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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) must receive reports of international currency transfers of AUD10,000 or more. AUSTRAC does not inhibit normal currency transfers associated with international trade.

The Australian dollar is freely convertible. International supply and demand determines 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, make foreign exchange transactions. There are no specific restrictions regarding the remittance of profits, dividends, or capital.

U.S. Banks and Local Correspondent Banks

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Please see Web Resources for a list of American and Australian banks and financial institutions.

Project Financing

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In Australia, many national and international financial management 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
- 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
- Loan syndicates
- Joint ventures

Project financing includes finance from 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 are 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 dominant ownership of the major finance companies, which control about 75 percent 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 provide financial services.

Several U.S. Government agencies, as well as state and local bodies, offer programs to assist U.S. 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 of these financing and guarantee programs apply only to high-risk or developing countries. Therefore, most business dealings with Australia do not qualify for coverage.

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

Other organizations fill various market niches. A group of large banks owns the Private Export Funding Corporation (PEFCO), which makes Ex-Im Bank-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's support for development projects in the developing countries of Asia provides opportunities for American/Australian consortia to compete for MDB-funded contracts. 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.

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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 Group: <http://www.btfunds.com.au>
Citibank Australia: <http://www.citibank.com.au>
Commonwealth Bank of Australia: <http://www.commbank.com.au>
Country Limitation Schedule: <http://www.exim.gov/tools/countrylimitationschedule/>
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>
U.S. Trade and Development Agency: <http://www.tda.gov/>
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>

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Business Customs

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Conducting business in Australia is relatively easy for American companies due to the similarities in language, cultural environment, business practices, and customer expectations. Australians pay attention to advance planning, promptness, 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; however, luncheon and breakfast meetings are common. Australians do not typically schedule business functions on weekends. Business attire is the norm for the cities, and country/rural areas are slightly more informal.

Travel Advisory

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For State Department travel warnings, please visit:
http://travel.state.gov/travel/travel_1744.html

For additional State Department information on Australia, please visit:
http://travel.state.gov/travel/cis_pa_tw/cis/cis_954.html

Visa Requirements

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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). ETAs are available via the Internet (<http://www.eta.immi.gov.au>), and from participating U.S. travel agents and airlines when making travel arrangements. There is an A\$20 service fee for each ETA application. The Australian Embassy maintains a list of participating travel agencies that can arrange for Americans to obtain ETAs. U.S. citizens traveling to Australia should note that they can only obtain the ETA in the United States.

Americans can apply to Australian Embassies, High Commissions, and Consulates for a visa. For the location of the nearest Australian diplomatic facility, please refer to: <http://www.immi.gov.au/contacts/overseas/index.htm>

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

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

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

U.S. Embassy in Australia Website: <http://canberra.usembassy.gov/visas.html>

Telecommunications

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Australia's telecommunications infrastructure is excellent and telecom services are relatively inexpensive. Services to businesses include: Internet access, ISDN, voice messaging, and facsimile. Phone cards are commonly used in Australia and can be purchased at numerous retail outlets.

Australian telecommunications providers include: Telstra, Optus, Vodafone, Virgin, and Orange. Most have converted their customers to 4G networks while Vodafone has announced it will create a 4G network in 2013. Cellular 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 make sure your phone equipment can operate in Australia. Power voltage is 240 volts/50Hz. 3G wireless data plans are available and relatively inexpensive. Telstra's network covers virtually all of Australia.

Australia and New Zealand use power terminals that differ from those used in the United States. Hence, adaptors can be purchased at airports or specific electronic stores.

Internet access is widely available at airports, hotels, and Internet cafés. There are many Wi-Fi hotspots in the central business districts (CBDs) of the biggest cities. Facsimile services are also available for public use in post offices, hotels, and some news agencies.

For more information on telecommunications in Australia, see the Australian Communications and Media Authority website at <http://www.acma.gov.au>

Transportation

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It is a 14-hour non-stop flight from the West Coast of the United States (San Francisco or Los Angeles) to the East Coast of Australia (Sydney, Melbourne, or Brisbane). Several international airlines including Delta Air Lines, Hawaiian Airlines, United Airlines, Qantas Airways, Virgin Australia, Air New Zealand, and Air Pacific fly this trans-pacific route.

Most flights depart from the United States late in the evening and arrive in Australia early morning, with a day lost at the International Date Line. Travel to or from Asia, Europe, the Middle East, South America, and South Africa from Australia is also convenient.

