



## U.S. Department of State FY 2001 Country Commercial Guide: Australia

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## CHAPTER I: EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Australia's commercial environment, using economic, political and market analysis. The CCG was established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-

agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. embassies through the combined efforts of several U.S. Government agencies.

As the United States and Australia both enter an unprecedented tenth year of economic prosperity — with both countries enjoying low inflation, declining unemployment, and GDP growth rates of 3-4 percent — their commercial relationships remain wide-ranging and friendly. American company names are commonplace in the Australian market, and U.S. companies are Australia's largest source of investment (cumulative U.S. investment in Australia totaled over \$100 billion through 1999). The U.S. maintained a trade surplus with Australia of \$6.5 billion in 1999, or roughly the same level as in 1998. Australia is currently the 15<sup>th</sup> largest destination for U.S. exports, just behind larger heavyweights such as Brazil and China.

American companies are attracted to the Australian market for its familiar institutions and quality infrastructure: a stable legal and political system, a common language, excellent communications and transportation infrastructure, a high living standard, and a sophisticated financial system to name a few. These factors have helped influence the decision of many U.S. companies to locate their regional centers in Australia.

Nonetheless, American exporters should be cautioned that while the Australian market has long recognized the quality and technological sophistication of U.S. products, Australian consumers and businesses are discriminating: they strive to buy the best product at the best price. Australians are quick to adopt high-tech products and services, evidenced by the extensive use of the Internet and the high penetration of cellular phones. On the other hand, they have shown themselves to be wary of purchasing goods over the Internet, although as consumers' fears regarding security are allayed, both the B2C and B2B markets should realize their great potential in the near future.

“Investment attraction” are likely to be key words for Australia in the year ahead. The individual states and regions are looking to take advantage of the high international exposure generated by the 2000 Summer Olympic and Paralympic Games in Sydney in September 2000 to boost investment from overseas investors. The United States, as Australia's top investment source, will be a prime target, particularly in the biotechnology and information technology sectors. Special briefings and networking events are scheduled during the Olympics to convince foreign businesspeople that Australia warrants their investment monies.

Australia celebrates its 100<sup>th</sup> anniversary as a Federation in 2001, but despite the current rosy economic picture, several difficult policy issues will need to be addressed as Australia enters its second century. The Federal Government has already pursued an ambitious economic agenda with the implementation in July 2000 of the Goods and Services Tax (GST), and reductions in the taxation of personal income and capital gains. Uncertainties in the implementation of these changes still remain, and further revisions are possible. Federal and State governments' privatization programs have stalled, with the planned sale of Telstra and utilities now on the backburner. After Australia's peacekeeping forces intervened in East Timor and other areas of instability in Indonesia and the Pacific Islands, the Government is currently reassessing the nation's defense policy and a major overhaul is likely later this year

or next.

Despite its robust health, the small, export-oriented Australian economy is particularly susceptible to shifts in the world economy. As commodity exports still play a significant role in its export makeup, price swings in world markets can have a significant impact on the Australian economy and dollar. The Australian dollar also feels the reverberations of any increase in U.S. interest rates. With a general recovery in global economic growth forecast for the medium term however, the outlook for Australian exporters looks positive.

All in all, American companies will always find Australia an attractive and receptive place to do business. Demand spans the range of U.S. exports, barriers are few, and innovation and new products are welcomed.

Country Commercial Guides are available for U.S. exporters from the National Trade Data Bank's CD-ROM or via the Internet. Please contact Stat-USA at 1-800-Stat-USA for more information. Country Commercial Guides can be accessed via the World Wide Web at <http://www.stat-usa.gov>; <http://www.stat.gov/>; and <http://www.mac.doc.gov>. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRADE, by fax at (202) 482-4473, or check the U.S. Commercial Service website at [www.usatrade.gov](http://www.usatrade.gov). Information on CS Australia programs and activities can be found on [www.cs.australia.org](http://www.cs.australia.org). We welcome your comments and questions.

## CHAPTER II: ECONOMIC TRENDS AND OUTLOOK

### A. MAJOR TRENDS AND OUTLOOK

Australia finished the 1990s as the world's second-fastest growing developed economy (behind Ireland), averaging growth over the decade near four percent a year. The Australian economy therefore enters the new century in its best shape for thirty years, with a rare convergence of strong growth, low inflation, low interest rates, and falling unemployment. Even at its current point in the economic cycle — a general slowdown in growth induced by interest rate rises — Australia's medium term economic outlook is very bright.

Australia recorded economic growth of 4.3 percent in 1999, based on the third consecutive year of strong domestic demand (resulting from a combination of low interest rates, low inflation and rising asset prices). Growth is expected to slow slightly over 2000-2001, as the composition of growth in the country's Gross Domestic Product moves away from domestic demand to exports and fiscal stimulus. The fiscal boost stems from the Australian Government's reform of the taxation system, which took effect in July 2000, granting substantial cuts in personal income tax in exchange for the introduction of a broad-based consumption tax.

The services sectors have been the main beneficiaries of the boom in household consumption, easily outpacing the rest of the economy. The fastest growing sectors during 1999 were communications

services (18 percent annually), wholesale/retail trade (10/5 percent respectively), finance/business services (7/9 percent respectively), and accommodation and restaurants (10 percent). A recovery in global commodities prices and key export markets saw the minerals sector record 10 percent growth over the year.

The Reserve Bank of Australia tightened monetary policy during late 1999-early 2000, responding to the strength of the domestic economy, incipient inflationary pressures (including a depreciation of the Australian dollar in early 2000), an expanding external deficit and overseas interest rate differentials. Australia's inflation rate is now expected to remain within the Reserve Bank's target range of 2-3 percent per year over 2000-2001, minus the one-off effects of the introduction of the new Goods and Services Tax, with economic growth stabilizing around 3-3.5 percent per year.

## B. PRINCIPAL GROWTH SECTORS

### 1. Energy Resources

Energy is one of the most important utility sectors of the Australian economy with a total value of US\$40 billion. It provides services to industry and households, and contributes to employment, investment opportunities and export earnings. Currently, growth in this section has been helped by a strong economy, sustained population growth, and ongoing privatization and reforms in both electricity and natural gas markets. National and international policies of global climate change are also important influences.

Comprehensive programs of national microeconomic and competition policy reform have been underway in Australia for a number of years. While energy consumption in Australia has been increasing, substantial changes have occurred in terms of the States and sectors in which energy is consumed, as well as in the overall fuel mix. Further improvements in energy efficiency are expected with a substantial increase in natural gas-fired electricity and a large increase in cogeneration. Total energy production is projected to be 18,951 petajoules in 2014-2015, over 55 percent above the 1997-98 level.

Energy consumption in Australia is dominated by electricity generation, transport and manufacturing, which have collectively accounted for 80 percent of total energy consumption and are likely to continue to be the major energy consuming sectors to 2014-15. The transport sector is expected to grow relatively strongly and to replace electricity as the largest consuming sector. The mining and commercial sectors are also expected to continue to grow substantially, although not at the rates of recent years.

A key proposed energy sector initiative in Australia is to set a mandatory target for electricity retailers and larger electricity purchasers to source an additional two percent of their electricity from renewable or specified waste product energy sources by 2010.

### 2. Agricultural Resources

The Australian agricultural sector is relatively stable, despite the recent turmoil in several key markets. The sharp devaluation of the Australian dollar has helped maintain returns. The performance of this section, however, varies significantly by type of enterprise, with specialist grain farmers and

dairy farmers far outperforming specialist sheep and sugar producers.

Winter grain production resulted in record wheat and canola crops in 1999-2000. The large crop, together with the weaker Australian dollar, helped maintain grain returns, despite a fall in world wheat prices.

While the overall acreage planted to winter grain crops in 2000-01 is expected to increase slightly, wheat and canola areas are expected to fall by two percent and 15 percent respectively. Barley is expected to increase by almost a quarter. Wheat production is currently forecast at 22.8 million tons, about five percent lower than during the past year. Canola production is expected to fall around ten percent to two million tons as a result of the first field reduction in seven years. Barley production is forecast to increase over 26 percent to 5.4 million tons.

The difficulties faced by live cattle exporters to several important Asian markets eased substantially in 1999. Indonesia, for example, imported 159,000 head after importing only 41,000 in 1998. The Philippines imported 270,000 head, up from 216,000 head in 1998. Live cattle exports are expected to increase to 944,000 head in 2000-01, topping the peak reached in 1996-97. Further increases to 1.02 million head are expected in 2002-03.

Cattle prices continued to increase in 1999-2000 and are expected to continue their recovery with a five percent increase in 2000-01. Increased exports and strong domestic sales have combined to improve the profitability of this sector. Beef supplies are expected to further tighten in 2000-01 as producers continue herd rebuilding and demand increases as the economies of Korea and Japan continue to recover.

The wool industry continues to be depressed due to sluggish demand on the export market and intense price competition from cotton and synthetics. The downturn in the industry has resulted in many non-specialist producers transferring resources to crop production. Some specialist sheep producers have increased the production of prime lambs at the expense of wool production. Thus, in overall terms, the sheep flock has fallen to around 115 million head, down from 170 million head in the early 1990's. Despite recent price gains, weak demand and the impact of the wool stockpile are likely to result in wool prices remaining low in the medium term.

Despite low commodity prices (due to world oversupply) and difficult seasons during 1999-2000, both cotton and sugar exports remain at historically high levels. Both industries are forecast to experience steady increases in production through to 2004/05.

The overall volume and value of fresh fruit and vegetable exports to Asian markets remained steady during 1999. However, export performance varied widely between crops and markets.

Overall, the diversification of export markets following the Asian economic crises will help industries better adapt to future economic downturns.

### 3. Value Added Processing, Manufacturing

The manufacturing industry is an important sector of the Australian economy, contributing about 12 percent of Australia's gross domestic product (GDP) and total employment. However, the industry's

share of GDP has continued to fall over the last 20 years, reflecting the growth of the services sector. Manufacturing output is forecast to grow by two percent for the financial year 2000/01 compared with just under one percent for 1999/00.

According to the Australian Bureau of Statistics, food and beverage manufacturing holds the largest share (22 percent) of total manufacturing sales. Other significant contributors to sales are machinery and equipment manufacturing (19 percent), metal product manufacturing (18 percent), and petroleum, coal, chemical and associated product manufacturing (16 percent). Printing, publishing, food processing, petroleum products, and machinery and equipment industries are also expected to be the strongest performers over the next two years.

#### 4. High-Tech Industry

Australia, as a nation, has the level of sophistication and buying power to use high-tech products in a number of industry sectors. High-tech products are used in industries such as medical, health, communications, information technology, security and defense. Although Australia has its own small, but vigorous, high-tech industry, particularly in the fields of information and medical technologies, the U.S. is seen as a world leader for many high-tech products, and Australia normally looks first to the U.S. for purchases.

Australians are keen to maintain a leading technological edge and are continually updating their technology to avoid obsolescence. This means that Australian firms often are open to capital investment, joint ventures and other strategic alliances, both to capture a larger share of the Australian market and to gain a competitive advantage in developing products for export to other markets, particularly in the Asia Pacific region.

Information technology (IT) innovators perceive the opportunities within the Australian market and pursue them zealously. The average annual growth rate of high-tech IT products is expected to be around 20 percent for the duration of the decade. Twenty international IT firms, of which 18 are American, have chosen Australia as their regional headquarters. Their choice is based on the technical sophistication of the Australian IT market and the ease of market penetration: Australia is the second largest per capita user of PCs in the world after the U.S., and one of the largest per capita users of the Internet. With all these considerations, Australia provides a relatively small, but highly active and attractive, market for high-tech products from the U.S.

#### 5. Services

Over the past twenty years, Australia has experienced unprecedented growth in the services sector and, as a result, the importance of the services sector to the overall Australian economy has increased significantly. The sector now constitutes the largest proportion of the Australian economy in terms of both output and employment. Four out of every five Australian workers (82 percent) are employed in an estimated 1.1 million Australian service businesses. Services are the fastest growing component of the economy — outpacing agriculture, mining, manufacturing, and construction — and now accounts for about 68 percent of the country's gross domestic product (GDP).

Australia is a net importer of services. Despite the strong growth in domestic service provisions, demand for services has been so great that a considerable amount is sourced from overseas. A

surplus in Australia's net international trade in services was attained for the first time in the 1996-97 fiscal year. However, with the onset of the Asian financial and economic crisis, Australian services trade moved back into a deficit position.

A trend common to a number of sectors has been the increasing use of outsourcing. Outsourcing has also been identified as the single biggest driving force behind the growth of a number of key service areas, including business, finance, property, health, education, hospitality, recreation, and tourism.

The strongest performer in the Australian service sector has been the communications services industry group, which has averaged a growth rate of 10 percent per annum over the last five years. In contrast, the electricity, gas, and water utilities sector has been one of the slowest growing service sectors, averaging a growth rate of only 0.6 percent per annum over the same period. However, this slow growth can also in part be attributed to improved productivity caused by additional factors, such as corporatization and privatization. Opportunities are, therefore, being created for new players that sometimes are not reflected in the growth rates of various industry sectors.

The U.S. Commercial Service in Australia has identified the following service areas to be of particular significance (not in order of importance):

1. Information Technology (IT) Services
  2. Telecommunications Services
  3. Mining Services
  4. Direct Marketing
  5. Franchising
  6. Travel and Tourism Services
  7. Energy Efficiency Services
  8. Health Care Services
  9. Environmental Engineering Services
  10. Management Consulting Services
- 
6. Tourism

Tourism is an important growth industry that plays a key role in the Australian economy. The industry contributes significantly to job creation, export earnings and regional development. Tourism is a major export earner, exceeding the earnings of more traditional export commodities such as coal, meat and wool. In 1999, tourism export earnings totaled US\$10.5 billion, representing 15 percent of Australia's total export earnings and 62 percent of services exports. In 1996-97, tourism directly accounted for 5.8 percent of Gross Domestic Product (GDP) and indirectly accounted for an additional 3.5 percent of GDP. The tourism industry employs approximately eight percent of Australia's workforce.

International tourism makes a significant contribution to the Australian economy. Over the last decade, the number of international visitors to Australia has more than doubled. In 1999, the number of international visitors totaled 4.5 million. The major source countries of visitor arrivals to Australia were New Zealand (16 percent), Japan (16 percent), the U.K. (12 percent), the U.S. (9 percent), and Singapore (6 percent). Inbound visitor numbers are forecast to increase at an average annual rate of 7.3 percent to reach 8.4 million in 2008 and generate nearly US\$20 billion in export earnings.

As a market for U.S. tourism, Australia is a major source of export earnings. The U.S. is the second most popular destination for Australian travelers, ranking behind New Zealand. In 1999, Australia was the eleventh most important source of international visitors to the U.S., with 483,000 Australians traveling to the U.S. Travel receipts from Australian travelers totaled US\$1.5 billion. Visitors from Australia to the U.S. are projected to increase by approximately 3.6 percent per year for the next three years. Over half a million (501,000) Australians are projected to visit the U.S. in 2000.

## 7. E-Commerce

E-Commerce is rapidly transforming the Australian business environment as it is in other parts of the world. Australia currently ranks eleventh in the world in terms of numbers of Internet users (7.1 million). This amounts to a penetration rate of 36 percent, among the highest in the world. The market is being driven by private sector marketing and consumer preferences along with Government initiatives to encourage businesses in this field.

The Australian Government, through the National Office of the Information Economy (NOIE), has been actively promoting the development of Australia as an “information economy”. NOIE serves as the Commonwealth Government’s policy body, and is tasked with raising public awareness and stimulating thought and discussion about the benefits and issues involved in the transition to an information economy.

A major report commissioned by NOIE (“E-Commerce – Beyond 2000”, February 2000) reviewed the economic impact of e-commerce on Australia. The report predicted e-commerce would increase national output by 2.7 percent by 2007, and raise consumption by about US\$6.3 billion within the next decade.

Businesses and consumers are hopping onto the e-commerce juggernaut. Business to business (B2B) e-commerce is expanding, with many industries refining supply chains and integrating systems with suppliers to improve efficiencies in operations. In addition, many companies are incorporating e-business into their internal operations, such as human resource management and knowledge management. In 1999, B2B in Australia amounted to US\$288 million, with the majority of sales taken by software.

Although still wary of purchases on the Internet, Australian consumers are increasingly moving online to make purchases of a range of products. In 1999, CD’s, books, software, toys, gifts and travel were the most popular items for online shopping – for some 800,000 Australians, an increase of 83 percent over 1998. Over the past year, there has been a rapid increase in online financial services, including share brokerage. Local on-line retailers are increasing in number: this includes both “virtual” retailers as well as existing “bricks and mortar” retailers that are developing an on-line presence. E-commerce has also exposed Australians to retailers who have not previously supplied the Australian market, and many Australians purchase from overseas websites. The retail e-commerce market in Australia is currently estimated at US\$350 million in Australia. Although this is a fraction of overall world sales, a recent Boston Consulting Group report forecast the Asia-Pacific regional online market to grow at least 150% and top U.S.\$7 billion by year’s end.

## 8. Biotechnology

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 agriculture and medicine. A high-quality science base and a highly educated manpower base, 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 undertake research in Australia or enter into alliance with Australian companies and research providers.

With over 200 companies and research centers involved with biotechnology, Australian companies have sufficient capability of manufacturing in biotechnology to match the leading companies of the world. Since 1995, the number of biotechnology companies in Australia has increased substantially. While the biotechnology industry in Australia is small in size by international standards, it is growing rapidly. The increasing number of international success stories is producing confidence, entrepreneurship, and leadership in the industry.

Australia is a leader in life science research and the country's technology productivity is very high, with a per capita patent filing rate similar to that of the U.S. Biotechnology has been identified by the Australian Government as one of the key industries of the future. Australia is well placed to seize biotechnology opportunities, because of its internationally recognized reputation in the sciences that underpin biotechnology, access to high growth markets of South East Asia, favorable regulatory climate and positive public attitudes to biotechnology. At the same time, however, the biotechnology sector has been hampered by insufficient venture capital to take many of these products to the market.

## C. GOVERNMENT ROLE IN THE ECONOMY

### 1. Fiscal And Monetary Policy

The Commonwealth Coalition Government returned the federal budget to surplus in the 1998-99 fiscal year, a goal achieved through cuts to government spending without any increases in taxation levels. The return to budget surpluses, combined with the sale of government assets, has reduced the Federal Government's debt levels from a peak of nearly 19 percent of GDP in FY 1995-96 to 7 percent in FY 2000-2001.

Having attained its goal of a budget surplus, the Government is now turning its attention to tax reform, focusing on shifting Australia's tax mix away from income taxes and simplifying business taxation. The former was achieved on July 1, 2000, when a 10 percent value-added sales tax, called the Goods and Services Tax (GST), was introduced, accompanied by substantial cuts to personal income tax and the abolition of various indirect taxes. The latter is the subject of an on-going review and legislative process begun in 1998 and expected to continue into 2001.

The judicious use of monetary policy by the Reserve Bank of Australia has brought the country eight years of low inflation and steady economic growth. After several years of maintaining a mildly expansionary monetary policy, the RBA raised the official interest rate by 125 basis points to 6 percent between November 1999 and May 2000, in many cases following similar decisions by the

U.S. Federal Reserve. This level should represent the peak (or close to it) of the current tightening cycle.

## 2. Economic Reforms

Australia undertook a basic reorientation of its economy more than 16 years ago, and has transformed itself from an inward-looking, import-substitution country to an internationally competitive, export-oriented one. Key reforms include unilaterally reducing high tariffs and other protective barriers; floating the Australian dollar exchange rate; deregulating the financial services sector (including a decision in late 1992 to allow liberal access for foreign bank branches); rationalizing and reducing the number of trade unions; efforts to restructure the highly centralized system of industrial relations and labor bargaining; better integrating the State economies into a national federal system; improving and standardizing the national infrastructure; and privatizing many government-owned services and public utilities.

The ultimate goal for Australia is to become a competitive producer and exporter, not just of traditional farm and mineral commodities, but of a diversified mix of value-added manufactured products, services and technologies. While progress has been made on this economic reform agenda (such as in opening the telecommunications market to competition), much remains to be done, particularly in the domestic arena. Herein lie some of the most promising opportunities for American business and investment.

While the near-term outlook is for continued economic expansion, Australia's longer-term prospects depend heavily on continued fundamental economic reform. There is a general consensus among the major political parties, management and labor on the necessary features of this reform, but significant divergence of views on the methods, pace and degree of change required.

### D. BALANCE OF PAYMENTS SITUATION

Trade is very important for Australia's small, open economy: merchandise exports in 1999 totaled US\$58 billion, about 15 percent of the nation's gross domestic product. Australia imported US\$65 billion worth of merchandise goods in 1999, generating a balance of trade deficit of US\$7 billion. Since recording a small surplus in merchandise trade in 1997, Australia's trade position has worsened due to the aftershocks of the Asian financial crisis, falling global commodities prices, and strong domestic demand for imports.

In 1999, around 60 percent of Australia's exports went to Asia, though growth in exports to the region has slowed considerably since the 1997-98 financial crisis. Japan is Australia's largest trading partner, taking 20 percent of merchandise exports (US\$11 billion in 1999), and supplying 14 percent of its imports (US\$9 billion in 1999). Australia's major exports to Japan are coal, iron ore, meat, and aluminum.

The United States is Australia's second largest trading partner. In 1999, exports to the United States were unchanged at US\$5.5 billion, making the U.S. Australia's second-largest export market, ahead of New Zealand and Korea. (Note: the lack of growth in U.S. exports in 1999 is due mostly to a one-off spike in gold re-exports to the U.S. the previous year). The U.S. remains Australia's single

largest source of merchandise imports (US\$14 billion in 1999). Of Australia's top five trading partners, the U.S. is the only country to run a consistent bilateral trade surplus with Australia.

The composition of Australia's exports has been changing gradually over the past two decades, to reflect the increasingly value-added direction of Australian industry. Manufactured exports have grown at an average rate of around eight percent per year over the last six years. Within manufactures, elaborately transformed manufactures (ETMs) have grown to account for 23 percent of total exports, off an increasingly diverse base. They include such items as high-speed ferries, telecommunications equipment, and motor vehicles. Primary products, however, remain the dominant export sector in value terms. In 1999, exports of mineral and agricultural products comprised 56 percent of total merchandise exports.

Australia generally has run a small deficit for trade in services. Tourism accounts for nearly half of services credits (exports), while services debits are dominated by transportation services and out-bound tourism. In 1999, Australia recorded a net services balance of just under US\$1 billion.

The net income deficit remains the largest component of Australia's current account. In 1999, the net income deficit totaled US\$12 billion, consisting mostly of debt service payments on Australia's foreign debt. While Australia's debt-service ratio is currently low (around 10 percent), any increase in foreign interest rates or depreciation of the Australian dollar could greatly increase Australia's debt burden (as in 1990). Net foreign debt at year-end 1999 was US\$155 billion.

The current account deficit (CAD), Australia's most intractable economic constraint, was US\$22 billion in 1999, or near six percent of GDP. After the previous six percent peak during 1994-95, subdued domestic demand saw the CAD fall over 1996, and an improved trade performance during 1997 lowered that figure further. Over 1998 and 1999, however, a combination of lower exports to Asia and strong domestic demand for imports generated a major increase in the CAD. As domestic demand slows and exports improve, Australia's CAD should fall to more sustainable levels over 2000-2001. In the long term, Australia's external balance will only be rectified by sustained fiscal surpluses, an improved trade performance, and an increase in the pool of national savings (a goal assisted by Australia's compulsory superannuation scheme).

## E. INFRASTRUCTURE

### 1. Overview

Geographically, Australia is similar in size to the continental U.S. Despite its small population and relatively large landmass, it has a well-developed capital infrastructure, including nationwide air, road, rail, port and telecommunications networks comparable to other OECD countries. The Asian economic downturn did not affect infrastructure development in Australia to any measurable extent.

Privatization and corporatization of Government-owned facilities and services has been high on Australian state and federal governments' agendas since the early 90's, and the sale and/or lease of public facilities and utilities continues to progress at a steady and determined pace.

A significant proportion of large projects being undertaken in Australia is as a result of infrastructure developments and privatization of facilities formerly run by federal, state and local governments.

Demand for further infrastructure development is due to population growth, changing demographic patterns, increased environmental awareness, and a cumulative obsolescence of existing infrastructure facilities. Reforms in the ownership and management of public utilities, such as electricity, natural gas and telecommunications, are resulting in a more competitive supply and distribution infrastructure. In Sydney, for example, the 2000 Olympic Games contributed to a sense of urgency to establish a transport infrastructure capable of meeting the needs of a city highly dependent on inbound tourism, but which has been slow to develop an efficient urban road system.

The private sector accepted the privatization challenge and is now engaged in nationwide infrastructure creation, upgrade and maintenance. An open market in the airline industry reduced the cost of air travel, improved passenger service and encouraged competitors to challenge traditional rivals, Ansett and Qantas. Australia's airports, with few exceptions (one of which is Sydney's Kingsford Smith), have been sold to private consortia on long-term leases. The federal government's waterfront reform policies, after a bitter feud with the maritime union, have begun to show improvements in efficiency and work practices. It is moving ahead with plans to sell rail assets; and is showing determination to sell off a further third of its telecommunications carrier, Telstra.

## 2. Air Transport

Air transport is used extensively within Australia, with 770 licensed airfields used by 210 regional and international fleets. The major international gateways are Sydney, Melbourne, Brisbane, Perth and Cairns. International passenger and cargo flights are frequent and reliable.

Air is used extensively for lighter cargo, small high-value items, and for urgent needs. An extensive network of air cargo operators, including major international companies, offers a full range of cargo services, processing of documentation relating to importation and clearance of goods, and follow-on-delivery to regional centers. Australia is serviced by most of the world's major air carriers, feeding into a well-established domestic network covering the trunk commuter routes. An active regional airline service links regional centers with the capital cities. Most major Australian airports have been privatized and operate on a commercial, profit-oriented basis, competing for passenger and freight revenue. The aviation industry has been deregulated for the past decade. However, during that time, the industry did not see any significant change in the dominance of the two major carriers (Qantas and Ansett). That may change with the introduction of two well-funded challengers: Impulse Airlines, which operates on the major airline routes in Australia, and Richard Branson's Virgin Blue, due to start operations in August 2000.

## 3. Road/Rail Transport

With its huge land mass, small population and limited tax base, the extensiveness of Australia's modern national, state and local road system is quite remarkable. Road funding continues to feature prominently in both State and Federal Government budgets with the voting public demanding high quality roads. Australia's road transport industry is relatively efficient and approaches world best practice. The majority of interstate goods transport is by road.

A 24,000-mile network of railroads competes with road transport. Rail transport is the preferred mode to Perth in Western Australia for the transportation of freight from Eastern ports, and for the bulk transport of Australia's mineral exports. Traditionally, rail transport has lagged behind interna-

tional best practice. In the last century, before Federation of the States into the Commonwealth, each state government established its own different gauge railway to encourage its own industries, with cargo having to be transferred at state boundaries.

The completion of the first standard gauge rail line from Brisbane to Perth (via Sydney, Melbourne and Adelaide) in June, 1995, heralded a new era in rail freight transport and the prospect of an efficient, truly national rail transportation system. The ability to track a coal train from Queensland to South Australia was a symbolic step in Australia's reform agenda. In 1999, a major rail line from Adelaide to Darwin was announced with a completion date of 2003.

The mid 1990s also saw every rail administration in Australia substantially restructured with most becoming corporatized entities. In August 1997, the Federal Government sold Australian National Railways (AN) which operated various freight and passenger operations. In January 1999, the Victorian State Government privatised its freight business, V/Line Freight, and franchised its passenger rail and suburban tram networks. At the time of writing, both the Western Australian State Government and Federal Government were planning to sell Westrail and National Rail Corporation, respectively. The latter handles approximately 20 percent of all interstate freight business and is expected to draw strong interest from foreign and overseas consortia.

#### 4. Sea Transport

Australia is a trade-dependent country, with the fifth largest shipping production in the world. It trades with around 200 countries moving approximately half a billion tons of cargo per annum, 50 million tons of which, is loaded and discharged between Australian ports. In volume terms, 99 percent of its imports arrive by sea and 96 percent of its exports leave by waterborne transport. Australia is serviced by major shipping lines transporting goods worldwide, to and from the major ports of Sydney, Brisbane, Melbourne, Adelaide and Fremantle. In recent times, extensive waterfront labor reform has been achieved, with the government now examining proposals for improvements in terminal infrastructure, health and safety standards, and increased use of information technology on the waterfront.

Australia has modern, deep-water ports. New South Wales and Queensland account for 58 percent of all ships registered in Australia (8,246 total), the majority of which are used for non-commercial purposes. The major Australian trading fleet is comprised of 62 ships of 2,000 tons or over, two-thirds of which operate on coastal routes, moving around 50 million tons of cargo annually. The Goods and Services Tax, introduced on July 1, 2000, is expected to reduce overall water transport sector costs by up to 5.7 percent.

The government agency responsible for maritime safety in Australian waters, including regulatory issues, the navigational aids network, maritime search and rescue, pollution prevention and clean up, and registration, is the Australian Maritime Safety Authority.

#### 5. Telecommunications

Australia's telecommunications infrastructure is as sophisticated and modern as any in the world, with a fully digitalized network. The main telephone lines are mostly land-based and penetrate about 96 percent of all households. In a population of 19 million, there are almost 8 million mobile

phone subscribers, more than 2 million Internet subscribers and over 7 million Internet users in Australia.

Australia's telecommunications industry was fully deregulated on July 1, 1997. There are now 35 carriers, compared to 2 prior to deregulation. The new carriers are often former service providers and are generally reliant upon leasing network capacity from Telstra, although some are developing their own switching and network capability, particularly on the eastern seaboard and for overseas call markets. The most significant include Optus, Primus, AAPT, OneTel, Orange and Vodafone. All carriers, excluding Telstra (with 51 percent Government ownership), are private.

The influx of smaller carriers into the telephony market has acted as one of the major developments in producing important competitive results in the deregulated market.

These carriers typically provide international and long-distance calls and more recently complete telephony services.

Telstra, the former monopoly carrier, is the dominant provider of Australia's land-based telephony service. This network has nearly 10 million connections and an annual growth rate of five percent. Telstra still dominates the telecommunications environment although its market share has dropped significantly in recent years. Optus Communications, the second largest carrier, provides its own switching capability, but primarily uses the Telstra trunk and local loops. It has developed a broadband network (alongside the Telstra broadband network) to collectively "pass" some 4 million houses.

Mobile phone services are well established in Australia with more than 8 million users or 42 percent of the population, one of the highest user rates in the world. Telstra, Optus and Vodafone each operate separate GSM mobile networks. Telstra's market share is around 57 percent, Optus 31 percent and Vodafone 11 percent.

As of June 2000, Australia switched off its remaining mobile analog system. In the city and suburban populations, analog was substituted by the ever growing digital GSM system, while in rural areas, Australia took the bold step of replacing analog with Code Division Multiple Access (CDMA). CDMA is currently being provided by at least three carriers, AAPT, Telstra and Orange. The changeover has been smooth, although there have been some concern at the "unevenness" of the CDMA service.

Telstra moved another step along the way to full privatization in 1999, with the government issuing a second release of Telstra shares for sale (known as Telstra2). This now brings the privatization process to a value of 49 percent of the total capitalization of Telstra, but further privatization is unlikely, given resistance from the Labor Opposition and Democrats.

At the same time, Telstra has made significant moves into other areas of business, such as Internet (Bigpond), content providers, e-business and multimedia. Most importantly, Telstra is piloting important technology market drivers, such as Digital Subscriber Line (DSL) and Voice over Internet Protocol (VOIP).

The Australian Government is planning to hold an auction of a segment of the 2 gigahertz (2GHz) spectrum later this year. The potential amount to be raised by this auction is estimated at \$1.8

billion. Some of this spectrum will be for digital television transmission. An auction of mobile spectrum earlier in 2000 purchased by Hutchison Telecommunications and One.Tel netted the Government \$1.2 billion.

Australian communications technology is historically European-based due to Australia's historical links with the U.K., and to Swedish company Ericsson's early (1928) establishment in Australia. Land-based telephony operates according to European E1 standards, but differ somewhat to create a uniquely Australian version. Advanced technologies, such as Frame Relay and Asynchronous Transfer Mode (ATM), are creating in Australia the possibility to merge voice, video and data along broadband services. As these technologies or protocols are largely U.S. developed, U.S.-made products are used.

Telstra, Optus and Vodafone have already purchased, or are committed to purchasing network infrastructure and equipment, following massive development of their networks during the past 3-5 years. Infrastructure has been established for digital mobile technology, and the digitalization of land-based networks. Carriers are required under the Telecommunications Act 1997, to submit and follow Industry Development Plans, listing companies they have negotiated with for the supply of infrastructure and equipment. Telstra has strategic relationships with Alcatel, Ericsson, Nortel and Siemens; Optus with Digital, Leighton, Fujitsu, Nokia and Nortel; Vodafone with Ericsson and Keycorp. Network development therefore usually involves the companies at the forefront of these strategic relationships. These firms in turn deal or make alliances with downstream companies. ATM products likely represent one of the most rapidly growing areas in this market segment, and many of these products come from the United States. These products are purchased for the carrier communications network, or for private networks. Many U.S. companies selling ATM already have a presence in Australia.

## 6. Energy

The National Electricity Market (NEM) in Australia began operations on December 13, 1998. The participating jurisdictions include New South Wales, Victoria, South Australia, Queensland, and the Australian Capital Territory (ACT). The introduction of competition was delayed in the Northern Territory (NT), but the NT will eventually be a participant in the NEM. On the other hand, Western Australia, due to the vast distance from other states, will not be a member of the NEM. The goal of NEM is a fully competitive and contestable market for electricity generation and supply by the year 2001. A vast number of electricity utilities are now owned by the private sector, with 80 percent ownership by U.S. companies.

Reform of the entire gas industry is vital for the expansion and integration of natural gas as a widely-used fuel, from the smallest domestic consumer to the largest industrial or power generation user. Regional gas markets are being integrated through the construction of new gas pipelines and the removal of regulatory barriers to interstate trade in gas, along with increasing customer contestability in the retail markets. As a result of the reforms, the transport and retailing of natural gas in Australia now involves a combination of public and private sector enterprises.

The fuel presently used for power generation is mainly coal (black and brown). Overall, natural gas consumption is predicted to grow by 30 percent to 2014-15. Capital investment in generation is estimated to have cost US\$26 billion, and the value of the predicted expansion of generation capac-

ity is estimated to be US\$12 billion.

With regard to raw materials, international economists have nominated the Australasian region as the powerhouse of the next century. The region already has an abundance of natural resources and development in the oil and gas sector is set to play a major role on the world stage. It is estimated that more than US\$100 billion will be invested in new petroleum development in the Australasian region over the next ten years.

The oil and gas industry continues to make a major contribution to the Australian economy. The annual value of oil and gas production in Australia is approximately US\$10 billion. US\$30 billion of oil and related projects are expected to be studied in Australia over the next five years. One of the largest projects is the development of significant oil discoveries worth approximately US\$9 billion in the Timor Sea (off the coast of Darwin), and a multi-billion dollar expansion plan for the US\$12 billion North West Shelf LNG project in Western Australia.

Current electricity generation in Australia is around 45,000 MW and is expected to grow to 55,000 MW by the year 2010. This new generation capacity of 10,000 MW is expected to come from plants in development accounting for 3,400 MW, with the remaining 5,600 MW from plants only in the planning stages.

## 7. Water and Sewerage

Average annual expenditure on new capital works and renewal works for urban water supply and sewerage treatment is in the order of US\$546 million. Expenditure on reticulation (the transport of water via pipes, sewers etc. accounts for 50 percent of the capital works, investment in water treatment facilities accounts for 30 percent and expenditure on bulk storage is approximately 20 percent.

Australia's water supply and sewerage treatment infrastructure is well established, and systems are being expanded to meet demand generated by industrialization and urbanization. Water authorities are the main purchasers and users of goods and services in this sector, while the private industry is the most effective developer and marketer of new technology.

In response to public concern and demand, the industry is moving from an emphasis on the supply of water toward a greater focus on resource usage, the quality of the water supplied to consumers, and pollution control. There are also significant concerns regarding the protection of the environment, particularly with regard to discharges of wastewater.

Between 0.5 to 6 percent of the population currently receive water of unsatisfactory quality and there is growing impetus to achieve the high quality found in major urban supplies. While some technologies for water treatment and sewerage systems are well established, this sector is now subject to significant technological change as the sewage to be treated becomes chemically more complex due to pollutants, and as more stringent standards are imposed on effluent discharges to protect the recipient land or water body.

National responsibility for water and environmental matters falls with the Department of Primary Industries and Energy (DPIE) and the Environment Protection Agency (EPA) respectively. Design, construction, management and maintenance of water and wastewater treatment facilities, however, are primarily shared between state authorities, boards, county councils, local government councils,

and private interests. The roles of these parties vary from State to State.

## 8. Construction

Engineering construction activity is estimated at US\$9.2 billion for the 1999-2000 financial year, with US\$8.7 billion forecast for FY 2000-01. Forecasters speculate that the engineering industry will contract over the next two years, due to declines in mining construction, industrial and resource-based construction, and the completion of Olympics-related construction work. However, the fall-off in total industry activity will be moderated by strong growth in various key market segments, including telecommunications, the utilities sector (electricity infrastructure, water supply, and sewerage), and rail networks. As an example, the New South Wales Government is working with the private sector to implement an ambitious post-2000 infrastructure plan, with projects worth US\$12 billion.

Some 80 percent of all engineering construction work in Australia is classified as infrastructure and includes projects such as railways, dams, roads and bridges, major pipelines, and electricity and other utilities' infrastructure.

The engineering sector has been in a general upswing since 1992-93, the main drivers being a boom in minerals investment, a surge in telecommunications construction, and major private infrastructure projects including roads and freeways in Sydney and Melbourne

## 9. Internet Access

There are approximately 750 Internet Service Providers (ISPs) in the local market serving over 2 million households (approximately 25 percent of all households). The largest ISPs include Telstra Big Pond ([www.telstra.com](http://www.telstra.com)) (500,000 subscribers), OzEmail ([www.ozemail.com.au](http://www.ozemail.com.au)) (410,000 subscribers), Optus ([www.optus.com.au](http://www.optus.com.au)) (110,000), One.Net ([www.one.net.au](http://www.one.net.au)) (60,000), and Eisa ([www.eisa.com.au](http://www.eisa.com.au)) (80,000).

Telstra is at present, 51 percent-owned by the Australian Government. There is resistance to plans by the Coalition Government before Parliament to eventually sell off the rest of the Government's stake. Telstra has both an excellent corporate and retail base and is one of the principal backbone suppliers in the local market. OzEmail is one of Australia's founding ISPs. The company was recently purchased by US-based MCI Worldcom who has split the company in two; taking all of OzEmail's corporate client base and migrating it across to its existing net business, UUNet, and retaining OzEmail as the retail arm. At the time of printing, UUNet is looking for a potential buyer of OzEmail.

Optus is part of the UK based Cable and Wireless group. The company provides backbone services to the ISP market and has a strong corporate and retail client base. One.Net is part of the One.Tel telecommunications group and is heavily backed by both the Murdoch and Packer families. Eisa is the Internet arm of failed Australian-based PC assembler Edge Technologies. Eisa had announced late last year that it intended to buy OzEmail. The recent collapse of world technology stocks markets has meant that Eisa's backers were forced to cancel their involvement in the deal. Austar, a regional telecommunications provider, has announced it will purchase Eisa.

According to recent reports, the number of adults accessing the Internet in Australia has doubled to six million in less than two years. Thirty six percent of the local population access the Internet which places Australia just behind Sweden and Canada (both 43 percent) and the US (41 percent) in terms of percentage of the population accessing the Internet. Australia has the third highest growth rate in domain name registrations (38 percent) after Japan and Canada.

Recent studies have shown that in 1999, while concerned about security of credit card information on the net, Australian consumers spent US\$162 million in online shopping, including US\$45 million on travel sales. This figure equates to 0.15 percent of Australia's total retail market for 1999. Computer software and hardware and music sales are estimated to contribute 20 to 30 percent of total online spending; cosmetics and appliances contribute three percent, and groceries and fruit and vegetables less than three percent.

At the retail level, most consumers either use 28 or 56 K modem connection (the majority having 56 K connection). More recently, the cable companies (Telstra and Optus) have both been heavily promoting dedicated cable modem access to households. As prices fall, it is predicted that more households will move to the cable TV/Internet access bundles.

#### 10. Investment in Broadband Technology

The future of Australian communications has never been so exciting and challenging, as the nation embraces the advent of number portability, digital technology, greater mobility, and demands for new and innovative services requiring the use of broadband spectrum.

Although Australia lags somewhat behind the U.S. in terms of broadband access for both corporate and residential customers, one industry commentator recently estimated that it would be between 3-5 years before affordable broadband access services were ubiquitous in Australia. Currently, there is inequity between broadband access to corporate/residential and metropolitan/regional consumers, creating Australia's version of the "Digital Divide".

Since deregulation of the telecommunications industry in 1997, there has been a great surge in development of broadband infrastructure. A number of telecommunications carriers have invested in fiber optic access networks, including Telstra, Optus, AAPT, MCIWorldCom and PowerTel. Generally speaking, these networks parallel the most heavily used of Telstra's infrastructure (between capital cities). Hutchinson Telecommunications, under the brand name Orange, are currently rolling out their wireless telephony network called Orange One.