Frequent interstate flights connect the five major Australian cities. The major airlines servicing domestic routes include Qantas Airways, Virgin Australia, and Jetstar Airways. Discounts may be 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 services.

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. 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 or San Francisco) - 21 hrs
Dallas/Fort Worth to Sydney – 16 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

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Australia is an English-speaking country.

Health

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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 exposure to Australia's strong sun and to use sunscreen. Medical and dental services, and all types of health facilities, are comparable with those in the United States. Visitors can easily receive medical attention, but may be required to pay for services immediately, either by cash or credit card.

Local Time , Business Hours, and Holidays

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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 savings time varies. To check the current time in Australia, refer to:

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

Office business hours are generally between 9:00 am-5:00 pm, Monday through Friday. Most shops in major city centers are open on Saturday and Sunday and at least one night a week for evening 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 typically 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 may be difficult to schedule business appointments during this time. Business travelers should ascertain whether their contacts are available during this period before scheduling trips to Australia.

A list of Public Holidays in Australia can be found at:
<http://export.gov/australia/tradeevents/publicolidays/>

Temporary Entry of Materials and Personal Belongings

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Certain goods may be brought into Australia on a temporary basis for a period of up to 12 months without the payment of duty or taxes. These goods are referred to as temporary imports. Approval for temporary imports is granted under Section 162 or Section 162A of the Customs Act 1901.

Goods that qualify as temporary imports may also be imported under carnet, where a security is lodged with a carnet issuing body overseas, or under security, where a security is lodged with the Australian Customs Service (Customs) at the time of import. The nature of the goods, what they will be used for while they are in Australia, and who is importing the goods will determine whether or not the goods will qualify.

There are conditions placed on temporary imports. The most important condition is that you export the goods within the time limits approved. If the goods are not exported within the time limit you will have to pay to Customs an amount equal to the duty and taxes that would have been payable if when you first imported the goods, the goods had not been treated as temporary imports.

For further information, please visit: <http://www.customs.gov.au/site/page4355.asp>

There are no restrictions on the temporary importation of personal computers and software applications for use in normal business situations.

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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://canberra.usembassy.gov/index.html>
Australian Embassy U.S. Visas Website: <http://canberra.usembassy.gov/visas.html>
Australian Visa information: <http://www.eta.immi.gov.au>
Public Holidays in Australia: <http://export.gov/australia/tradeevents/publicolidays/>
Time conversion: <http://www.timezoneconverter.com>
U.S. State Dept. Australia: http://travel.state.gov/travel/cis_pa_tw/cis/cis_954.html
U.S. State Dept. Travel Warnings: http://travel.state.gov/travel/travel_1744.html
U.S. State Dept. Visa Website: <http://travel.state.gov/visa/>

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>

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Contacts

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Embassy of The United States of America
<http://canberra.usembassy.gov/>

U.S. Commercial Service Offices in Australia
<http://export.gov/australia>

Senior Commercial Officer for Australia
Joe Kaesshaefer
U.S. Commercial Service
U.S. Consulate General
Level 59, MLC Centre,
19-29 Martin Place
Sydney NSW 2000 Australia
Tel: 61 2 9373 9202 / Fax: 61 2 9221 0573
Email: office.australia@trade.gov

For all official business calls to the U.S. Consulate General in Sydney, callers may avoid international call charges by dialling U.S. telephone number 301-985-8663 and during the recorded announcement dial “9” plus the party’s extension (9202 for Commercial Service office).

For mail from the U.S.:
U.S. Department of State
U.S. Consulate General, Sydney
Attn: U.S. Commercial Service
4150 Sydney Pl
Washington DC 20521-4150

U.S. Commercial Service
U.S. Consulate General
Level 4, 16 St George’s Terrace
Perth, Western Australia 6000 Australia
Tel: 61 8 6144 5149 / Fax: 61 8 9231 9444
Email: Office.Australia@trade.gov

For all official business calls to the U.S. Consulate General in Perth, callers may avoid international call charges by dialling U.S. telephone number 301-985-8664 and during

the recorded announcement, dial the Commercial Service office extension of 5149 or “0” for the Operator.

For mail from the U.S.:

U.S. Department of State
U.S. Consulate General, Perth
Attn: U.S. Commercial Service
4160 Perth PI
Dulles, VA 20189-4160

Canberra: Opening in the second half of 2013 will be the U.S. Commercial Service office at the U.S. Embassy in Canberra. Details will be published in the CCG 2014 edition.