The main types of broadband infrastructure in place are:

- a) "Fiber to the Curb (FTTC)" architecture, generally using xDSL technologies;
- b) "Hybrid Fiber Coax", a FTTC architecture deployed by Telstra and Optus for cable TV and data services;
- c) xDSL technologies, which have been trialed over the past year and are expected to be available from late 2000;
- d) Wireless broadband access, including microwave (LMDS and MMDS), infrared and laser, which is being implemented in metropolitan/capital city environments; and
- e) Satellite, which is offered by both Telstra and Optus, for corporate, residential and military customers to provide TV, Internet, telephony and data transmission.

The Australian Government has been actively pursuing development of technologies as part of its general push for Australia to become an information economy, particularly in rural and regional areas. Through “Networking the Nation”, the Commonwealth has provided more than US\$250 million in grants to encourage the development of information services to regional and rural Australia and overcome the “Digital Divide” between the cities and the bush.

Interestingly, some smaller Australian towns will have access to broadband services sooner, and of better quality, than customers in the capital cities. For example, Cooma (NSW) will shortly have a fiber optic network due to an agreement between their local ISP and Australian Gas Light Company (AGL), who already was installing gas mains through the town. The ISP negotiated an agreement to install fiber alongside the mains, which will now provide consumers with 100 mbit/sec access, free telephony between customers and other services. This agreement is likely to benefit other rural towns as AGL rolls out their gas mains.

## 11. E-Commerce

As mentioned in the previous section, Australia has been implementing a range of broadband technologies that can be used in commercial applications. Many of these services are available to the “Small Office Home Office” (SOHO) customers, who are usually small business owners.

The Australian Government, like its U.S. counterpart, is encouraging its citizens to become literate in the on-line environment. To ensure that regional and rural locations do not miss out, the “Networking the Nation” Commonwealth-funded grants system is providing funding to encourage e-commerce to these areas. This funding is providing infrastructure and capacity as well as support and training for businesses. For example, in the most recent round of funding, the Tasmanian Electronic Commerce Center was allocated US\$4.15 million to develop local infrastructure and capability and encourage local businesses to implement e-commerce. Some state governments also provide funding to businesses to develop a web presence. This is particularly aimed at small business.

Australia has over 750 Internet Service Providers and in 1999, nearly 83 percent of Australian businesses were connected to the Internet. The National Office of the Information Economy further reported the following statistics:

- 83 percent of all business were connected to the Internet (previous year 76 percent);
- 48 percent of all business had a website;

Of those businesses with websites:

- 95 percent used the website to promote products and services;
- 65 percent used the website for customer services;
- 54 percent used the website to receive online orders; and
- 41 percent used the website for online advertising to promote their own business.

## F. STATE SUMMARIES

## 1. New South Wales

New South Wales (NSW) has the largest and most sophisticated economy in Australia, accounting for 35 percent of the nation's GDP. The state economy is larger than many countries, including Singapore, Malaysia and the Philippines, and in recent years was helped along by large construction projects associated with the Summer Olympic and Paralympic Games. The NSW economy grew at a pace of 4.1 percent in 1998-99 and unemployment is at an historical low of 5.7 percent in mid 2000 (compared to the national figure of 6.7 percent).

The NSW capital, Sydney, is the country's financial center, and the regional home for over 200 foreign subsidiary companies and two thirds of regional headquarters in Australia. Sydney is the major first port of call for international tourist visitors, and 60 percent of international business visitors arrive in Sydney. The state garnered the largest share of foreign investment in the past decade of any state in Australia, with the United States and the United Kingdom leading the way.

The services sector dominates the New South Wales economy, accounting for over 70 percent of Gross State Product, followed by manufacturing (15 percent) and primary industries (5 percent). NSW is also the home of a major wine-producing region, the Hunter Valley, adjacent to a major port for coal and other natural resources, Newcastle.

## 2. Victoria

The prosperity of the State of Victoria and its capital, Melbourne, is historically a result of the gold rush of the late 1800s. Melbourne is now a center for finance and banking in Australia, with a highly skilled workforce, strong research and development capabilities, and an increasing business investment base. Victoria leads Australia in research and development and its manufacturing base is the most significant of any State. With a strong base of established industries, Victoria has a competitive advantage in a number of industry sectors, including food, apparel and textiles, agriculture, information technology, communications, health and pharmaceuticals, advanced manufacturing (aerospace and automotive), education, and business services. The State is the country's leading exporter, particularly of elaborately transformed manufactures (ETMs), which have increased by 120 percent in the five years ending 1997. Exports now total US\$10 billion per year. The Port of Melbourne is Australia's largest port, handling more than 38 percent of the country's container trade.

Victoria is headquarters to eight of the world's top 1,000 global companies, and is home to the Australian subsidiaries of a number of U.S. companies, including Ford, GM, Exxon/Mobil, GE, Gillette, Mattel, Nike, Whirlpool, Hewlett-Packard, Kodak, Kraft, Simplot, Bristol-Myers Squibb, Caterpillar, Cargill, Dow Chemical, and many others. Victoria continues to be an attractive location for new investment. Investment in Victoria increased by 75 percent in the six years to 1999, compared with 53 percent in the rest of Australia. Recently, international multimedia companies including Netscape, Hewlett-Packard and IBM have established operations in Victoria, and companies such as Toyota, Lufthansa and Bosch have increased investment in their existing operations. With the highest R&D spending of any State (a 38 percent share of the national total), Victoria has the nation's largest concentration of world-class research institutions and corporate R&D centers.

## 3. Queensland

Queensland is the fastest growing of Australia's states and territories, sparked by a steady movement of population from the southern states, attracted not only by climate and lifestyle, but also by a stable, pro-business government. It is a tourist mecca, with miles of beaches, acres of rainforest, and the Great Barrier Reef. Queensland has the lowest taxes and debt levels of any Australian state. It welcomes foreign investment and recognizes investors as major contributors to the State's economic development, offering low establishment and competitive labor costs for investors.

Queensland is Australia's most decentralized state, having the largest rail network and more deepwater ports than the rest of Australia combined. It is a resource-rich state, and its ports are the closest to the Asia-Pacific region, with which it has a strong trading relationship. Major export earners for the state include coal, meat, non-ferrous metals and crude minerals. Business and investment opportunities are focused on these traditional industries, supplemented by recent growth in communications services, biotechnology, information technology and leisure industries. Recent major projects include gas pipelines, a magnesium refinery (the world's largest) and a proposed alumina refinery powered by natural gas from a 1,800 mile pipeline originating in Papua New Guinea.

#### 4. Western Australia

Western Australia covers 2,525,500 square kilometers (a third of Australia and more than a quarter the size of the United States of America), has a coastline stretching 12,500 kilometers, and a population of 1.8 million.

In 1998-99, Western Australia's gross state product (GSP) totaled \$A57.2 billion, accounting for 11 percent of the national economy, and grew by 2.1 percent. Western Australia's unemployment rate, tied with New South Wales for the lowest among Australia's States and Territories at seven percent. Over the last decade, Western Australia's annual rate of economic growth has averaged 4.3 percent, well above the national average of 3.3 percent over the same time. These growth rates, in turn, compare very favorably with the OECD average of 2.2 percent since 1990-1991.

While mining and agriculture form the backbone of the Western Australian economy, its technology, manufacturing and services sector have grown strongly to generate new sources of wealth. The role of the mineral and energy sectors to the health of the state economy cannot be overstated. The West Australian resources sector contributes around 30 percent of gross state product, 73 percent of the state's export income and around 18 percent of the state's direct and indirect employment. Western Australia is one of the world's great resource provinces and contributes a significant share of world production for a number of commodities. The state maintains significant mineral reserves in most of the world's major mineral and energy resources and vast areas remain largely unexplored or underutilized.

One significant advantage for suppliers to the current upswing in resources activity is the number of downstream processing projects underway and planned for the future. There are some US\$12 billion worth of projects either committed to or under construction in Western Australia over the next five years. Every region of the state is benefiting from increased activity in the minerals and energy sector. A major upturn in exploration expenditure will come from the petroleum sector during the next few years.

## 5. South Australia

South Australia has a land area of 590,863 sq. miles, or, slightly larger than that of the State of Alaska, and a population of just 1.5 million, the majority of which reside in the capital, Adelaide. Its extensive plains, mild winter and warm summer make coastal areas highly suitable for agriculture, which is a significant part of the economy. Motor vehicle and electrical appliance manufacturing; copper, oil and uranium mining; and iron and lead smelting are also important elements of the South Australian economy.

South Australia accounts for 3.6 percent (US\$2.33 billion) of Australia's imports and 5.7 percent (US\$3.34 billion) of Australia's exports. Trade occurs principally with Japan and the United States. Agricultural products and food (especially wheat, barley, wool and wine) account for approximately 50 percent of exports, while base and fabricated metal products, as well as vehicles and parts, are also significant.

The South Australian economy has been adversely affected by structural changes in the Australian economy, brought on by the implementation of national competition policy over the past decade. These changes have resulted in the decline of the relative contribution to GDP and employment of traditional sectors such as agriculture, mining and manufacturing, upon which the South Australian economy depends.

Despite these difficulties, there are commercial opportunities in South Australia. The Government is well disposed toward business development and the workforce is well educated, highly skilled, and available at lower rates than other states. South Australia is well served by rail and road transport, a domestic airport, and an international container port. In addition, the planned extension of Adelaide's rail link through to Darwin in the Northern Territory is expected to reduce freight costs for exports to markets in Asia. South Australia's natural endowments in agriculture and minerals are significant. Potential business opportunities lie in light and heavy industries, agriculture and agribusiness, aquaculture, and information technology.

## 6. Northern Territory

Covering one-sixth of Australian continent, yet with only one percent of Australia's population, the Northern Territory's rich natural resources are being progressively developed by the private sector with the support of the Northern Territory Government. The Territory produces a wide range of primary goods and is also moving into downstream processing. It is a world-class producer of bauxite and aluminum, manganese ore, gold, diamonds, uranium oxide, and silver-lead-zinc concentrates. The Government plans to undertake a major five-year, US\$13 million initiative to identify and promote the Territory's mineral and hydrocarbon resources. The Territory is set to lead the country in economic growth over the next five years, expanding by a forecast 50 percent. Darwin's proximity to Asia makes it a jumping-off point to Asia, particularly Southeast Asia, making it a centerpoint for many of Australia's activities in the region.

Leading the Territory's economic growth are the mining and oil sectors; a trade development zone; the construction of a 1,500 kilometer natural gas pipeline from central Australia; the establishment of world-class tourist facilities; and the provision of supporting infrastructure.

Darwin is also developing as a transport hub for the region. The East Arm Port development was fast-tracked, with phase one opening in mid-1999. This development includes facilities for the supply and service of oil and gas projects. The completion of the proposed Australasia Railway, in the year 2003, is scheduled to coincide with phase two of the expansion of the East Arm Port.

The shift in Australia's oil industry focus to the north and northwest of Australia has ensured a continuing presence of oil and gas infrastructure and services in the Territory, including engineering, transportation and communications. Mining and manufacturing are important users of natural gas, which will lead to demand for further infrastructure.

Exploration and development of the Territory's resources has been helped by Darwin's social and industrial infrastructure, the supply of skilled labor, a sophisticated telecommunications network, modern hospitals, an extensive road network, an international airport, and good water and power supplies. Substantial infrastructure investments have also been made to support the recent developments, like those in the Timor Sea.

## 7. Tasmania

Optimism in Tasmania abounds, despite a 9.9 percent unemployment rate and an economy that continues to lag well behind other Australian states. In agriculture, one rapidly expanding crop is pyrethrum, a plant which produces a natural pesticide. Other economic developments include a booming aquaculture industry; further development of Tasmania's high-speed ferry industry (the State is the home of Incat, one of the world's largest manufacturers of high-speed ferries); tourism; and the State's plan to dramatically increase its power supply by simultaneously building gas and electricity pipelines to mainland Australia.

Investment is welcome, but only on Tasmania's terms. While Tasmania's Green Party no longer has the balance of power in the Legislative Assembly and the State is actively pursuing economic development, Tasmanians have not entirely abandoned their 'green' sentiments. Officials and private citizens alike, including senior economic development officers, have made it clear that investors will have to meet various environmental and quality of life standards for projects in the State. According to a recent study, Tasmania's economy is projected to grow by just 1.9 percent over the next five years, well below other States.

## CHAPTER III: POLITICAL ENVIRONMENT

### A. NATURE OF POLITICAL RELATIONSHIP WITH THE UNITED STATES

Australia ranks as one of our most dependable allies and a key economic partner in the dynamic Asia-Pacific region, which accounts for nearly half of the world's population, economic output and trade. While much is said of the Australian-American Alliance during World War II in the Pacific, our strategic cooperation today is even broader. We work together to ensure that the region is politically stable and open to international trade and investment.

The 1951 Australia-New Zealand-United States (ANZUS) treaty serves as a cornerstone for our

security arrangements in the region. Australia participates in a number of joint military maneuvers with the U.S. and other nations each year and provides essential port and logistical services. Australia is developing a series of bilateral security arrangements in the region. Through bilateral dialogues with several states, Australia is helping to shape positively the security policies of other nations and to develop a sense of common security interests throughout the region. Australia's leadership in mobilizing international intervention in East Timor in 1999 earned plaudits from the defense and foreign affairs communities. Our two governments also cooperate in worldwide efforts on political matters ranging from nuclear non-proliferation to arms control and peacekeeping.

Like the United States, Australia is a leading advocate of trade and investment liberalization. Because of common interests and convictions, our two countries work together on many global issues (for example, U.N. reform, promoting democracy and human rights, protecting the environment, and enhancing the multilateral trading system and the World Trade Organization).

#### B. MAJOR POLITICAL ISSUES AFFECTING THE BUSINESS CLIMATE – A POLITICAL CONSENSUS FOR PROGRESS AND CHANGE

There are no major political issues that detract from the business climate or the stability of the bilateral trading relationship with the United States. All of Australia's major political parties seek to promote growth and encourage investment, including investment abroad. Although there are differences in approach, the leading parties strongly support Australia's internal economic restructuring, aimed at transforming the country into a globally-competitive trading nation.

Other policy directions that attract universal support include Australia's desire to define itself as a part of the dynamic Asia-Pacific region. Australians also support efforts by the government and business to upgrade its mix of exports in order to reduce reliance on basic commodities and increase sales of value-added products.

The momentum to corporatize and privatize public services appears to have waned for the time being, but the debate remains on the political agenda at both state and federal levels.

#### C. BRIEF SYNOPSIS OF THE AUSTRALIAN POLITICAL SYSTEM, SCHEDULE FOR ELECTIONS AND ORIENTATION OF MAJOR POLITICAL PARTIES

Australia is a longstanding parliamentary democracy, combining economic and social progress with political stability. Australia will be celebrating its 100th anniversary of having a federal system of government, in 2001. This system provides certain rights and responsibilities reserved for its individual state governments. Australia has never enacted a written bill of rights, but fundamental rights are ensured by law and respected in practice. Australia has ratified a number of International Labor Organization conventions that define certain rights and obligations (for example, bans on child labor).

The Commonwealth (federal) government and the six state governments operate under written constitutions that draw on the British tradition of a cabinet government, led by a Prime Minister. Under this system, the Prime Minister is responsible to a majority in Parliament's Lower House, whose representation is based on population. Australia's federal constitution also contains some elements that resemble the American system of government (for example, it provides for a Senate, in

which each state has equal representation).

Australia, as a member of the British Commonwealth, recognizes Queen Elizabeth II, the reigning British monarch, as its head of state. However, she does not participate directly in the Government of Australia. Her head of state functions are instead entrusted to her personal representatives who live in Australia (i.e., Australian citizens who serve as the Governor-General of Australia, and the Governors of the six States). The Australian Capital Territory (ACT) and the Northern Territory (NT) have representatives and senators, but do not have governors.

The issue of whether Australia should become a Republic (with an elected head of state) is a long-standing one in Australian politics. While there exists broad popular support for an Australian head of state, public opinion has yet to coalesce into a critical mass for change. A referendum on the issue held in November 1999 failed, more through the electorate's dissatisfaction with the proposed constitutional model (which would have seen the President appointed by Parliament) than through allegiance to the Queen. Although the ultimate outcome of this debate could have some effect on Australia's relationship with the United Kingdom, it would have no impact on Australian-American political, economic or cultural relations.

Members of Australia's Federal House of Representatives are elected for approximately three-year terms. The last national election was held in October 1998. Accordingly, federal elections are due in late 2001. However, earlier scheduling is a matter of prime ministerial discretion. The Prime Minister may recommend that the house be dissolved at any time, and the Governor-General traditionally follows that advice. The conservative coalition of the Liberal and National parties, which was re-elected in the 1998 election, has a 12-seat majority in the House of Representatives (the Lower House). It has been in power since March 1996. The Australian Labor Party is the main opposition party.

Since July 1, 1999, when the Senate elected in October 1998 took office, the governing coalition has been three seats short of a majority in the Senate. As a result, legislation proposed by the government can be enacted only after negotiation with the opposition, or with minor parties, such as the Democrats.

The 76 members of the Senate (the Upper House) are elected for six-year terms. Each of the six States elects 12 Senators, while the Northern Territory and the Australian Capital Territory (Canberra) elect two each. The next election for half of the Senate seats will coincide with the next House elections, unless the Prime Minister asks the Governor-General for permission to dissolve both Houses of Parliament.

Under certain conditions outlined in the federal constitution—in essence, extended deadlock between the House and Senate—both houses may be dissolved simultaneously, so that ensuing national elections would involve all seats in parliament. This event, which Australians call a “double dissolution”, has occurred only six times since the constitution entered into effect in 1901.

The governing Liberal-National coalition stresses the importance of a free market, an entrepreneurial approach to economic growth, small governments and balanced budgets. Prime Minister John Howard's Liberal Party is the senior partner in the coalition. The Deputy Prime Minister, John Anderson leads the junior coalition partner, the National Party. The largely rural-based National

Party is identified closely with the interests of farmers, both in terms of domestic policies and international trade policy.

The Australian Labor Party (ALP), the main opposition party, is led by former Deputy Prime Minister Kim Beazley. The ALP maintains close ties to the trade union movement, and many of its leading lights are former trade union leaders. The ALP held government from 1983-1996. During that period, the ALP carried out a major restructuring of the economy, floating the Australian dollar, cutting tariffs by substantial amounts, reducing and simplifying regulations that affect business. Liberalizing trade and enhancing economic integration with Asia-Pacific countries were hallmarks of the ALP, and the current coalition government has maintained and strengthened these initiatives.

The minor parties, which include the Australian Democrats (nine Senators), the Greens (one Senator), One Nation Party (one Senator), and one "Independent" Senator, hold the balance of power in the Senate, but have no seats in the House of Representatives. Although the government can elicit support from the ALP for some legislation, the Democrats are more likely to compromise. As might be expected of a minor party, the Democrats take highly visible stands on various economic, political, environmental, and social issues, challenging the major parties to respond in ways that meet their concerns.

The One Nation Party, formed in 1996-97 out of a right-wing protest movement led by former House of Representatives member Pauline Hanson, has since faded as a political force, amid party infighting, branch revolts, and, in some cases, electoral deregistration. However, the electoral discontent from which it sprung still exists, and the major parties now keep a very close watch on the opinions of rural and conservative Australia. Regardless, neither of the major parties is likely to accept a purely reactionary right-wing party as a partner in a future government. It would thus not be able to force changes in national policies that would be of concern to U.S. businesses and investors (for example, a call for more protection for Australian agricultural and manufactured products).

All of Australia's major parties support the U.S.-Australia Alliance and stress the importance of close relations between Australia and the United States. Thus, our bilateral relationship is essentially unaffected by the outcome of national elections. There are no prospects of other political changes that could impact on Australia's reputation as one of the safest countries in the world for trade and investment.

## CHAPTER IV: MARKETING U.S. PRODUCTS AND SERVICES

Market entry strategies for U.S. firms in Australia are straightforward. They include exporting of products and services through the use of agent/distributorships, license/technology transfers, franchise arrangements, joint ventures, strategic alliances, and wholly-owned subsidiaries/branches. Significant opportunities exist to participate in major publicly-funded projects and to win major infrastructure and services projects made available through public sector divestment and privatization.

### A. RETAILING TRENDS

Department stores and specialty shops with high markups have long predominantly characterized

Australian retailing. However, in recent years, Australian consumer appetites have been whetted by discount buying available through the introduction of superstores and warehouse sales outlets. This has seen the death of many traditional specialty retailers and strong growth in the bulk goods sector. The Internet is also starting to provide competition within the Australian retail industry.

A survey in October/November 1999 by Ernst & Young, Global Online Retailing, included an in-depth look into the current e-tailing environment in Australia from both a consumer and company perspective. The findings were that Internet retailing in Australia, as in other parts of the world, has experienced tremendous growth and has been met by universal approval and optimism from both retailers and consumers. However, the survey also concluded that Australia would need to clear initial hurdles in order to reach and tap the enormous potential existing in global markets.

Australians are enthusiastic adopters of new technology. Nearly half of Australian households have PCs and 36 percent are online. Surprisingly, though, only five percent have to date made an Internet purchase. The survey revealed that the principal deterrent to shopping online is consumer concern about the security of business on the Internet with a credit card. Other major factors limiting e-tailing in Australia are consumer preference to see and feel products before purchase, as well as online prices and the high cost of shipping.

Nonetheless, Ernst & Young's National Director of Industry, Manufacturing, Retail and Distribution is quoted as saying that the potential for online demand is likely to spur Australian retailers to accelerate the pace of their e-Strategies. The high levels of home computer penetration in Australia and the strong three-year growth trend in the U.S. set a powerful e-tailing trend for Australia.

The Goods and Services Tax (GST) of 10 percent, effective from July 1, 2000, will affect segments of the retailing industry differently, depending on changes in relative prices following its introduction. The GST replaces an existing Wholesale Sales Tax of varying rates and applications. For example, prices of electronic goods and basic food items will fall while the cost of footwear, clothing, and alcohol beverages will rise.

## B. DISTRIBUTION AND SALES CHANNELS

Australia's extensive distribution and sales channels are comparable to those in other industrialized countries. Channels of distribution are through direct sales, use of distributors or agents, and also via direct investment. Financing of exports is effected through open account, commercial bills of exchange (sight and time drafts), letters of credit, and cash in advance. Foreign exchange is readily available to the Australian importer through local banks. There are virtually no exchange controls or import licensing applicable to imports of goods and services. Both direct and indirect foreign investment is encouraged, with only minimal requirements for government review in certain sectors, e.g., residential housing and media.

## C. INFORMATION ON TYPICAL PRODUCT PRICING STRUCTURES

Australia is a free enterprise economy, and basic market factors of supply and demand apply in determining mark-up percentages regarding product pricing. This is a small, but highly competitive market. To compete successfully, U.S. exporters to Australia should be prepared to offer flexible prices, with possibly lower-than-usual profit margins, and smaller minimum quantity requirements.

## D. USE OF AGENTS AND DISTRIBUTORS

U.S. businesses marketing their products in Australia usually establish relationships with sales agents, distributors, franchisees, and licensees.

### 1. Sales Agents

Sales agents or representatives solicit business for the foreign company, and serve as a conduit for purchase agreements. In most cases, a sales agent does not have the power to negotiate terms, or to finalize the sales contract. Instead, the sales representative forwards the contract to the foreign company, which either accepts or rejects it. It should be noted, however, that because the sales representative is considered to be an agent of the foreign corporation, under the general laws of agency, the foreign corporation may be bound by the acts 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 for losses incurred due to improper termination. However, there is no precedent for required indemnity payments in Australian law. Parties may stipulate specific causes for termination in the agreement. Either party may terminate the agreement upon receipt of reasonable notice of termination. Although no specific time period exists 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.

### 2. Distributors

A distributor acts as an independent contractor, purchasing products from the foreign corporation and distributing them to wholesale buyers or, on occasion, to retailers. Generally, the foreign corporation cannot restrain the distributor from selling competitors' products. However, because the distributor is not considered to be an agent of the foreign corporation, the foreign company is not bound by the acts of the distributor. It is common practice for Australian distributors to 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.

Parties are free to choose between Australian and foreign (in this case U.S.) law governing the contract when drafting an agreement. However, the choice of foreign law does not preclude application of mandatory provisions of Australian law. Without a stipulation of law, Australian courts will apply the law of the jurisdiction where the agent or distributor works (i.e., Australian federal law and appropriate state and local law). Therefore, notification of agent distributor appointments should be submitted in writing to satisfy various state jurisdictional laws, especially when they last for more than one year or include terms for commissioning the agent. Either fixed or indefinite-term contracts may be employed. However, repeated renewal of fixed-term contracts will not cause the contract to achieve indefinite-term status.

## E. FINDING A PARTNER – HOW THE COMMERCIAL SERVICE (CS) IN AUSTRALIA CAN HELP

CS Australia provides a range of business facilitation services to help American companies identify potential partners. Most services can be arranged by the U.S. company through its local U.S. Department of Commerce Export Assistance Center (USEAC) in the United States.

#### 1. Agent/Distributor Search (ADS)

CS Australia will locate, screen, and assess Australian agents, distributors, and representatives for U.S. companies. After an initial investigation that determines there is potential interest in a U.S. product or service, CS Australia will send the U.S. firm contact information on companies that have reviewed product literature and expressed interest in representing the firm in Australia. U.S. companies then contact the potential representatives directly.

#### 2. Gold Key Service (GKS)

Designed to make a U.S. company representative's visit to Australia more productive, the GKS provides a combination of many services, such as market orientation briefings, market research, agent/distributor search and screening, introductions to, and meetings with, potential partners, and assistance in developing a sound market strategy and an effective follow-up plan.

#### 3. Video Gold Key Service

The video Gold Key Service is implemented exactly like a regular Gold Key Service, with the exception that the Australian portion is conducted as a videoconference. CS Australia will endeavor to provide four high quality appointments according to the profile provided by the U.S. client. Videoconference appointments will be scheduled at the convenience of all parties, and they need not all be on the same day. Each appointment will be for one hour, unless otherwise requested by the U.S. client.

#### 4. Lightning Quick Client Report

This service is designed to provide a U.S. company with custom-tailored market information in a very short time and at a reasonable cost. If CS Australia accepts the request, the information/report will be completed within 24-48 business hours of the company's advance payment.

#### 5. Customized Market Analysis (CMA)

Formerly called the Customized Sales Survey (CSS), a CMA provides a quick and accurate assessment of how an American product should perform in Australia. Especially valuable for first-time exporters with few Australian contacts and limited overseas expertise, a CMA provides current data with which to make marketing decisions without extensive travel, investigative, and other expenses associated with overseas product research.

#### 6. Catalog Exhibitions

CS Australia takes booth space in selected trade shows and runs separate catalog exhibitions in association with a variety of trade promotion events, conferences, symposia, etc. U.S. firms are

invited to participate either directly or by providing catalogs for display.

#### 7. Access Australia

CS Australia has developed a market entry program called Access Australia, which offers U.S. firms an effective, yet very inexpensive, way to test the Australian market. Through this program, CS Australia contacts American firms in a specific industry sector, and invites the companies to participate by completing an application form and forwarding product literature. A special mailing is then sent to hundreds of local agents, distributors, wholesalers, and end-users in that particular industry. Interested respondents are sent product literature. The U.S. participants are advised of the names of the local companies that requested their catalogs so they can follow up directly.

#### 8. Participation in Trade Missions

CS Australia organizes and supports trade missions to Australia certified by the U.S. Department of Commerce and by State Governments. These missions may be organized via U.S. States, industry associations, and other groups. Recent missions have been organized for the Governors of Nebraska and Wisconsin, and a group of Women-owned businesses.

#### 9. Trade Events

CS Australia organizes U.S. booths and support for companies participating in trade shows and exhibitions in Australia (see Appendix G for full Trade Event Schedule.)

#### 10. Trade Opportunity Program (TOP)

This program provides U.S. suppliers with credible, complete, and timely trade leads gathered by CS Australia. The trade leads may be requests for representation, manufactured goods, services, investment, joint ventures, licensing, or foreign government procurement bids. Opportunities are publicized by the U.S. Department of Commerce through the National Trade Data Bank (NTDB) and other avenues.

#### 11. Market Research and Reporting

CS Australia reports continually on industry sector developments, major projects, program and policy developments, including:

a) International Market Insights (IMI): Providing “snapshots” of the Australian market, for example, market trends, regional developments, and changes in economic regulations.

b) Industry Market Analyses (ISA): Providing detailed market research information on U.S. products and services with good market potential.

CS Australia also publishes newsletters on Australian Export Opportunities, East Timor, environmental products and services, franchising and defense.

Many of these reports are available through the U.S. Department of Commerce and the National

Trade Data Bank (see Chapter 12 for a list of available documents). See also the CS Australia website, [www.csaustralia.org](http://www.csaustralia.org)

## 12. Commercial News USA

This monthly publication provides summary information on new U.S. products being offered for export. CS Australia distributes the publication free of charge to potential agents and distributors throughout Australia. Interested companies then contact the U.S. firm directly.

## F. FRANCHISING

The Australian franchise sector is both large and mature. Franchising is well established in Australia with more franchising outlets per capita than any country in the world. The total turnover of the franchising sector, not including the motor vehicle and automotive fuel retail industries, is US\$23 billion. Including the motor vehicle and automotive fuel retail industries, the total turnover is US\$50 billion.

In 1988, there were 184 business-format franchised companies in Australia. Today there are approximately 708. Australia is one of the most franchised countries in the world, and franchised businesses are 2.5 times more likely to be successful than non-franchised business.

Franchising is continuing to experience dynamic growth in Australia and has spread into virtually every area of commercial activity. Sectors as diverse as home building, carpet cleaning, repair systems, waste management, and financial planning are enjoying high growth. Household and food services have emerged as the two fastest growing areas of domestic spending and a key area for business growth. Another factor which is likely to have a significant impact on the growth of franchising is the increasing dissatisfaction of workers with corporate life. Franchising for those who have no experience in running their own business or who are changing careers will represent an attractive alternative.

American franchise systems have been quick to see the opportunities for franchising in Australia with many of the largest and most successful chains in Australia today having American origins. However, it is important to note that Australia is a highly sophisticated and competitive market. To be successful, U.S. systems must be flexible enough to “Australianize” their systems in order to suite the local market.

## G. DIRECT MARKETING

Direct marketing in Australia was once virtually synonymous with irritating mailbox “junk mail”, complete with unattractive special offers. However, this segment of the overall marketing industry now encompasses some of the newest technology and promotional techniques available.

The call center industry in Australia is booming. According to the Commercial Economic Advisory Service of Australia (CEASA), for the year ending December 1999, the call center and telesales industry had sales of over US\$50.1 billion and employed around 210,600 people, mainly specialists. The 1999 sales figures are essentially equal to those of 1998, but up an overwhelming 75 percent from 1997 results. In many cases, Australian call centers, with their multi-lingual staff, will have

responsibilities for Asian markets as well.

Telemarketing has been the fastest growing segment of the thirteen industries in direct marketing for the three years running, outpacing direct mail, catalogs, the Internet, mail order, television, radio, newspapers, magazines, classified directories, and exhibitions. Telemarketing sells everything from holidays to home loans. However, the biggest generator of sales from call centers is the finance sector (80 percent), which includes banking, insurance, credit cards, and a wide range of other financial services. Banks using telemarketing to increase the sale of mortgages is a fast-growing activity. Growth in the finance sector provides greater convenience for the customer and is cost-effective for the bank compared with other forms of marketing. The average value of financial transactions greatly outstrips traditional call center users, such as fast food home delivery services. Telemarketing is quickly catching up to traditional retailing, which has long enjoyed a firm grip on the country's purse strings.

In 1998 (the latest year available), media spending on direct marketing was over US\$5.2 billion, up 25 percent from the previous year. This figure does not represent turnover, operating costs, or profit – only advertising, promotion, and any other communications costs to gain a sale or response. By comparison, mainstream advertising expenditures grew only seven percent, to more than US\$4.6 billion.

The main thrust of media spending on direct marketing came from telemarketing (up 64.1 percent), direct mail (up 18.1 percent), the Internet (up 15 percent), and exhibitions (up 10 percent). Just about all other categories, however, showed increases in this highly competitive market. CEASA figures showed that catalogs and newspaper inserts were up 5.3 percent, mail order up 4.6 percent, classified directories up 4.4 percent, magazines up 2.7 percent, and newspapers up 2.4 percent. Television was up by only 0.3 percent. Two of the main reasons for more widespread use of direct marketing in Australia are the relative efficiencies of the industry and the ability to accurately track results.

## H. JOINT VENTURES AND LICENSING

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

### 1. JOINT VENTURES

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

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

c) 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 configuration in which the entitlement of beneficiaries is expressed in units relative to the total number of fixed units.

d) 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 limited partners who have liability limited to the extent of their investment in the partnership. Limited partnerships are used rarely in Australia.

e) 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.

## 2. LICENSING

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

License agreements involving Australian licensees should contain the usual terms one would find in a license in the United States, including: the type of license being granted (i.e., sole, exclusive or non-exclusive); the territory coverage; the 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 Trade Mark Act of Australia provides for the registration of licensees (or 'users', as they are called in the legislation.)

In the final analysis, there is no alternative to a carefully drafted license agreement, which provides certainty in defining the parties' mutual obligations. This is as true in Australia as it is anywhere else in the world. However, the commonality of language and culture between Australia and the United States makes negotiations involving an Australian licensor or licensee easier.

### I. STEPS TO ESTABLISHING AN OFFICE

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

Because Australian business practices are similar to those in the United States, it is relatively straightforward for foreign investors, either in partnership with local companies or on their own account, to establish a business in Australia. A foreign company has a range of business structures from which to choose. 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, enabling it to conduct business throughout Australia without further registration in individual states or territories. Local companies may be fully controlled by foreign owners. All registered companies must conform to Australian company law administered by the ASC, covering accounting, financial statements, annual returns, auditing and general meeting requirements, and the necessity to maintain a registered office open to the public.

A private company is the most typical structure for an overseas investor if it is to be a wholly owned subsidiary of a foreign company and if public offering of shares is not intended. The regulations that apply to a private company are simpler and less costly than those that apply to a public company. A private company may be converted into a public 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 new Goods and Services Tax (GST) starting July 1, 2000. Information on the new tax system and applying for an ABN can be found on the websites of the Australian Taxation Office ([www.taxreform.ato.gov.au](http://www.taxreform.ato.gov.au) and [www.business.gov.au](http://www.business.gov.au)).

While the procedure to establish an office is fairly straightforward, as in the U.S., it is often done best with expert legal and financial advice, readily available from Australian and multinational service providers. Nominal costs for company incorporation include filing fees payable to the ASC, legal costs for preparing the charter and bylaws, and registration. Application forms are available from ASC Business Centers in any state and can be lodged for any city (see Chapter 11, Section 4).

## J. SELLING FACTORS AND TECHNIQUES

### 1. Market Research

Before entering the market, prospective exporters to Australia should evaluate their proposed selling technique thoroughly to ensure that it is responsive to market demand for their product, technology or service in Australia. An effective way to evaluate the situation is to do some basic market research and then to follow through with a personal visit. There is no substitute for a first-hand look.

## 2. Common Sales Arrangements

The use of agents and distributors is the most common way for U.S. companies to sell products in Australia, as discussed in more detail in Section B above. Because of market size, it is common practice for Australian distributors to ask for exclusive geographic and/or product rights.

Franchising, licensing, joint ventures, and direct marketing, as discussed in Sections E-G above, are all good alternative market entry techniques. These methods entail more investment and commitment than simply appointing an agent or distributor, but they may be more appropriate in the long run.

### K. ADVERTISING AND TRADE PROMOTION THROUGH MAJOR NEWSPAPERS AND BUSINESS JOURNALS, E-COMMERCE RELATED WEBSITES, AND LOCAL ADVERTISING AND PROMOTIONAL SERVICE AGENCIES

U.S. companies can promote their products in the major newspapers of each Australian State and/or national and State trade and industry magazines. The Commercial Service in Australia publicizes trade missions and seminars by advertising in the financial sections of the major newspapers, in industry magazines, and in newsletters of associations. CS also compiles industry-specific mailing lists, sourced from outreach to various organizations and a variety of business directories, both print and electronic, to send material by post, faxstream or email, using automated mailing list products and search techniques.

A list of the leading newspapers, periodicals, business directories, and e-commerce related web sites is set out below. Further details on Australian publications can be found in Chapter 11.

#### Newspapers, Periodicals, and Magazines:

The Australian	<a href="http://www.news.com.au">www.news.com.au</a>
The Australian Financial Review	<a href="http://www.afr.com.au">www.afr.com.au</a>
The Sydney Morning Herald	<a href="http://www.smh.com.au">www.smh.com.au</a>
The Age	<a href="http://www.theage.com.au">www.theage.com.au</a>
The Canberra Times	<a href="http://www.canberratimes.com.au">www.canberratimes.com.au</a>
Courier Mail (Brisbane)	<a href="http://www.news.com.au">www.news.com.au</a>
Adelaide Advertiser	<a href="http://www.newsclassifieds.com.au">www.newsclassifieds.com.au</a>
The Mercury (Hobart)	<a href="http://www.news.com.au">www.news.com.au</a>
Northern Territory News	<a href="http://www.newsclassifieds.com.au">www.newsclassifieds.com.au</a>
Daily Commercial News	<a href="http://www.dcn.com.au">www.dcn.com.au</a>
Business Review Weekly	<a href="http://www.brw.com.au">www.brw.com.au</a>
The Australian Economic Review	<a href="http://www.blackwellpublishers.co.uk">www.blackwellpublishers.co.uk</a>

#### Business Directories and E-Commerce related Web Sites:

Margaret Gee's Australian Media Guide	<a href="http://www.infoaust.com">www.infoaust.com</a>
National Guide to Government	<a href="http://www.infoaust.com">www.infoaust.com</a>
Dun & Bradstreet Australia	<a href="http://www.dnb.com.au">www.dnb.com.au</a>

IBIS Industry Reports	<a href="http://www.ibisworld.com.au">www.ibisworld.com.au</a>
Federal Government's Business Point	<a href="http://www.business.gov.au">www.business.gov.au</a>
Australian Trade Commission	<a href="http://www.austrade.gov">www.austrade.gov</a>
Australian Bureau of Statistics	<a href="http://www.abs.gov.au">www.abs.gov.au</a>
Dept. of Industry, Sciences and Resources	<a href="http://www.disr.gov.au">www.disr.gov.au</a>
Official Australian Yellow Pages	<a href="http://www.yellowpages.com.au">www.yellowpages.com.au</a>

## L. PRODUCT PRICING

Australia is a free enterprise economy, and basic market factors of supply and demand apply in product pricing. In order to complete successfully in this small, but highly competitive market, U.S. exporters to Australia must be prepared to offer flexible prices with, perhaps, lower than usual profit margins, and smaller minimum quantities. Some factors to consider are:

### 1. Selling Costs and Price Competitiveness

It is important for U.S. exporters to Australia to price their products competitively. They will be selling in an active, highly competitive and vibrant market with a geographical area like that of the USA and a population comparable to that of greater Los Angeles. Products from all over the world are represented in this sophisticated market, where sellers and end-users alike are all searching for something new.

To structure 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; 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.

### 2. 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 franchisers 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 and/or services at attractive prices. To compete successfully, exporters should consider granting maximum wholesale discounts, keeping in mind that a significantly-sized order to an Australian buyer may still seem like a small order to the U.S. exporter.

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

### 3. Industrial Pricing

Factors of price, quality, reliability and support in the way of service 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 better quality and more reliable than a competing product. However, 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, they may simply defer the purchase.

#### 4. Price Controls

As Australia is a free-market economy, there is little formal price control. The national regulator, the Australian Competition and Consumer Commission (ACCC), has the power under the Prices Surveillance Act of 1983 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 companies and government enterprises that hold substantial power in a market. The Commission's use of its enquiry and monitoring powers culminate in a public report and, where necessary, recommendations to the Government.

Companies "declared" by the Government are required to notify the ACCC of proposed price rises. The Commission usually has 21 days in which to endorse, object or suggest a different price to that proposed. Companies tend to follow the recommendations of the ACCC. The list of declared companies has been reduced significantly in recent years because of increased competition. Oil, beer and cigarettes are the areas where it still applies in the private sector. Airport and postal services are the areas affected in the public sector.

The ACCC has also been active in the implementation of the Goods and Services Tax (GST), serving as a watchdog to ensure that the resulting price increases by the private sector are not excessive. State governments have the power to control prices, but in recent decades have rarely done so.

#### M. SALES SERVICE AND CUSTOMER SUPPORT

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

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

Timely delivery of goods, including spare parts, is expected and is rarely a problem, as major U.S. freight forwarders have offices in Australia. Air freight is used commonly for smaller items. Ship-

ping 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.

#### N. SELLING TO THE GOVERNMENT AND LOCAL INDUSTRY DEVELOPMENT ENCOURAGEMENT

Australia is not a signatory to the GATT/WTO Agreement on Government Procurement, which means that it is not bound by conditions prohibiting specification of locally made product in tenders. The Australian Federal Government has made recent overtures to individual States, but consensus on signature has not yet been reached.

Although Australia's government procurement process generally is considered to be well documented and fair, with few restrictions on foreign bidders, there exist a number of qualitative decision factors relating to local industrial development. It is important for U.S. companies considering bidding for major government business to take these factors into account in their bid structuring. This applies particularly to their consideration of whether to team with Australian industry partners, or to go it alone.