AmCham and Bilateral Business Councils

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

Australian American Chamber 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.

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

Chamber of Commerce & Industry Queensland
<http://www.cciq.com.au/>

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

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

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

Chamber of Commerce and Industry 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

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.com.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.amsrs.com.au/>

Australian Retailers Association
<http://www.retail.org.au/>

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

Consult Australia
(formerly the Association of Consulting Engineers Australia)
<http://www.consultaustralia.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>

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

Institute of Chartered Accountants in Australia, The
<http://www.charteredaccountants.com.au/>

Agricultural Machinery and Equipment (AGM)

Barbara Hardy Institute (formerly: Agricultural Machinery Research Design Center)
<http://www.unisa.edu.au/barbarahardy/>

Tractor and Machinery Association of Australia
<http://www.tma.asn.au/>

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

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

Airservices Australia
<http://www.airservicesaustralia.com/>

Royal Aeronautical Society: Australian Division
<http://www.raes.org.au/>

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

Australian Motor Industry Federation
<http://www.amif.com.au/>

Biotechnology (BTC)

AusBiotech

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

Books/Periodicals (BOK)

Australian Booksellers Association
<http://www.aba.org.au/>

Building and Construction (CON)

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

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

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

Infrastructure Partnerships Australia
<http://www.infrastructure.org.au>

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

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

Department of Infrastructure, Transport, Regional Development and Local Government:
<http://www.infrastructure.gov.au>

Housing Industry Association
<http://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
<http://www.pacia.org.au>

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

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

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

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

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

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

Defense Industry Equipment (DFN)

Australian Industry & Defence Network
<http://www.aidn.org.au/>

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

Direct Marketing (DIR)

Australian Direct Marketing Association
<http://www.adma.com.au>

Drugs and Pharmaceuticals (DRG)

Pharmacy Guild of Australia
http://www.guild.org.au/the_guild

Medicines Australia
<http://www.medicinesaustralia.com.au>

National Industrial Chemicals Notification and Assessment Scheme
www.nicnas.gov.au

Therapeutic Goods Administration
<http://www.tga.gov.au/>

Education/Training (EDS)

Adult Learning Australia
<http://www.ala.asn.au>

Australian Institute of Training & Development
<http://www.aitd.com.au>

Department of Education, Employment and Workplace Relations
<http://www.deewr.gov.au/>

Electrical Power Systems (ELP)

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

NSW Government Industry and Investment: Energy
<http://www.industry.nsw.gov.au/energy>

Department of Industry, Innovation, Science Research and Tertiary Education
<http://www.innovation.gov.au>

Energy Supply Association of Australia
<http://www.esaa.com.au>

Energy and Water Ombudsman (Victoria)
<http://www.ewov.com.au>

Essential Services Commission
<http://www.esc.vic.gov.au>

Smart Grid Australia
<http://www.smartgridaustralia.com.au/>

Warren Centre for Advanced Engineering Ltd, The
<http://thewarrencentre.org.au/>

Electronics (EIP)

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

Technology Industry Association
<http://www.tia.asn.au/home>

Environmental Technologies (POL)

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

Office of environment and heritage
www.environment.nsw.gov.au

Sustainable Business Australia
(Formerly: Environment Business Australia)
<http://www.sba.asn.au/sba/>

Waste Management Association of Australia

<http://www.wmaa.asn.au>

Film, Videos/Other Recordings (FLM)

Australasian Performing Right Association and
Australasian Mechanical Copyright Owners Society
<http://www.apra-amcos.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
<http://www.afi.org.au>

Australian Recording Industry Association
<http://www.aria.com.au>

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

Screenrights - the Audio-Visual Copyright Society
<http://www.screen.org>

Financial Services (FNS)

Australian Prudential Regulation Authority
<http://www.apra.gov.au>

Australian Securities & Investment Commission
<http://www.asic.gov.au>

Dun & Bradstreet (Australia)
<http://www.dnb.com.au>

Reserve Bank of Australia
<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>

Australian Food and Grocery Council
<http://www.afgc.org.au>

Food & Beverage Importers Association

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

Packaging Council of Australia Inc.
<http://www.pca.org.au/>

Franchising (FRA)

Franchise Council of Australia
<http://www.franchise.org.au>

Office of the Franchising Mediation Advisor, The
<http://www.franchisingmediationadviser.com.au>

Information Services (INF)

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

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

Investment Services (INV)

Financial Services Council
<http://www.fsc.org.au/>

Jewelry (JLR)