Australia no longer has a system of offsets. However, some form of commitment to local procurement will be necessary for an overseas company to be successful in winning a large government tender. Government business is often won or lost on the amount of local industry participation offered by the bidder, including research and development and investment activities undertaken in Australia as a result of the business.

Federal and State governments actively encourage local industry participation in government procurement, through purchasing policies and clauses contained in tender documents. Bidders and purchasing agencies are often required to submit separate industry impact statements. Most local governments stop short of directing their agencies to give preference to local suppliers.

Foreign information technology companies with annual sales to the Australian Government in excess of US\$23.5 million are encouraged to participate in the Partnership for Development scheme. It is not legislated that companies participate, but there is strong pressure to sign-up in order to continue doing business with the Australian Government. The scheme promotes research and development, training, technology transfer, capital investment and jobs.

#### O. PROTECTING YOUR PRODUCT FROM INTELLECTUAL PROPERTY RIGHTS (IPR) INFRINGEMENT

Copyrights, patents, trademarks, industrial designs and integrated circuits are protected under Australian law. Australia is a member of the major global intellectual property protection organizations and conventions. American patent holders planning extensive sales or manufacturing in Australia should not assume that a U.S. patent provides comparable protection in Australia and should seek legal advice as to the advisability of registering their patents under Australian law.

For a full discussion of Intellectual Property Rights see Chapter VII, Investment Climate, 7.

The Australian Patent, Trademarks and Designs Office of IP Australia handles inquiries regarding

laws, regulations and procedures applicable to patents, trademarks, other industrial property rights protection, and copyrights. (See Chapter 11, Section 4, for contact information.)

#### P. NEED FOR A LOCAL ATTORNEY

As in the United States, in Australia it is common practice and makes good business sense to retain the services of a reputable attorney familiar with local business conditions, local law, and regulations. Legal expertise is needed to execute legal documentation, interpret laws and regulations, and ameliorate disputes. Most businesses also use the services of a professional accounting firm.

Many well-known local and international law and accounting firms practice in Australia, some with offices throughout Asia and the United States. The Commercial Service in Australia and the American Chamber of Commerce maintain lists of law and accounting firms, as do legal and accounting associations.

#### Q. PERFORMING DUE DILIGENCE/CHECKING BONA FIDES OF BANKS, AGENTS, AND CUSTOMERS

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. A good place to start is with the Australian Securities & Investment Commission (ASIC), a government agency, which 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 you how long a company has been in business, whether it is registered, its principal place of business, who its directors are, and details about its share capital. ASIC can also advise on whether any of the directors have been disqualified.

There are a number of credit agencies, which can provide you with credit/status reports on Australian companies. For further advice on what steps you can take to assess the bona fides of any company, visit ASIC's website at [www.asic.gov.au](http://www.asic.gov.au) or contact the Commercial Service.

## CHAPTER V: LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT ("BEST PROSPECTS")

Best Prospect Export Sectors at a Glance:

1. INFORMATION TECHNOLOGY SERVICES/E-COMMERCE (CSV)
2. COMPUTERS AND PERIPHERALS (CPT)
3. COMPUTER SOFTWARE (CSF)
4. MEDICAL EQUIPMENT (MED)
5. TELECOMMUNICATIONS PARTS AND EQUIPMENT (TEL)
6. INDUSTRIAL AND SPECIALTY CHEMICALS
7. TRAVEL AND TOURISM (TRA)

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8. AIRCRAFT AND PARTS (AIR)
  9. TELECOMMUNICATIONS SERVICES (TES)
  10. ENVIRONMENTAL TECHNOLOGIES (POL)
  11. AUTOMOTIVE PARTS & ACCESSORIES (APS)
  12. LABORATORY & SCIENTIFIC EQUIPMENT (LAB)
  13. CONSTRUCTION MACHINERY (CON)

#### A. EXPORTS

All statistics are calculated using the following conversion rates:

1997 A\$1 = US\$0.73  
1998 A\$1 = US\$0.62  
1999 A\$1 = US\$0.64  
2000 A\$1 = US\$0.63  
2001 A\$1 = US\$0.63

#### 1. INFORMATION TECHNOLOGY SERVICES/E-COMMERCE (CSV)

Rank of sector: 1  
Name of sector: INFORMATION TECHNOLOGY SERVICES  
ITA Industry Code: CSV

The Australian IT services industry accounts for approximately 27 percent of the total IT market and last year generated US\$7 billion in revenue. The services sector recorded 32 percent growth from the period 1995-1996 to 1998-1999. Industry analyst Gartner Group estimates that the sector will double within the next four years and will account for more of the IT industry than hardware and software revenue combined. Key drivers of the IT services sector are Application Service Providers (ASPs), Customer Relationship Management services (CRM), E-commerce applications and Knowledge Management (KM) services.

Over the last few years, outsourcing has been one of the single largest contributors to the local services sector, led by the Federal Government's drive to outsource the majority of its agencies' and departments' provision of IT requirements. According to research group IDC, the local outsourcing sector grew by 17 percent to US\$1.45 billion last year. The three largest companies in the local outsourcing market are IBM Global Services Australia (IBMGSA), EDS and CSC, which together account for 65 percent of the total market. In 1999, IBMGSA generated revenue of US\$528 million, EDS US\$373 million, and CSC US\$151 million.

There are few Australian-owned companies who compete in this space given the size and complexity of Federal Government tenders. In this market segment, some US companies have entered the market by acquiring one of the larger local integration companies (for example, GEIT's acquisition of Ferntree and the recent buyout of BHPIT by CSC). While the majority of the Federal Government contracts have been awarded, many integration providers will be focusing on providing solutions to local small-to-medium sized organizations (SMEs).

The CRM market is very young in Australia; in 1998 the sector was valued at US\$20 million and in 1999 US\$38 million. Observers are predicting that there will be approximately 44 percent compound growth over the next five years, given that most companies have yet to implement a CRM solution. Recent research has found that 65 percent of local companies considered CRM to be their first or second development priority; up to 27 percent were evaluating or in the early stages of planning and implementing a system; and 48 percent had no form of CRM in place at all.

Another service sub-sector in its infancy is the ASP market which is predicted to show robust growth into the foreseeable future. Many local “box selling” companies, faced with dwindling margins in the sales area, have been forced to incorporate value-added services into their range of solutions. Many of these companies are moving to the ASP model and are providing customers with a range of client-based applications on demand, effectively blurring the area between application providers and ISPs. Many of the approximately 500-strong local ISPs are also moving into the ASP arena, offering a range of services that a couple of years ago would have been the domain of IT consulting companies.

The provision of Internet related E-commerce applications, both B2B and B2C, is providing a wealth of opportunities for US-based IT companies in the local market. Although at present these markets are small in terms of absolute numbers, growth has been nothing short of stellar. In the B2C market, reports indicate that in 1999 consumers spent approximately US\$162 million on online shopping, which equates to only 0.15 percent of the total retail market for 1999. Online travel bookings were the biggest single contributor to local consumer online sales (US\$43.5 million), although consumers are also purchasing books, CD’s, toys, and other items, and using it to transact financial services as well.

In 1999, B2B E-commerce was valued at approximately US\$288 million, most of which was related to buying software over the Internet. In the manufacturing sector, no major initiatives have been rolled out for the procurement of parts, or online auctioning of redundant inventory, although many companies are interested in trends in this area originating out of the US. Local banks have also been quite slow at their introduction of Internet-related services, exacerbated in part, by customers’ fears of security breaches.

According to the Government’s National Office of the Information Economy (NOIE), e-commerce will increase the output of the national economy by 2.7 percent by 2007 and increase consumption by about US\$6.3 billion in the next decade.

The next few years will see considerable uptake of Internet-related services in these areas, leading to excellent opportunities for US IT service/solutions companies. IDC has recently reported that local companies’ spending associated with rolling out E-commerce applications will be in the vicinity of US\$1.53 billion in 2000, more than double the amount spent in 1998.

DATA TABLE (millions of US\$)

	1998	1999	2000
A. TOTAL MARKET SIZE	2,000	3,000	4,000
B. TOTAL LOCAL PRODUCTION	1,400	1,700	2,300
C. TOTAL EXPORTS	100	200	300

D. TOTAL IMPORTS	1,000	1,500	2,000
E. IMPORTS FROM THE U.S.	700	1,000	1,500

\* All figures are unofficial estimates.

## 2. COMPUTERS & PERIPHERALS (CPT)

Rank of Sector: 2  
 Name of Sector: COMPUTERS & PERIPHERALS  
 ITA Industry Code: CPT

The Australian hardware market showed limited growth over the last year. Spending blowouts related to fixing the Millennium Bug took the fizz out of the corporate market over the last 14 months. In addition, changes to the Australian taxation system, centered around the implementation of the Goods and Services Tax (GST) led that many buyers at both the corporate and retail level to delay making major purchases until the GST came into effect on July 1, 2000. For example, PCs will be around eight percent cheaper in the local market after this date.

According to data released by IDC, the Australian PC market grew by about 17 percent in 1999. The five major vendors are Compaq (15.5 percent of total local desktop, notebook and server markets), IBM (11 percent), HP (10.6 percent), Dell and Toshiba. In the local market, about 2 million PCs are shipped annually, of these 500,000 are destined for the consumer desktop sector. Last year, the consumer PC market grew by 18 percent. Local brand and clone manufacturers have an estimated fifty percent share of the local desktop market. The laptop market grew 25.2 percent.

In the last six months, there has been a noticeable increase in the number of hand-held web access devices on the local market. Some of the devices are dedicated mobile e-message machines such as the PocketMail device. Wireless Application Devices (WAP) have also been heavily promoted to the local market. With 40 percent of the local population owning a cellular phone, the cellular phone market may yet prove a strong revenue earner for service providers.

Australia ranks just behind Sweden, Canada and the U.S. in terms of Internet access with 36 percent of the local population now accessing the Internet. Hardware sales related to Internet access will continue to grow very strongly over the next couple of years. Mid-range web server sales are predicted to continue to show robust growth. The high-end server market (servers over US\$600,000) which has been very flat over the last 18 months due to Y2K and GST considerations, is also predicted to record good growth over the next year as corporates ramp up for the next wave of IT-related spending.

In Australia, a large number of service providers are moving to provide Application Services (ASP). It is expected that sales to ASPs will drive the server market as well. IBM, Hewlett-Packard, Compaq and Sun Microsystems account for 80 percent of total local sales. IBM lays claim to 30 percent of the local server market. At present, local white box server assemblers account for only 10 percent of the Australian market.

Good opportunities exist for U.S. vendors of Storage Area Networks (SAN) in the local market, especially in the corporate space. With corporate storage requirements growing at between 60 and 80

percent annually, U.S. vendors should be well placed to tap in to this extra demand for robust, reliable solutions.

The networking market has been growing in excess of 20 percent per annum and shows no signs of slowing down in the near future. Strong demand will continue for routers and switches.

At the retail level, the market for Personal Hand Held Devices (PDAs) will grow strongly, especially those devices that connect to the Internet. The market for PDAs is growing at 24.1 percent per annum in Australia, with IDC reporting that 75,000 devices shipped in the third quarter of 1999.

There is always strong interest from Australian resellers and distributors for new sources of PC memory, video and sound cards and storage devices. In this segment, price becomes a critical factor in order for U.S. companies to compete successfully against cheaper Asian imports.

DATA TABLE (Millions of U.S.\$)

	1998	1999	2000 (e)
A. TOTAL MARKET SIZE	5,190	5,605	5,970
B. TOTAL LOCAL PRODUCTION	1,560	1,700	1,980
C. TOTAL EXPORTS	1,100	1,220	1,350
D. TOTAL IMPORTS	4,730	5,125	5,350
E. IMPORTS FROM THE U.S.	2,460	2,700	2,950

### 3. COMPUTER SOFTWARE (CSF)

Rank of Sector: 3  
 Name of Sector: COMPUTER SOFTWARE  
 ITA Industry Code: CSF

The Australian software market has grown in excess of 20 percent over the last year and is valued at US\$2.7 billion.

The Customer Relationship Management (CRM) software and Knowledge Management (KM) software markets are growing in excess of 40 percent annually and excellent opportunities exist for U.S. vendors of these solutions. Many Australian integrators and solutions providers have identified that these two sectors will show rapid growth in the medium term. As such, they are developing business models incorporating KM and CRM solutions in with their existing suite of solutions and are actively looking to find partnerships with U.S. vendors. This window of market opportunity for U.S. firms could close by the end of 2000.

Networking solutions are always in high demand in the local market, including solutions designed to monitor, document and analyze networks. HP OpenView appears to have become the industry standard in terms of network management. Any systems would need to be OpenView compliant.

The Australian call center market has been growing rapidly over the last few years. U.S. software vendors will find their network documentation, management and monitoring software in large demand from local integrators and consultants. The document management and imaging markets

have matured over the last two years. Opportunities exist in the local market for new vendors, although some of the incumbents are well entrenched and securing market share could be a long and costly exercise.

Observers are predicting that the application server middleware market will show strong growth in the local market. With Y2K fixes now well off the books of large corporations and mid-sized companies, those firms who have not implemented a web strategy will be well into their implementation phase. Given that middleware is the ideal method of getting legacy data onto the web, and that the number of companies developing web strategies is increasing rapidly, U.S. vendors should be well placed to serve the local market.

B2B and B2C online E-commerce solutions are in high demand in the local market. U.S. vendors in this marketplace will find that there is strong demand for their solutions from local integrators, networking specialists, Application Service Providers (ASPs) and Internet Service Providers (ISPs).

In the corporate web authoring space, good quality graphics packages are in demand. Industry standard tools include most Macromedia products (especially Dreamweaver with its quality HTML generator), Adobe Photoshop (the standard in the publishing and content industries), and Jasc Paintshop Pro (ideal cheaper graphics package which has proven a favorite in the retail space as well). There are a number of resellers and distributors who specialize in the multimedia area and all of them are always looking for new products to add to their business lines.

At the retail level, Internet-centric software applications are in high demand. These include non-commercial web authoring packages (of which Front Page is a clear leader), graphics packages, diagnostics tools and reference titles. Pricing is a key factor to gaining market share in this segment.

The Australian games market has shown strong growth over the last eight years, growing from US\$75 million in 1990 to US\$260 million in 1998. As one example, Sony first entered the Australian market in 1995 and increased its share to 66 percent by 1999 thanks to competitive pricing and offering titles in CDROM format instead of the older, slower-playing cartridge format. Nintendo's market share has conversely fallen from 55 percent share in 1997 to 32 percent in 1999. PC games compete well in this space and there is always demand for well developed compelling titles.

DATA TABLE (Millions of U.S.\$)

	1998	1999	2000 (e)
A. TOTAL MARKET SIZE	2,596	2,754	2,975
B. TOTAL LOCAL PRODUCTION	730	749	780
C. TOTAL EXPORTS	260	270	279
D. TOTAL IMPORTS	2,350	2,700	2,850
E. IMPORTS FROM THE U.S.	1,527	1,755	1,900

4. MEDICAL EQUIPMENT (MED)

Rank of sector: 4

Name of sector: MEDICAL EQUIPMENT

ITA Industry Code: MED

Medical equipment is one of the largest markets for U.S. exporters to Australia. The market is estimated to be about US\$1.3 billion, representing about one percent of the global market. The market is mature, characterized by modest sales growth, fierce competition, and a high standard of medical practice, resulting in pressure on margins and providing challenges for U.S. firms interested in providing innovative sophisticated products.

A large number of small companies and a limited number of multinational firms serve the Australian medical equipment market. The U.S. is the world's largest producer of medical equipment, and most of the major U.S. medical companies are represented in Australia, either through local representatives or subsidiary companies.

Although a relatively small market, Australia's high per capita income means that there is demand for a full range of sophisticated medical equipment. Approximately 80 percent of local requirements are met by imports. Of this, U.S. imports account for approximately 50 percent, leading the way due to its high quality and competitive pricing. Other major suppliers are Germany, Japan and the EU.

The major customer for medical equipment is the government. Industry estimates that public hospitals account for 90 percent of sales of medical equipment, while State and Territory tenders account for 65 percent of medical consumables. The government is also a major buyer of dental equipment, which is around 15-20 percent of the market.

Government policy and activity in the provision of public health services is a major factor in the demand for medical equipment. Figures published by the Australian Institute of Health and Welfare show that health services expenditure in Australia reached US\$31.7 billion in 1998-99, an increase of US\$2 billion on the previous year. The real rate of growth in 1998-99 was 5.3 percent, which was the highest for the decade, the average annual growth rate since 1990 being 4.1 percent.

Local manufacturing represents a small amount of the market, and movement in this industry has been fairly volatile due to expansion and contraction as companies move their manufacturing offshore. Over the past twenty years, however, the number of establishments manufacturing medical and surgical equipment has grown at an average rate of 3.5 percent. Turnover has also averaged 3.0 percent growth over this time.

Many local manufacturers export their products to Asia, the U.S., and New Zealand. The proportion of local manufactures that are exported was 67 percent in 1997-98, but this amount has fluctuated throughout the 1990s (between 87 percent in 1993-94 and 54 percent in 1995-96). This fluctuation is due to major manufacturers taking manufacturing offshore.

Medical equipment, such as electromedical products, sterile devices, and implantables from all sources may require approval from the Therapeutic Goods Administration (TGA) before they can enter the Australian market. As this approval can only be obtained by an Australian sponsor, U.S. exporters need to appoint an Australian representative before their products can be approved by the TGA. A new regulatory framework is in the process of being introduced to bring Australian standards into line with the world's, and will be operational from September 1, 2000.

## DATA TABLE (Millions US\$)

	1998	1999	2000 (e)
A. TOTAL MARKET SIZE	1,153	1,245	1,307
B. TOTAL LOCAL PRODUCTION	557	549	546
C. TOTAL EXPORTS (INC. RE-EXPORTS)	180	225	396
D. TOTAL IMPORTS	596	696	761
E. IMPORTS FROM THE U.S.	306	362	429

\* The above statistics are unofficial estimates.

\*\* 1998 and 1999 U.S. dollar estimates reflect the significant currency devaluation of the Australian dollar during this period.

## 5. TELECOMMUNICATIONS PARTS & EQUIPMENT (TEL)

Rank of Sector: 5

Name of sector: TELECOMMUNICATIONS PARTS & EQUIPMENT

ITA Industry Code: TEL

In this exciting and rapidly advancing industry sector, U.S. exports of telecommunications equipment to Australia represent about 20 percent of the total import market and have the potential to grow at about 15-20 percent annually.

Australia's telecommunications industry is well-developed and mature. Telephone lines are connected to 96 percent of all Australian households, and total telecommunications revenue for 2000 is estimated at US\$21.2 billion. Australia is currently upgrading to leading-edge technology, implementing a range of broadband infrastructure, and has seen significant expansion following deregulation in July 1997. Synonymous with deregulation is the end of Telstra's monopoly for carrying local calls. Deregulation has resulted in more than 35 licensed carriers (from an initial two) offering a range of telecommunications services, including both long distance and local telephony.

Telecommunications products are segmented into customer premises equipment (CPE), such as telephone handsets, and network equipment and infrastructure. Customer premises equipment is defined as products attached to the network at the customer end, and includes not only telephones, small business systems and PABXs, but any piece of equipment attached to the network. U.S.-made CPE equipment will not be permitted in Australia without modification to comply with regulations set down by the Australian Communications Agency.

Other key niche segments include the mobile market and, most importantly, Internet networks. These two segments have opened major areas of equipment provision previously not required. There are over 8 million mobile phone users in a population of over 19 million. Although U.S.-made analog phones sold well in the past, the closure of the analog AMP network in early 2000 and the spread of the digital GSM network will result in U.S.-made products losing market share to European-made GSM products. This could change, in time, if the U.S. operates digital GSM networks and begins manufacturing GSM equipment. The introduction of the CDMA mobile network replacement for the analog system is important for suppliers like Motorola, which is strong in the handset provision segment. The Australian Government has announced it intends to auction off spectrum in the 2 Gigahertz range for use in 3G (3<sup>rd</sup> Generation) mobile phone technolo-

gies sometime late in 2000.

All carriers, including Telstra, continue to develop and upgrade existing networks. These carriers usually carry out network infrastructure purchases on an “invitation only” basis to selective international telecommunications suppliers, which must also be prepared to include some aspect of local industry development. Nonetheless, U.S. exporters of network infrastructure products should consider presenting their products to the carriers.

The current cycle of broadband, PSTN digitalization, and mobile rollouts is coming to an end. U.S. exporters may be able to secure a foothold at an early stage of the next cycle of technology development: Leosats, PCS, ISDN, ADSL, Internet and interactive multimedia are the emerging industries of the next cycle.

U.S. products, including advanced network equipment such as ATM switches, call processing and managing equipment, modems and routers, are competitive in Australia. A number of U.S. companies, including Lucent, Scientific Atlanta, ADC Communications, Digital Equipment and the North American company Nortel, have contracts to supply network equipment. Major network equipment competitors include Siemens, NEC, Ericsson, and Alcatel of France. There are also many quality local suppliers, most of which are subsidiaries of international companies, including Ericsson and Alcatel. Motorola is also a major player, with products coming from the U.S. and Europe.

DATA TABLE (Millions US\$)

	1998	1999	2000 (e)
A. TOTAL MARKET SIZE	2,713	3,305	3,964
B. TOTAL LOCAL PRODUCTION	1,595	1,846	2,153
C. TOTAL EXPORTS	691	727	446
D. TOTAL IMPORTS	1,809	2,186	2,257
E. IMPORTS FROM THE U.S.	386	460	499

\* The above figures include unofficial estimates.

\*\* 1999 U.S. dollar estimates reflect the significant currency devaluation of the Australian dollar during this period.

## 6. INDUSTRIAL AND SPECIALTY CHEMICALS (ICH)

Rank of sector: 6  
 Name of sector: INDUSTRIAL CHEMICALS  
 ITA Industry Code: ICH

The Australian chemicals industry has a turnover of approximately US\$20 billion annually and accounts for approximately sixteen percent of value-added manufacturing in Australia. The industry produces a wide range of products, including industrial gases, synthetic resins and rubber, inorganic chemicals (for example, titanium dioxide, sulphuric acid, ammonia, sodium, caustic soda, and soda ash) and a range of specialty chemicals. Major players include Dow Chemicals, Huntsman, Tiwest, Penrice Soda Products, Ticor, Incitec, Orica, Penrice Soda, Incitec, Kemcor, Wesfarmers, BOC Gases, SCM Chemicals and Shell.

The raw materials required by the industry include salt, limestone, sulfur, coal, gas, petroleum and minerals. Despite being a major producer of these materials, Australia manufactures less than 50 percent of its chemical needs. Past protectionist policies attracted multinational companies but encouraged a domestic focus. The level of foreign ownership has declined slightly in recent years, but still exceeds 70 percent. New investment projects are improving Australia's competitiveness and global outlook, but they are mostly aimed at expanding existing product outputs.

Generally, imports of chemicals exceed exports, although exports have increased over the last decade. The expansion of titanium dioxide production contributed to much of the growth, mainly in the paint manufacturing area. Australia is a world leader in the production of mineral sands containing titanium minerals (rutile and ilmenite, the main raw materials for titanium dioxide pigment)

A recent Australian Bureau of Statistics survey showed that 40 percent of chemical-related companies do not export and only two percent generate more than 50 percent of sales revenue from exports. In the petrochemical industry, polypropylene is one of the few products exported. While inorganic chemicals also enjoy export demand, most are imported for use locally. Exports of industrial gases, organic chemicals, soaps, plastic bag and film products, paints, fertilizers and rubber products (such as sponge and foam), hoses, and belting all represent a very small portion of total sales.

The U.S. has traditionally been the major supplier of chemical products to the Australian chemical industry. Fourteen percent of total chemical imports are sourced from the U.S., followed by the U.K., China, Japan and Germany. A weakening Australian dollar is likely to mean that some of this market share may be lost to emerging suppliers.

Changes in the distribution channels used within the chemical industry may further encourage import competition. There is a trend among medium-to-larger sized manufacturers to take on the wholesaling/distribution function in an effort to get closer to end-users. Wholesalers who have traditionally sourced industrial chemicals from local manufacturers are always prepared to explore alternative suppliers.

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

	1998	1999	2000 (e)
A. TOTAL MARKET SIZE	14,646	15,085	17,150
B. TOTAL LOCAL PRODUCTION	8,873	8,910	9,300
C. TOTAL EXPORTS	2,806	2,918	4,494
D. TOTAL IMPORTS	8,579	9,093	9,592
E. IMPORTS FROM THE U.S.	1,637	1,735	1,861

\* The above statistics are unofficial estimates

\*\* 1999-2000 U.S. dollar estimates reflect the significant currency devaluation of the Australian dollar during this period.

#### 7. TRAVEL AND TOURISM (TRA)

Rank of sector: 7

Name of sector: TRAVEL AND TOURISM

ITA Industry Code: TRA

Australia is a major source of export earnings for U.S. travel and tourism services. In 1999, travel receipts from Australian travelers totaled US\$1.5 billion. Since 1986, Australia has ranked as one of the top fifteen most important markets. In 1999, 483,000 Australians visited the U.S., placing Australia as the eleventh largest source of international visitors. The U.S. ranks as the leading long-haul destination, ahead of the UK and Europe. Visitors from Australia to the U.S. are projected to increase steadily by approximately 3.6 percent per annum for the next three years. It is forecast that just over half a million Australians will visit the U.S. in 2000.

Australians have a great propensity for travel and receive four weeks annual vacation per year. Australian travelers to the U.S. are characterized by long stays and high spending, and travel during the off season months of March, May, June, September, October and December. The long distances for Australians traveling to the U.S. is reflected in their relatively long periods of stay. The average length of stay for Australians in the U.S. is 23.7 nights which is much higher than the average for all overseas visitors of 14 nights.

The U.S. can offer the Australian traveler what they seek in a vacation destination and with no language barriers, stunning scenery, good shopping, and a variety of entertainment facilities, the steady growth of Australian travelers to the U.S. should continue in the long term. Most Australians visiting the U.S. are independent travelers and only 19 percent purchase pre-paid packages or tours. The majority of Australian visitors make use of some mode of transport to travel within the U.S., such as domestic airlines, car rental and bus or train services. The most popular types of accommodation are two-three star, medium-priced hotels.

The most popular activities for Australian travelers visiting the U.S. include shopping, dining in restaurants, sightseeing in cities, touring the countryside, visiting historic places, small towns, amusement/theme parks, National Parks, visiting cultural heritage sights and taking guided tours.

The most popular destinations for Australian travelers do not vary greatly from year to year. In 1999, Australians primarily visited California (60 percent), New York (23 percent), Hawaii (18 percent), Nevada (18 percent), Florida (13 percent) and Colorado (7 percent). The top cities visited were Los Angeles (38 percent), San Francisco (24 percent), New York City (22 percent), Las Vegas (16 percent), Oahu/Honolulu (15 percent), Anaheim (12 percent), Washington DC (8 percent), and San Diego (7 percent).

On average, Australians visit two states and one to three cities. The destinations with the most potential for an increase in Australian visitors are Visit USA West (including California), Mid-Atlantic (including New York State), and Travel South (including Florida and Louisiana). Good development opportunities exist in specialist holidays such as self-drive car rental and RV holidays, skiing, gay travel and adventure travel.

Skiing is a popular holiday activity with an estimated 85-95 percent of long-haul ski traffic from Australia heading for North America. This represents a change from 20 years ago, when Europe was the most popular long-haul skiing destination. Australians are not only going to Colorado, the traditional leader, but also are venturing to Wyoming, Idaho, Utah and Montana. Eastern ski resorts are increasingly combined with visits to New York City and Boston.

Winter is an opportune time to attract additional Australian travelers to the U.S. as it corresponds to the Australian Summer (December-January), when school holidays are longer. Australians can take advantage of the off-season prices in the U.S. and lower domestic airfares. Notably, the particularly long average length stay of 24 days does not significantly vary throughout the year.

Australian tour operators and travel agents are key players in the industry and very influential in the consumer's decision making process. Most Australians visiting the U.S. source information from travel agents. Although the use of the Internet from home by Australians has doubled every year since 1996, a boom in home shopping, however, has not matched the boom in general home usage. A recent survey of Internet users revealed that the products which consumers have shown a willingness to purchase through the Internet include travel and tourism services. Australia lags far behind American Internet shoppers, although tourism analysts predict that increasingly more Australians will bypass travel agents and, in the long term, Internet bookings have the potential to become an important part of the industry.

DATA TABLE (Millions US\$)

	1998	1999	2000 (e)
A. TOTAL MARKET SIZE	\$5,867	\$6,278	\$6,750
B. U.S. RECEIPTS FROM AUSTRALIAN TRAVELERS	\$1,562	\$1,623	\$1,690

\* The above figures include unofficial estimates.

\*\* Other data categories not appropriate for this sector.

8. AIRCRAFT AND PARTS (AIR)

Rank of sector: 8

Name of sector: AIRCRAFT AND PARTS

ITA Industry Code: AIR

Australia is geographically and demographically tailor-made for aviation. Flight is essential for industry, commerce, and leisure. Geographically, Australia is the same size as the continental United States. Eighty-five per cent of Australia's nineteen million people live in six major urban areas, between which air travel is still the preferred means of transport. Immigrants comprise a quarter of the population, returning by air for holidays to countries of origin. Tourists travel to and from Australia's attractions by air year-round. The fifth busiest section of general aviation airspace in the world is an area just south of Sydney, and the commuter route between Sydney and Melbourne is one of the busiest in the world.

Manufacture of aircraft components for large aircraft, repair and maintenance of civilian and military aircraft, and spares supply to the general aviation market characterize the aircraft industry in Australia. U.S. manufacturers enjoy a dominant position in the Australian aerospace market, providing the majority of aircraft and aircraft parts. U.S. suppliers have an unmatched reputation for quality and service, ensuring continuing opportunities in an area experiencing consistent annual growth of ten per cent or more.

The industry is comprised of three main sub-sectors: commercial aviation, defense aerospace and general aviation. Commercial aviation is comprised of aircraft used for international and domestic trunk services and regional fleets. The Australian Department of Defense plays a vital role supporting aerospace industry in procurement, modification, maintenance and spares.

General aviation is supported nationwide by about 130 small companies based at or near the major airports, supplying parts and service, overhaul and maintenance. Charter and flight training comprise the largest share, and aerial agriculture is the fastest growing sector. Australia boasts one of the highest per capita uses of light aircraft in the world, with over 11,000 aircraft in use.

The U.S. enjoys a share of total imports of up to 80 percent in some segments of this market. Completed aircraft comprise about 66 percent of the imported value, parts and components 24 percent, and other aircraft-related commodities the remainder. U.S. suppliers can maximize business through sole distributorships, as multiple distributors tend to compete strongly with each other in the market and thereby reduce profitability. Factors that give a competitive edge are product performance and functionality, after-sales service and spares.

DATA TABLE (Millions US\$)

	1998 (a)	1999 (a)	2000 (e)
A. TOTAL MARKET SIZE	1,360	1,685	1,495
B. TOTAL LOCAL PRODUCTION	625	635	630
C. TOTAL EXPORTS *	400	445	439
D. TOTAL IMPORTS	1,135	1,495	1,305
E. IMPORTS FROM THE U.S.	857	1,195	975
F. RE-EXPORTS	250	275	265

Source: Bureau of Transport Economics and unofficial estimates.

\* Includes re-exports.

9. TELECOMMUNICATIONS SERVICES (TES)

Rank of sector: 9

Name of sector: TELECOMMUNICATIONS SERVICES

ITA Industry Code: TES

Telecommunications services in Australia are booming, with a revenue of about US\$16.5 billion in 1998-99 and an expected growth of about 20 percent annually. This varies between market segments from about 10 percent for video and broadcasting online services to about 30 percent for Internet services. U.S. products are extremely well received, and U.S. exports of telecommunications services should continue growing by 15-20 percent annually.

The market was opened to full competition in 1997 and the last year has seen the introduction of a plethora of carriers offering various telecommunications services new to Australian consumers. As of June 2000, there were 35 licensed carriers. A sizeable number of these carriers include U.S. companies that have identified opportunities in Australia. This list includes Primus, PowerTel, United Telecommunications, WorldXchange, and others, many of whom provided specialized

services to businesses.

Market competition has increased significantly with access to the local call market, although there is still delay in open competition, the “last mile”. The market was very keen to get access to the local call market, as this segment has contributed significantly to Telstra’s profits.

The growth of data communications over voice has primarily been a result of the strength of the Internet, of which Australia is a major user. Internet growth in Australia has created an explosion of providers for this service, with over 700 Internet service providers active in the Australian market. Many telecommunications carriers have, in one form or another, seen the business opportunities in this area and set up Internet provider services. The growing interest in electronic commerce as an adjunct to the Internet is spanning the arrival of facilitators for this service.

The growth of mobile phone usage has opened up numerous providers for this service and, given the strong demand for mobile communications, this trend should continue.

The market is also rapidly growing, diversifying and adapting to swift technological change. In the future, it will incorporate broadband services, and data-based and regular telephony services. Wireless Access Protocol (WAP), bringing Internet service to the cellular phone, is also likely to happen in the near-term future.

Promising market entry opportunities are available in providing Internet access, electronic commerce, mobile phone services, wireless communications, facilities management (billing services, call centers, etc.), electronic funds transfer at point-of-sale (EFTPOS), electronic data interchange, and the simple resale of capacity.

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

	1998	1999	2000 (e)
A. TOTAL MARKET SIZE	12,100	13,190	16,000
B. TOTAL SALES BY LOCAL FIRMS	9,700	10,223	14,679
C. TOTAL EXPORTS N/A			
D. TOTAL SALES BY FOREIGN-OWNED FIRMS	2,400	2,967	1,321
E. SALES BY U.S.-OWNED FIRMS	1,387	1,600	945

\* The above figures include unofficial estimates.

\*\* 1999 U.S. dollar estimates reflect the significant currency devaluation of the Australian dollar during this period.

#### 10. ENVIRONMENTAL PRODUCTS AND SERVICES (POL)

Rank of sector: 10

Name of sector: POLLUTION CONTROL EQUIPMENT

ITA Industry Code: POL

Total environmental spending in Australia is on the order of US\$5.6 billion, or about 1.5 percent of the total world market. Total spending is split between goods and services on the order of 35 and 65 percent, respectively, and is forecast to continue to grow at a rate of three percent up until 2002. The

industry is made up of between 2,500 and 3,000 mostly small firms that employ a total of 100,000 people. Imports currently satisfy 70 percent of total demand for goods but only 20 percent of the demand for services.

There is a perception in Australia that four countries lead the industry: Japan in air pollution control, France in water, and the U.S. and Germany in pollution abatement equipment and waste management technologies. Other international key players are considered to be the U.K, Canada and Holland. The U.S. has an estimated import market share of 15 percent.

The two driving forces behind the demand for environmental goods and services are increasing community awareness and government regulations. Population pressure in part explains the demand for water and wastewater treatment, the largest sector of the environmental industry. Developments since 1998, such as the change in Australia's Corporations Law, and the establishment of a database to record pollution emissions, should assist with policy and program formulation at all levels of government. A number of state-based environmental agencies have also revised and updated various environmental laws such as those governing the management and treatment of scheduled/hazardous wastes and contaminated sites.

A relatively small population and industrial base are the major constraints on the industry. As a result, there is a shortage of venture capital to fund R&D, pilot projects and the commercial development of new technology. These very constraints, however, explain in part why Australian firms are particularly interested in reviewing new technology and are open to discussing various forms of strategic alliances.

The strongest opportunities are in the water and wastewater treatment sector, followed by reclamation and remediation. Wastewater treatment plants have, in the past, primarily been managed by state government-owned utilities. However, corporatization of many utilities has resulted in increased opportunities for private sector participation in the delivery of water and wastewater services. Some water authorities have outsourced the management and maintenance of existing water treatment plants while new plants are also being created under "build-own-operate-transfer" contracts by private sector interests. Many of these projects have in recent years been awarded to French and U.K. companies in consortia with local firms. U.S.-led consortia have been largely absent from these projects.

Opportunities are also being created by local government or council activity. In 1992, the government set a national goal of reducing waste going to landfill to 50 percent of 1990 per capita levels by 2000. This pressure on councils together with rising costs associated with monitoring and managing landfill sites is creating a market for technology with applications in waste minimization, re-use, recovery, and recycling. Recycling remains the most fragile sub-sector of the industry given near monopoly buyers and low commodity prices. Councils are starting to collect materials that they are unable to sell.

Despite this, regulatory pressure continues to force councils to look at more cost-effective recycling systems and services. As a result, some councils are now also exploring solid waste-to-energy recycling systems. An estimated 50 percent of greenhouse gases are created by council activity and it is claimed that Australia has managed to get more local governments involved in programs than any other country.

In addition, a green power market in Australia is also emerging. Electricity retailers are required to source an extra two percent of their supply from renewable energy or specified waste energy sources by 2010. There is currently no direct regulatory pressure for industry to embrace sustainable energy technology. However, there does appear to be some moral responsibility being assumed by companies generally. This is exemplified through the Greenhouse Challenge, a cooperative effort of Australian industry and the Commonwealth Government to reduce greenhouse emissions. Through this program, Australian companies are encouraged to reduce their emissions through self-regulation.

Site remediation is considered the most competitive area within the Australian environmental management industry. Contracting companies are required to provide integrated solutions in site assessment, and remediation and consultancies for decontamination projects in industrial metals, chemical contamination and agricultural chemical contamination. Environmental liabilities associated with business and property transactions are increasingly making on-site treatment and soil remediation more economically viable than the alternative of disposing contaminants to landfill. Estimates of the number of contaminated sites vary from 10,000 to 60,000 nationally.

Environmental opportunities are ready to be found. Australia needs strategic alliances to help commercialize some of its own emerging environmental technologies, as well as adopt advanced technological developments through strong partnership relations.

DATA TABLE (Millions US\$)

	1998	1999	2000 (e)
A. TOTAL MARKET SIZE	5,008	5,412	5,574
B. TOTAL LOCAL PRODUCTION	3,240	3,505	3,610
C. TOTAL EXPORTS	113	123	126
D. TOTAL IMPORTS	1,881	2,030	2,090
E. IMPORTS FROM THE U.S.	338	325	334

\* The above figures are unofficial estimates

11. AUTOMOTIVE PARTS AND ACCESSORIES (APS)

Rank of Sector: 11

Name of Sector: AUTOMOTIVE PARTS AND ACCESSORIES

ITA Industry Code: APS

An estimated 11.7 million motor vehicles are currently registered in Australia for a population of 19 million people. The average age of the vehicles is about 10.7 years, twice the average age of the equivalent motor vehicles in Japan. The aging of the vehicle fleet translates to more opportunities for parts and accessories.

Future growth is forecast for the import of U.S. automotive parts and accessories, with the U.S. holding a major share of the market. The U.S. supplies nearly 20 percent of total imports. The other significant suppliers of automotive parts and accessories (in descending order) are Japan, Germany, Sweden and Italy. The automotive parts and accessories market in 2000 is valued at US\$4.8 billion,

50 percent of which is accounted for by imports.

The U.S. is Australia's second largest supplier of automotive parts and components after Japan. Imports from the U.S. totaled US\$469 million in 2000, which is a significant achievement, given the small quantity of U.S. vehicles that enter the Australian market.

The sector can be divided into original equipment (OE), which is supplied to the local manufacturers, and replacement parts and accessories. Four automotive manufacturing plants operate in Australia: Ford Australia, General Motors, Toyota and Mitsubishi, with a total production capacity of over 400,000 vehicles annually. There has been speculation for some time that Mitsubishi will close manufacturing operations in Australia.

The Australian automotive market provides excellent opportunities for U.S. suppliers of the following: compression-ignition internal combustion piston engines, carburetors, piston rings, fuel injection products, transmission and ignition products, lubricants and fuel pumps, cruise controls, accessories and car care products, body repair kits and products, and automotive tools.

The implementation of a Good and Services Tax (GST) on July 1, 2000 is unlikely to affect the demand for automotive parts and accessories in the long-term. Nonetheless, new vehicle sales have continued to decrease since April 2000, as buyers anticipated cheaper prices after the GST's introduction. Although the value of the sector appears to have decreased, the market increased in real terms from US\$4.8 billion in 1999 to US\$5.1 billion in 2000.

U.S. exporters are encouraged to consider participating in the Australian Automotive Trade Fair in June 2001 in Sydney, the premier trade fair for the industry.

DATA TABLE (Millions US\$)

	1998	1999	2000
A. TOTAL MARKET SIZE (wholesale)	4,155	4,416	4,438
B. TOTAL LOCAL PRODUCTION	2,368	2,529	2,548
C. TOTAL EXPORTS	545	623	612
D. TOTAL IMPORTS	2,332	2,510	2,502
E. IMPORTS FROM THE U.S.	491	497	492

\* Sources: Department of Foreign Affairs and Trade "Composition of Trade" and the Australian Automotive Aftermarket Association

\*\* 1999 & 2000 U.S. dollar estimates reflect the significant currency devaluation of the Australian dollar during these periods

12. LABORATORY AND SCIENTIFIC EQUIPMENT (LAB)

Rank of sector: 12

Name of sector: LABORATORY AND SCIENTIFIC EQUIPMENT

ITA Industry Code: LAB

Australia is a small and mature market, with about 90 percent of local consumption being supplied by imports. The main suppliers are Western Europe, the U.S. and Japan. U.S. products account for approximately 38 percent of the market, based largely on superior technical and quality factors. There is no significant price advantage or disadvantage attached to U.S. products when compared with third-country suppliers.