Jewellers Association of Australia Ltd.
<http://www.jaa.com.au>

Machine Tools/Metalworking Equipment (MTL)

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

Australian Manufacturing Technology Institute Limited
<http://www.amtil.com.au>

Medical Equipment (MED)

Australian Dental Industry Association Incorporated
<http://www.adia.org.au>

Australian Therapeutic Goods Administration (TGA)
<http://www.tga.gov.au>

Medical Technology Association of Australia
<http://www.mtaa.org.au>

Mining Industry Equipment (MIN)

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>

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

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

Oil & Gas Field Machinery (OGM)

Oil, Gas, Mineral Production/Exploration Services (OGS)

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

Australian Gas Association, The
<http://www.aga.asn.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/>

Packaging Equipment (PKG)

Packaging Council of Australia Inc.
<http://www.pca.org.au/>

Plastic Materials/Resins (PMR)

Plastics Production Machinery (PME)

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

Pollution Control Equipment (POL)

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

Sustainable Business Australia
<http://www.sba.asn.au/sba/>

Printing/Graphic Arts Equipment (PGA)

Graphic Arts Merchants Association of Australia
<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/>

Security/Safety Equipment (SEC)

Australian Security Industry Association Limited
<http://www.asial.com.au>

Telecommunications Equipment (TEL) Telecommunication Services (TES)

Australian Telecommunications Users Group Limited is closed

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

Visit USA Organization Australia
<http://visitusa.org.au/#>

AUSTRALIAN GOVERNMENT AGENCIES

Australian Government Offices in the United States

Embassy of Australia
<http://www.usa.embassy.gov.au/>

Tourism Australia
<http://www.tourism.australia.com/>

Key Australian Federal Government Agencies

Agriculture, Fisheries and Forestry, Department of
<http://www.daff.gov.au/>

Airservices Australia
<http://www.airservicesaustralia.com>

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

Bureau of Statistics, Australian
<http://www.abs.gov.au>

Climate Change and Energy Efficiency, Department of
<http://www.climatechange.gov.au/>

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

Competition and Consumer Commission, Australian
<http://www.accc.gov.au>

Customs and Border Protection Service, Australian
<http://www.customs.gov.au>

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

Foreign Affairs and Trade, Department of
<http://www.dfat.gov.au>

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

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

Health and Ageing, Department of
<http://www.health.gov.au>

Immigration and Citizenship, Department of
<http://www.immi.gov.au>

Innovation, Industry, Science and Research, Department of
<http://www.innovation.gov.au/Pages/default.aspx>

Infrastructure and Transport, Department of:
<http://www.infrastructure.gov.au>

IP Australia (Intellectual Property)
<http://www.ipaustralia.gov.au>

Quarantine and Inspection Service, Australian
<http://www.daff.gov.au/aqis>

Taxation Office, Australian
<http://www.ato.gov.au>

Therapeutic Goods Administration, Department of Health and Aging:
<http://www.tga.gov.au>

Treasury, The
<http://www.treasury.gov.au>

AUSTRALIAN STATE ECONOMIC DEVELOPMENT AGENCIES

Australian Capital Territory

Business and Industry Development
<http://www.business.act.gov.au>

New South Wales

NSW Department of Trade & Investment
<http://www.business.nsw.gov.au>

Communities Sport and Recreation
<http://www.dsr.nsw.gov.au>

Northern Territory

Department of Business and Employment
<http://www.nt.gov.au/dbe/>

Queensland

Employment and Economic Development
<http://www.dtrdi.qld.gov.au>

South Australia

Department of Manufacturing, Innovation, Trade, Resources and Energy
<http://www.southaustralia.biz>

Tasmania

Department of Economic Development, Tourism and the Arts
<http://www.development.tas.gov.au>

Victoria

Department of Business and Innovation
<http://www.dbi.vic.gov.au/>

Western Australia

Department of Commerce
<http://www.commerce.wa.gov.au/index.htm>

Department of Mines and Petroleum
<http://www.dmp.wa.gov.au/>

Department of State Development
<http://www.dsd.wa.gov.au/>

(Formerly all within the Department of Industry and Resources)

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://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, and is free.

Trade Events

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Please click on the link below for information on upcoming trade events.

<http://export.gov/tradeevents/index.asp>

<http://export.gov/australia/>

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities and support them once they do have exporting opportunities.**

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. 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
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: <http://export.gov/>

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: <http://export.gov/Australia/>

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

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.

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