The structure of the Australian laboratory and scientific equipment industry broadly reflects that of the U.S. It is characterized by a large number of small companies and a small number of multinationals. The four largest companies are Varian, Shimadzu, GBC Scientific and SGE Scientific.

Although Australia traditionally has been a highly inventive nation, with many new scientific patents being awarded to Australian researchers, the local manufacturing sector has been slow to take advantage of these developments. However, the Australian Government is recognizing that in order for Australia to remain competitive in the global economy, it must nurture and support local scientific research. In particular, the growing emergence of the biotechnology sector has seen a number of Australian states jostle in their attempt to become the preeminent biotechnology location in Australia. In 1999, the Australian Government doubled medical research funds to US\$400 million over six years, which will provide incentives for the life science market. In addition, some state governments such as Queensland and Victoria have also funded the scientific communities in their states.

Laboratory and scientific equipment must conform to Australian electrical standards, must comply with Australian Electromagnetic Compatibility (EMC) requirements (where appropriate), and must be appropriately labeled.

The market for laboratory and scientific equipment is relatively static at present. Best prospects are products for the life science market.

DATA TABLE (Millions U.S.)

	1998	1999	2000 (e)
A. TOTAL MARKET SIZE	631	693	728
B. TOTAL LOCAL PRODUCTION	287	321	337
C. TOTAL EXPORTS (INCL. RE-EXPORTS)	176	198	208
D. TOTAL IMPORTS	344	372	390
E. IMPORTS FROM THE U.S.	132	141	148

13. CONSTRUCTION MACHINERY (ENGINEERING AND NON-RESIDENTIAL) (CON)

Rank of sector: 13

Name of sector: CONSTRUCTION MACHINERY (ENGINEERING AND NON-RESIDENTIAL)

ITA Industry Code: CON

The market for construction equipment naturally depends on the state of the construction industry, and the outlook is for an easing in demand due to a drop in activity within the construction industry. Engineering construction activity for the 1999-2000 financial year, is estimated at US\$9.2 billion, with US\$8.7 billion forecast for 2000-01.

The engineering sector has been in a general upswing since 1992-93, due to a boom in minerals investment, a surge in telecommunications construction, and major private infrastructure projects, including roads and freeways in Sydney and Melbourne. Forecasters speculate that the engineering and non-residential industry will contract over the next two years, due to declines in mining construction, industrial and resource-based construction, and non-residential building activity, along with the completion of Olympics-related construction work. However, the fall-off in total industry activity is expected to be moderated by strong growth in other key market segments, including telecommunications, the utilities sector (electricity infrastructure, water supply, and sewerage), and rail networks. An increase in offshore business is expected to further moderate the downturn.

The value of non-residential construction for 1999-2000 is estimated at US\$7.7 billion, with US\$6.9 billion forecast for 2000-01. The outlook is for diminished activity in many non-residential property markets, particularly in hotel and retail building. Industrial estates and mixed-use commercial developments are forecast to be good growth sectors, while factory building may be one of the first to recover beyond 2000.

Imports dominate the construction market, accounting for around 90 percent of the total market. The U.S. is the leading overseas supplier, followed closely by Japan. Other prominent suppliers are the United Kingdom, Germany, and Korea. Major U.S. companies in the market are Caterpillar, Case, John Deere, and Ingersoll-Rand. On July 1, 2000, a Goods and Service Tax (GST) of 10 percent was imposed on the sale or provision of most goods consumed in Australia, including imports. The GST replaced an existing Wholesale Sales Tax (WST) of 22 percent and the cost of purchasing new construction machinery is therefore expected to decrease.

No trade restrictions or other non-tariff barriers exist for imported construction equipment; however, a permit issued by the Australian Quarantine and Inspection Service (AQIS) must cover machinery used prior to importation. Due to excessive soil found on machinery, AQIS now has strict regulations that are rigidly enforced on all consignments, including a cleanliness certificate to verify that the machinery has been cleaned. Machinery that is not accompanied by the appropriate paperwork will be refused entry.

Hydraulic excavators, wheel loaders/articulated four-wheel drive front-end loaders, and backhoe loaders are considered to have the best sales prospects.

Domestic production largely comprises of small amounts of customized products such as wear parts, attachments (buckets, tractor tires, cabs, wheels and rims), and replacement parts for incorporation into imported base units.

DATA TABLE (Millions US\$)

	1998	1999	2000 (e)
A. TOTAL MARKET SIZE (*)	891.0	910.0	918.0
B. TOTAL LOCAL PRODUCTION (*)	22.0	23.0	24.0
C. TOTAL EXPORTS (*)	53.0	54.0	55.0
D. TOTAL IMPORTS	922.0	941.0	949.0
E. IMPORTS FROM THE U.S.	309.0	315.0	318.0

(\*) Local production figures are lower than exports as some companies operating in Australia import complete units, add value, and then re-export, using Australia as a springboard to Asia-Pacific markets. Total market figures are also lower than imports because of this re-export activity.

The above statistics are unofficial estimates.

## B. AGRICULTURAL PRODUCTS

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 a consequent need for more highly-processed and consumer-ready foods. Ownership of microwave ovens is very widespread. Australian consumers are oriented towards the same factors that 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. Total exports of U.S. food, forestry and fishery products were just under US\$400 million in 1999. The nature of commodities exported from the United States has changed in recent years, with movement toward increased levels of intermediate and consumer-oriented food products.

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

	1998	1999	2000(est.)
<b>RANK: 1 PROCESSED FRUITS &amp; VEGETABLES</b>			
a. TOTAL MARKET SIZE	546	582	610
b. LOCAL PRODUCTION	507	530	554
c. TOTAL EXPORTS	147	156	164
d. TOTAL IMPORTS	178	208	218
e. TOTAL IMPORTS FROM U.S.	21	22	23
<b>RANK: 2 SOYBEAN MEAL</b>			
a. TOTAL MARKET SIZE	34	45	46

b. LOCAL PRODUCTION	13	18	18
c. TOTAL EXPORTS	1	1	1
d. TOTAL IMPORTS	22	27	27
e. TOTAL IMPORTS FROM U.S.	22	26	26

RANK: 3 SALMON CANNED

a. TOTAL MARKET SIZE	42	42	42
b. LOCAL PRODUCTION	6	6	6
c. TOTAL EXPORTS	0	0	0
d. TOTAL IMPORTS	36	36	36
e. TOTAL IMPORTS FROM U.S.	22	21	22

Source: Australian Bureau of Statistics and unofficial estimates. All figures US\$ millions

EXCHANGE RATE:           1998 A\$1.59 = US\$1.00  
                                   1999 A\$1.55 = US\$1.00

## C. SIGNIFICANT INVESTMENT OPPORTUNITIES

### 1. PRIVATIZATION

A vigorous period of privatization in the 1990s, featured the divestment by Australian Federal and State governments of billions of dollars worth of formerly public-owned utilities. In the past year, the level of privatization has waned. The railroad industry, which experienced significant reform in the mid-1990s, is a notable exception. At the time of writing, the Federal Government and Western Australian State Government announced the planned sale of the National Rail Corporation and Westrail, respectively. In addition, there are still some significant assets still to be sold or leased — such as the remaining Telstra equity (up to 51 percent), Sydney's Kingsford Smith Airport, and New South Wales's electricity generating assets — but activity is not expected to reach that of previous years.

The Australian Department of Defense has introduced a requirement that private financing be considered for new and replacement equipment purchases. Projects so far judged applicable so far include aircraft simulators, air-to-air refueling, VIP aircraft, patrol boats, high frequency communications and surface wave radar.

### 2. MAJOR INFRASTRUCTURE DEVELOPMENT PROJECTS BY SECTOR

#### a. Air Transport

Air transport facilities in Australia have undergone upgrades to cater for continuing increases in international and domestic travel. Most major Australian airports are now privately owned and operated on long-term leases. Sydney's Kingsford Smith airport is expected to be offered for long-term lease sometime during 2001. A long-planned second major airport for Sydney is facing continuing resistance from resident groups and local councils, delaying a government decision. There is

an increasing need, however, for a second airport to handle natural growth in passenger and freight movements. It is anticipated that a decision on the location and scope of the new airport will be finalized by the end of 2000.

The Australian Federal Government has allocated funding in FY 2000-2001 to help pay for needed air traffic control towers at regional and general aviation airports. The subsidy enables the aviation industry to use some of the major regional airports.

#### b. Rail Transport

The Federal Government's aim is to create a more competitive rail industry through private sector involvement in areas ranging from operations and infrastructure to maintenance and engineering. The reforms — including corporatization, increasing competition, contracting out of maintenance services, new private sponsored rail projects, and privatization — have created intense interest from both local and overseas freight/transport operators and investors.

In 1997, the Federal Government sold Australian National Railways (AN) which operated the short haul freight railways in Tasmania and South Australia, and was responsible for the interstate passenger services, the Indian Pacific, the Ghan and the Overland. AN was split into three divisions and sold to foreign consortia for US\$96 million. Two of the three divisions went to U.S.-based consortia.

In January 1999, the Victorian Government sold its freight business, V/Line Freight, to a consortium comprising U.S. and local interests. The Victorian Government has also franchised its passenger train and tram operations. The Western Australian Government is now in the process of selling its freight business, Westrail.

Strong interest from local and overseas consortia is also expected for the proposed sale of the National Rail Corporation (NR), a \$300 million interstate freight rail operator, owned by the Federal, New South Wales and Victorian Governments. NR operates 300 trains, has over 250 customers and handles about 20 percent of all land-based inter-capital freight.

Major new projects include:

Rail track linking Melbourne to Darwin via NSW and Queensland	US\$5 billion
Rail track linking Darwin to Alice Springs	US\$1.2 billion
Rail lines connecting the Central Coast with Sydney	US\$920 million
Rail lines connecting Parramatta to Chatswood	US\$882 million

#### c. Sea Transport

The growth in cruise shipping has stimulated the development of port infrastructure to meet the needs of cruise operators, and forms an integral part of overall port infrastructure development. The Australian Federal Government introduced a Shipbuilding Innovation Scheme on July 1, 1999, to develop a sustainable shipbuilding industry. Under the scheme, shipbuilders are entitled to the payment of a benefit rate of fifty per cent of eligible research and development expenditure, up to two per cent of the eligible production costs of bountiable vessels. The shipbuilding bounty will

continue until at least 2003, providing the local industry with transitional support while international measures are being developed to phase out these industry subsidies.

#### d. Telecommunications

The second stage in the privatization of Telstra (Australia's former carrier monopoly) was completed in 1999, with private ownership now amounting to 49 percent. The Australian Government remains the majority owner. While the current Federal Coalition Government would like to fully privatize the carrier, this is unlikely to happen as there is considerable opposition from the Australian Democrats and the Labor Party Opposition.

The constant growth in telecommunications segments has provided a whole new scenario in terms of investment in the telecommunications sector. This includes investment in large projects like the "Southern Cross Underwater Cable Project", and the development of networks by some of the newer carriers, but also to the dramatic growth in Internet access and the mobile phone/communications boom.

Telstra still remains the dominant investment provider with 99 percent of Australia's 10 million plus telephone lines. The technology drivers remain mass Internet access, broadband schemes and mobile communications. Data will soon overtake voice as the main form of traffic volume, offering a source of opportunity for newer carriers. Telstra is committed to unbundling the local loop, which should provide further opportunities. By late 2000, xDSL technologies should be available for consumer uptake.

While it is unusual for Australia's major telecommunications carriers to go to open tender for the supply of products, they sometimes prefer to invite selected suppliers to tender for major works. Telstra has 'preferred suppliers' from which it sources network equipment for its upgrading and development program. Optus Communications has Strategic Supplier Partnerships with companies such as Digital Equipment Corp., Nortel Australia, Nokia Telecommunications, Fujitsu Australia and Leighton Contractors, for the supply of network infrastructure.

Newer carriers are developing their own networks, such as Hutchison Telecommunications wireless Orange One network. Other carriers, such as Davnet, are combining a range of technologies (microwave, laser) to provide specific services (for example, business communications).

#### e. Water and Sewerage

The sewage systems in most of Australia's major cities are old and, in many cases, overloaded. Upgrades will have to address sewer capacity and condition equally with treatment. About 70 percent of expenditures relate to water collection/distribution and sewage collection/disposal. The remaining 30 percent is concerned with product quality or treatment, with about 10 percent of this related specifically to process equipment. While the public sector accounts for most of the demand, private enterprises are becoming increasingly environmentally aware. Their environmental practices are under the microscope, and many are using "green" issues to position products.

Australian state governments are increasingly turning to restructuring and reforming public utilities. This is resulting in the corporatization of government-owned enterprises, as well as contractual

arrangements with private enterprises. Impetus for these changes comes from the Hilmer report (into competition) and COAG (Council of Australian Governments).

Significant expenditure by water authorities will continue in the traditional purchase areas of pipelines, storages, clean-up projects, pump stations and treatment plants. At the time of writing, Sydney Water, a state government water agency, was exploring a number of options for sludge removal over the next 20 years. One of the proposals includes a \$353 million sewage pipeline between Manly and Port Botany via Sydney Harbour. Sydney Water stopped dumping wastewater sludge in the ocean in 1994. Sealed trucks currently transport 80 percent of Sydney's treated sludge.

Notable expenditure on water services has also come from the Western Australian Government which is planning to spend \$298 million on water infrastructure projects for the financial year ending June 2001. The largest projects include a new dam on the Harvey River, an associated 106 kilometer pipeline to increase Perth's water supply, and an upgrade of the Woodman Point sewage treatment plant.

#### f. Construction

The forecast contraction in Australia's engineering construction industry over the next two years is expected to be moderated by growth in various key market segments and an increase in offshore business. These key sectors include telecommunications, the utilities sector (electricity infrastructure, water supply and sewerage), and rail networks. Major infrastructure development projects in these sectors are covered within this chapter. Some major city development and road construction projects scheduled for completion in 2001 and beyond include:

Project	Value	Completion Date
Urban Redevelopment of South Sydney	US\$1.2 billion	2005
Parramatta to Chatswood Rail Link	US\$1.1 billion	2006
Linking Victoria Initiatives	US\$945 million	2003
Pacific Highway Upgrade, New South Wales	US\$819 million	2006
Rebuilding New South Wales Country Roads	US\$630 million	2010
Melbourne Docklands, Victoria	US\$504.3 million	2010/2015
Redevelopment of Walsh Bay, Sydney	US\$409.5 million	2005
Bayside Redevelopment, Melbourne	US\$378 million	2001
VicRoads, Victoria	US\$289.1 million	2003
The Cross City Tunnel, Sydney	US\$252 million	2004

#### g. Energy

The Australian market offers one of the great growth opportunities for the international power industry with the major shift towards deregulation of the Australian electricity and gas sectors and private ownership of major infrastructure. Australia is an extremely attractive destination for foreign investment — the country is politically stable and has vast reserves of fuels for the generation of electricity.

Privatization of both the electricity and gas industries and the associated reorganization will acceler-

ate further gains in productivity and efficiency. Significant investment and infrastructure opportunities exist for U.S. firms to participate in the following proposed projects coming on stream in Australia.

New South Wales	US\$ value
(There has been ongoing discussion on the possibility of privatizing the state-owned electricity generators, distribution and transmission assets.)	\$18 billion
 Northern Territory	
Development of the Shell/Woodside LNG plant in the Timor Sea off the coast of Darwin	\$6 billion
Development of the Bayu-Undan oil field in the Timor Sea (Phillips Oil Co)	\$1 billion
Development of the Laminaria/Corallina oil field in the Timor Sea	\$750 million
 Queensland	
3,200 km, gas pipeline from oil and gas fields in Kutubu, Papua New Guinea to Townsville, with an extension to Gladstone	\$2 billion
Transmission link between Queensland and New South Wales now named QNI	\$284 million
 Generation:	
158 MW open-cycle gas turbine plant using jet fuel to convert to PNG gas in Townsville - Transfield	\$50 million
283 MW open-cycle gas turbine plant using LPG to convert to PNG gas - AES Transpower	\$80 million
840 MW advanced-cycle boilers at Callide power plant near Gladstone – under construction - CS Energy/Shell Coal	\$650 million
120 MW combined-cycle natural gas turbine plant - PNG gas at Gladstone, open to tender for construction	\$130 million
375 MW combined-cycle PNG gas-fired plant at Townsville - Stanwell	\$400 million
700 MW combined-cycle natural gas turbine plant location not known - Tarong Energy	N/A
37 MW open-cycle gas turbine plant converting distillate to natural gas at Swanbank - CS Energy	N/A
Mine-mouth coal-fired boilers for Milmerran generator, construction has commenced and equipment will be required - Intergen/Normandy/Mitsui, Milmerran	\$850 million
Open cycle gas turbine – natural gas, Energy Resource Management, Wambo	\$150 million
Coal-fired generator for Kogan Creek – State government	\$850 million

has imposed strict greenhouse abatement requirements -

Consolidated Electric Power Asia

Gas-fired cogeneration plant – PNG gas - AGL Power/Transalta \$80 million

#### South Australia

Prospective sale of two gas generators and the transmission network via a long-term lease N/A

Feasibility study to transport gas from Victoria to South Australia (Texas Utilities) N/A

Exploration for more gas in the Cooper/Eromonga Basin by Santos Ltd \$75 million

#### Tasmania

Basslink, an undersea cable, connecting Tasmania to Victoria's electricity system by the year 2002 Tender awarded - National Grid (U.K.)

#### Victoria

Loy Yang-A 200 MW coal-fired electricity generator owned by U.S. firm, CMS Energy, to be resold \$3.4 billion

Powercor electricity distribution company owned by U.S. firm, Pacificorp to be resold \$1.4 billion

Duke Energy plans to transport gas from the Bass Strait gas fields in Victoria to Bell Bay in Tasmania via a 333 km sub-sea pipeline and convert the power plant to gas \$300 million

#### Western Australia

Chevron Asiatic and partners to develop the Gorgon/Chrysaor gas field for LNG exports \$6 billion

1 new LNG production/processing train for the North West Shelf project being considered \$1 billion

### 3. U.S. OUTWARD FOREIGN DIRECT INVESTMENT

The Government of the United States acknowledges the contribution that outward foreign direct investment makes to the U.S. economy. United States foreign direct investment is viewed as a complement and necessary component of trade. For example, roughly 60 percent of U.S. exports are sold by American firms that have operations abroad. Recognizing the benefits that U.S. outward investment brings to the U.S. economy, the Government of the United States undertakes initiatives, such as Overseas Private Investment Corporation (OPIC) programs, Investment Treaty negotiations and business facilitation programs that support U.S. investors.

## A. TRADE BARRIERS

### 1. Tariffs

Australian industry has reaped the rewards of a three decade long program of tariff reduction, through lower prices on imported inputs, increased industry productivity, and improved international competitiveness. After shielding its industry for most of the twentieth century behind a wall of tariff protection, Australia began reducing some of its tariffs in the early 1970s, followed by an economy-wide program of tariff reductions — including automotive and textiles, the most protected industries — in the mid-1980s.

The benefits of this tariff reduction program have been clear. The effective rate of assistance on manufactured goods fell from 22 per cent to 4.5 percent between 1985 and 2000, and over the same period, exports of elaborately transformed manufactures grew from 11 to 24 per cent of merchandise exports and service exports from 16 to 24 per cent of exports of goods and services.

The tariff reduction program has reduced 41 percent of Australia's tariff lines to zero and 35 percent of tariff lines to five percent. The remainder of tariff lines above five percent apply entirely to passenger motor vehicles (PMV) and textiles, clothing and footwear (TCF). Under an industry development program announced in 1998, PMV and TCF tariffs are to be frozen at their current levels — 10 percent for PMVs, 25 percent for apparel, and 15 percent for footwear and sheeting — until 2005, when they will drop again — PMVs to 10 percent, apparel to 17.5 percent, and footwear and fabrics to 10 percent — and undergo further government review.

Over 96 percent of Australia's tariff lines are bound to the WTO schedule of commitments. Most Australian tariffs are calculated as a proportion of the value for duty (i.e. ad valorem). This in contrast to the United States, which has a high proportion of either specific, fixed monetary amounts per unit or weight, or compound duties.

The Tariff Concession Scheme (TCS) allows eligible goods to be imported duty free or at a concessional rate under certain circumstances. Importers can claim tariff relief for goods imported into Australia for which there is no substitute produced domestically. The TCS waives any duties payable on consumer goods, and requires that three per cent concessional duty be paid on "other goods".

The Australian government recently moved to eliminate a range of tariffs on items that yielded revenue of less than US\$60,000 for the Customs Service, for which there was not significant local production, and for which tariffs were between one and five per cent. As a result of the proposal, tariffs on just under 300 items were rendered free of duty.

Goods are classified according to the Harmonized System.

### 2. Non-Tariff Barriers

Although Australia is a signatory to the GATT Standards Code (March 1, 1992) and is in accord with the World Trade Organization (WTO) Agreement on Technical Barriers to Trade, it maintains some restrictive standards requirements and design rules that may have an impact on the free flow of

### 3. Import Taxes and Sales Taxes

On July 1, 2000, the Australian Government imposed a Goods and Services Tax (GST) of 10 percent on most supplies of goods and services consumed in Australia. The GST replaces the wholesale sales tax, which was applied at varying rates to a range of products.

While the liability to pay GST to the Australian Tax Office rests on the producer/supplier, it is the consumer who ultimately bears the cost of GST. In the case of imports, the importer pays the GST (together with customs duty) to the Australian Customs Service. However, payment of customs duty and GST may not be required if the goods are being imported temporarily. This concession applies where the importer provides an undertaking to Customs for payment of duty and tax if the goods remain in Australia. Duty and tax is also not payable on goods that are imported under bond directly into a licensed customs warehouse. However, the duty and tax become payable when the goods are removed from the warehouse.

Imported second-hand goods are treated the same way as any taxable goods and are therefore subject to GST.

The first step in calculating GST is the calculation of duty against the Customs value. The duty is then added to the Customs value. Under the GST, the amount paid or payable for international transport and insurance is then also added to arrive at the value of the taxable importation (VOTI). GST, at a rate of 10 percent, is then calculated against that figure. For imports of motor vehicles and wine, the Luxury Car Tax or the Wine Equalization Tax may also apply. Further information on GST can be found on the Australian Tax Office Website: [www.ato.gov.au](http://www.ato.gov.au)

Dumping occurs when goods are exported to Australia at a price that is below the “normal value” of the goods. The normal value will usually be the domestic price of the goods in the country of export. This pricing is not a prohibited practice under international trade agreements, but remedial action may be taken where dumping causes (or threatens to cause) material injury to an Australian industry. The duty imposed on imported goods to offset the effects of dumping is called a “dumping duty”. Dumping duties are usually imposed for a five-year period. An alternative remedy to a dumping duty is for the government to accept a price undertaking from the exporter. Under this arrangement, the exporter agrees that future trade will be at or above a minimum export price (equal to the normal value). Such undertakings also usually apply for a five-year period.

#### B. CUSTOMS VALUATION

The Australian customs valuation system is based on self-assessment, i.e., the importer is responsible for valuing imports correctly. While Australian legislation conforms generally to the terms of the GATT/WTO Code on customs valuation, there are important differences. Imported goods are valued under one of nine different methods of valuation in a sequence established in the legislation. The first and most common is the transaction value method. There are alternative methods, for example, when goods are exported to Australia on consignment.

The United States believes that the Australian Customs Act of 1901, as amended July 1, 1989, is inconsistent with the GATT Agreement on customs valuation because its treatment of royalties and

buying commissions could lead to certain impermissible additions being made to the dutiable value of merchandise.

The 1989 amendment also increases the amount of inland freight that can be included in the dutiable value of the goods. While not inconsistent with the GATT/WTO Agreement on customs valuation, the amended Australian law may impair or nullify tariff concessions on products that are exported on an ex-factory basis. Customs and quota information is available from the Australian Customs Service (Chapter 11, Section 4).

### C. IMPORT LICENSES

Australian Customs does not require companies or individuals to hold licenses to import goods. However, depending on the nature of the commodity, permits may be required to clear the goods.

### D. EXPORT CONTROLS

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

Australia's controls on exports are documented in the publications "Australian Controls of the Export of Technology with Civil and Military Applications" and "Australian Control of Defense and Related Goods - a Guide for Exporters", available through the Acquisition Program of the Department of Defense.

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

Australia was a member of COCOM until its conclusion and is a signatory to the Missile Technology Control Regime.

### E. IMPORT/EXPORT DOCUMENTATION

#### 1. Imports

The minimum documentation required to be submitted with customs import entries or Informal Clearance Documents includes an air waybill or bill of lading, invoices, and any other papers (including packing lists, insurance documents, etc) relating to the shipment. The Customs Act of 1901 requires importers to retain commercial documents relating to a transaction for five years from

the date of entry. These documents may be required for Customs audit purposes.

## 2. Exports

Goods may not be exported until all necessary export permits, including an Export Clearance number, are obtained from the relevant permit issuing agency (See Section D above).

### F. TEMPORARY ENTRY

Goods may be imported into Australia duty-free for a temporary period if they are for display purposes in a trade show certified by the Australian Customs Service. The ATA Carnet is a special international customs document accepted in 46 countries used for temporary imports/exports, particularly professional equipment and commercial samples. The Carnet, issued in lieu of the usual customs documents, eliminates value-added taxes, duties and temporary import bonds.

### G. LABELING AND MARKING REQUIREMENTS

U.S. suppliers need to be aware of Australian legislation 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 (in the English language) 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 the units of the metric system. The word “net” should always be used when expressing quantity in mass.

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

### H. PROHIBITED IMPORTS

Australia has stringent prohibitions and quarantines imposed 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. 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.

#### Phytosanitary Restrictions affecting Imports of Fresh Fruit and Vegetables

Australia has stringent sanitary and phytosanitary restrictions affecting imports of fresh fruit and vegetables and imports of meat and poultry products. Under Australia’s new quarantine and inspec-

tion process (introduced in August 1997), as a result of the Nairn Review, imported agricultural commodities must have an import risk analysis (IRA). An IRA, to determine how and if the risk can be managed, can take an average of two years to carry out. Australia's acceptable level of protection is considered extremely constrictive, making access to the Australian market often difficult, expensive, time-consuming, and in some cases, impossible.

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

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, etc. can be given without having to request additional information from the U.S. exporter. Products falling under the Fruit Fly Rule must be accompanied by a phytosanitary certificate, which should include whichever one of the following Additional Declarations is appropriate:

“The fruit in this consignment was sourced and packed in (name of State) which is free of all economically significant fruit flies.”

OR

“The fruit in this consignment was sourced and packed in (name of county) which is an area free of all economically significant fruit flies.”

OR

“The fruit in this consignment was sourced and packed in (name of county) which is an area located in excess of

- a. 80 kilometers from any fruit fly (other than Mediterranean Fruit Fly (*Ceratitis capitata*) declared areas, and
- b. 15 kilometers from any Mediterranean Fruit Fly (*Ceratitis capitata*) declared areas.

OR

“The fruit has been stored for 14 days at 0°C - 0.5°C.”

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.

U.S. poultry (fresh and frozen) cannot be imported due to sanitary restrictions. An IRA is presently (6/99) being carried out. An IRA was carried out for cooked U.S. poultry, but the resulting cooking times and temperatures are excessively high and would render the product unpalatable. Restrictive plant health regulations prohibit or limit the entry of many fruits. The WTO has found Australia's prohibition on the importation of all fresh, chilled, and frozen salmon to be inconsistent with Australia's obligations under the WTO. As a result, Australia now permits the importation of

salmon to all states except Tasmania.

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

Also on the AQIS site (<http://www.aqis.gov.au>) are Australian labeling requirements for imported packaged food, requirements for animals and animal products, documents for public comment (including import risk analyses), fee schedules, on-line forms, SPS notifications, etc. This information is updated daily.

## I. STANDARDS (E.G. ISO 9000 USAGE)

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

Australia still has in place some standards that can restrict product entry. In particular, the Australian standards for telecommunications Customer Premises Equipment (CPE), such as telephones, usually require a product's modification prior to market entry. Safety-related automotive parts and accessories on a vehicle or for environmental (EPA) compliance must adhere to Australian Design Rules and Australian automotive standards. The supply of OE (Original Equipment) automotive parts must adhere to Quality System QS9000, the system adopted in the U.S. by Ford, General Motors and Chrysler. Certain medical equipment also must be approved prior to use.

Australian electrical voltage is 220-240 Volts, 50 cycle, meaning electrical equipment and machines running on electrical cycles must be modified or made for use at this higher (than the U.S. and Europe) voltage level. Transformers can be purchased for electrical but this is not common.

Imported consumer products, mainly foodstuffs, should comply with state packaging regulations. States agree that any product, including imports, meeting the legal requirements of one state, may be sold in all other states and territories. State agricultural quarantines prohibit interstate trade of some items.

Standards Australia and the American National Standards Institute (ANSI) in New York have full information on Australian Standards.

## J. FREE TRADE ZONES/WAREHOUSES

The Darwin Trade Development Zone (TDZ) in Australia is located in Darwin, Northern Territory. The Darwin TDZ is concentrating on developing Australia's trading relationships with its Asian neighbors to the north and west. Since 1986, the TDZ has fostered close working relationships with other Industrial Estates and Export Processing Zones within Asia, particularly Indonesia, Malaysia and China. Industries established include manufacturers of knitted textiles; cardboard and packaging; color repro-graphics; computer software development; brewery supplying beer to Asia; fish emulsion and plant food; plastics extrusion injection blow molding; and engineering-based manufactures. The Zone also has access to the services of international financial consultants and customs

agents.

In December 1997, the Australian Government adopted Manufacturing-in-Bond (MiB), an initiative designed to deliver U.S. Foreign Trade Zone style benefits to manufacturers located in Australia. A firm with MiB approval is able to import dutiable goods into a licensed bonded warehouse, free of duty and tax. If these goods are subsequently re-exported, either in their original or manufactured form, no duty or Goods and Services Tax liability is incurred. Imports bought into the warehouse and subsequently “entered for home consumption” incur duty and GST liability at the time they leave the warehouse.

To obtain a MiB license, applicants must demonstrate a clear intent to use Australia as an export manufacturing base and that MiB is important in achieving those manufacturing aims. The decision to grant a MiB license is solely with the Australian Government and is dealt with on its merits. The first site selected was the Steel River Facility (Newcastle) near Sydney.

#### K. SPECIAL IMPORT PROVISIONS

There are no special import provisions in Australia.

#### L. MEMBERSHIP IN FREE TRADE ARRANGEMENTS

Australia is one of a small number of countries that does not have a free trade agreement with any of the major world economies or economic associations.

Australia is a key member of the Asia Pacific Economic Cooperation (APEC) forum, and plays a leading role in promoting trade liberalization. Approximately seventy per cent of Australia’s exports go to APEC economies.

The Australia New Zealand Closer Economic Relations Trade Agreement (ANZCERTA - usually abbreviated as CER) came into effect in January 1983 and is the main instrument governing economic relations between the two countries. Now one of the most comprehensive bilateral free trade agreements, it prescribes 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.

### CHAPTER VII. INVESTMENT CLIMATE

#### A. OPENNESS TO FOREIGN INVESTMENT

The Australian Government welcomes foreign investment, and the United States is the country’s largest source of foreign capital. Total U.S. investment in Australia, including both direct and portfolio investment, approaches US\$100 billion. Australia’s policy, as first enunciated by then Treasurer John Dawkins in the introduction to a 1992 pamphlet entitled “Australia’s Foreign Investment Policy, a Guide for Investors” still advises:

“to encourage foreign direct investment consistent with the needs of the Australian community, including the expansion of private investment, the development of internationally

competitive and export-oriented industries and the creation of employment opportunities ... Administration of the policy is based on guidelines rather than inflexible rules; it is intended to be practical and non-discriminatory.”

Takeovers of domestic firms by foreign investors, while sometimes generating nationalistic public reaction, are generally not interfered with. They are treated under the same guidelines as any other investment. Private foreign investment decisions are left to the discretion of private sector firms. There are no prohibitions on overseas investment or capital repatriation.

## 1. THE FOREIGN INVESTMENT REVIEW BOARD

The Federal Department of Treasury regulates foreign investment with the assistance of the Foreign Investment Review Board (FIRB). The Board screens investment proposals for conformity with Australian law and policy. Regulation of foreign investment is based on the Foreign Acquisitions and Takeovers Act, 1975 (amended in 1989) and on 1991 regulations issued pursuant to the Act.

Australia has an investment screening mechanism administered by the FIRB which tracks foreign investment developments through a notification system; if certain criteria are present, specific proposals are examined. The FIRB must be notified of investment proposals in the following categories:

- acquisitions of substantial interests in existing Australian businesses with total assets over A\$5 million (A\$3 million for rural properties);
- plans to establish new businesses involving a total investment of over A\$10 million or more;
- investments in the media, irrespective of size;
- direct investments by foreign governments or their agencies, irrespective of size;
- acquisitions of non-residential commercial real estate valued over A\$5 million;
- acquisitions of residential real estate, irrespective of size (unless exempt under the regulations);
- takeovers of offshore companies whose Australian subsidiaries are valued over A\$20 million or more, or account for more than 50 percent of the target company's global assets; and,
- proposals where any doubt exists as to whether they are notifiable.

Most foreign investment proposals notified to the FIRB are granted automatically without examination. Proposals above the A\$50 million threshold are examined, but FIRB policy is to approve them unless they are found contrary to the national interest. The criteria governing that decision are:

- the proposal involves one of the following sectors: rural properties; agriculture; forestry; fishing; resource processing; oil and gas; mining (excluding uranium); manufacturing; non-bank financial intermediaries; insurance; stockbroking; tourism (hotels and resorts); and most other services; and
- the proposal is an acquisition of 15 percent or more of a company or business with total assets below A\$50 million; or
- the proposal is to establish a new project or business with a total investment below A\$50 million, or to take over an off-shore company with Australian subsidiaries valued below A\$50 million.

During FY 1998-99 (ending June 30); 5,091 proposals for investment in Australia were submitted to the FIRB:

- 4,754 were approved (2,918 with conditions): The majority of approvals (and therefore conditional approvals) are for real estate. Real estate conditions are generally either environmental, tax or foreign equity issues.
- 337 were withdrawn;
- and only 112 were rejected (0.2 percent by value).

The U.S. has objected to the continued utilization of the screening mechanism.

## 2. SECTOR-SPECIFIC REGULATION

a. Media. The Broadcasting Services Act of 1992 provides that a foreign person may not exercise control of a television license, or have company interests in such a license exceeding 15 percent; and, two or more foreign persons may not have company interests in such a license exceeding 20 percent in the aggregate.

Foreign investors are limited to a 20 percent share individually and a 35 percent share in the aggregate of any subscription TV broadcaster. Foreign investment in mass circulation newspapers is limited. A single foreigner may hold a minor share of 25 percent and unrelated foreign interests may hold an additional 5 percent. Both the cross-media and foreign ownership limitations have proven controversial, and are currently the subject of a government review. Some argue they are becoming obsolete as the distinctions between communications media blur with new developments in information technology.

b. Civil Aviation. Under legislation enacted in April 2000, foreign investors (including foreign airlines) may now acquire up to 49 percent of the equity in an Australian international airline (except Qantas), 100 percent of a domestic carrier, or establish a new domestic aviation operation. Under existing bilateral aviation agreements, the limit of 49 percent in any Australian international carrier is based on the commercial risk that such a carrier's ownership structure could see it denied access to a foreign market. In the case of Qantas, existing ownership restrictions were continued, which limit total foreign ownership of Qantas to 49 percent, ownership by foreign airlines in aggregate to 35 percent, and ownership by an individual (including a foreign carrier) to 25 percent.

c. Urban Real Estate. The purchase of urban real estate by foreign interests is closely regulated. Prior to April 1, 1993, Australia sought to assure 50 percent equity participation by Australians in all such ventures. Where such participation was not available on reasonable terms and conditions, applications for up to 100 percent foreign ownership were considered. Effective that date, however, the 50 percent requirement for developed, non-residential, commercial real estate was abolished.

All proposals by foreign investors to acquire developed residential real estate are now examined. They normally are not approved except in the cases of foreign companies buying residences for their senior executives living in Australia and foreign nationals temporarily resident in Australia for more than twelve months buying a principal residence for their own use, to be sold upon their departure.

## 3. INCENTIVES FOR INVESTMENT

Like the U.S., Australia provides no direct federal tax incentives for investment in the country. Incentives that are available apply equally to foreign and domestic investors. Examples include:

- research and development tax concessions for companies incorporated in Australia;
- the discretionary grants scheme, which can cover up to 50 percent of research and development tax losses;
- the national procurement development program, which provides grants to underwrite the development of Australian products required by the public sector that have export potential;
- the generic technology scheme, and the advanced manufacturing technology development program, which provide development grants for selected new technologies; and
- the investment promotion program, which encourages investment in greenfield resource processing projects and links with global markets.

Hundreds of major foreign firms in many industry sectors invest in Australia. The Australian Federal Government, and each of the State Governments, vigorously encourage investment by offering incentives to multinational companies to set up regional headquarters for financial and other services, and manufacturing operations. Aimed initially at attracting information technology companies, the campaign has widened in scope to include manufacturing and provision of financial and administrative services for the Asia-Pacific region. The Government touts the benefits of Australia's safe, stable business environment, skilled workforce, and lower facility site and operating costs in comparison to other regional centers, such as Singapore, Hong Kong and Taiwan.

#### 4. CONVERSION AND TRANSFER POLICIES

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

#### 5. EXPROPRIATION AND COMPENSATION

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

#### 6. DISPUTE SETTLEMENT

Property and contractual rights are enforced through the Australian court system, which is based on English Common Law. There have been no investment disputes involving foreign companies in recent years. Australia is not a member of the International Center for the Settlement of Investment Disputes (ICSID).

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 and, more recently, arbitration. Modern methods of alternative dispute resolution, however, are becoming increasingly popular. 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.

Dispute resolution clauses are used frequently in contracts between Australian and U.S. commercial entities. In some areas, such as construction, clauses are inserted routinely into contracts. The clauses may specify the particular process to be used (e.g., mediation, followed by arbitration), or simply state that should a dispute emerge, the parties will seek the assistance of the American Arbitration Association and/or the Australian Commercial Disputes Centre. These clauses are upheld by the courts.

## 7. PERFORMANCE REQUIREMENTS AND INCENTIVES TO SUPPORT LOCAL INDUSTRY DEVELOPMENT

### a. Selling to the Government

There are no performance requirements affecting investment, per se. With the expiration of the Industrial Development Arrangements (IDAs) program in the telecommunications field, offsets are no longer required in the civil sector. The use of offsets in defense procurement has been phased-out in favor of a policy emphasizing “Australian Industrial Involvement” and “Through Life Support” concepts. (Also see Section IV-N).

Australia has not yet signed the GATT/WTO Agreement on Government Procurement, which means that it is not bound by conditions prohibiting specification of locally-made product in tenders.

### b. Bounties

Bounties (production assistance) help domestic manufacturers maintain or increase their market share through price discounting. The Australian Government has phased out most bounties in recent years — the only remaining bounty reserved for shipbuilding production. This bounty has had its expiry date extended to December 31, 2000, ostensibly to match the expiration deadlines of similar schemes in other OECD nations.

### c. Special Arrangements for Information Technology and Telecommunications Companies

Since 1991, foreign IT companies with annual sales to the GOA of more than A\$40 million are expected to enter into Partnerships for Development (PfD) scheme.

Under a PfD, the headquarters of the foreign firm agrees to invest 5 percent of its annual local turnover on research and development in Australia; to export goods and services worth 50 percent of imports (for hardware companies) or 20 percent of turnover (for software companies); and to achieve 70 percent local content across all exports within the seven-year life of the PfD.

In 1992, this scheme was extended to the telecommunications customer premises equipment (CPE) sector, replacing, in large measure, the requirement that suppliers of cellular mobile telephones, PABX, small business systems, and first telephones have industrial development arrangements (IDAs) in place before obtaining licenses to connect their equipment to the public switched network.

For more information on the GOA's PfD scheme, please see [www.dcita.gov.au](http://www.dcita.gov.au)

d. Endorsed Supplier Arrangements

Recent changes to Australian Government procurement policies have seen a significant decentralization of purchasing procedures. The former endorsement process and Common Use Arrangements were replaced in 1998 by a re-styled Endorsed Supplier Arrangement (ESA). Companies wishing to supply information technology (IT) products and major office machines (MOM) to the Australian Government must gain endorsement under the ESA. The industry development component of the new ESA requires evidence of product development, investment in capital equipment, skills development and service support, and sourcing services and product components, parts and/or input locally. In addition, applicants must demonstrate performance in either exports, research and development, development of strategic relationships with Australian or New Zealand suppliers/customers, or participation in a recognized industry development program.

e. Government Business Enterprises

Since 1993, the Australian Government has required Government Business Enterprises (GBEs are central government-owned companies such as Telstra and the Civil Aviation Authority) to consider "industrial development objectives" such as local content and export potential in their procurement activities. The objective is to allow "local companies, the maximum opportunity to compete for government business consistent with the commercial objectives of GBEs and the need to obtain value for money".

f. Local Industry Development Impact

The Australian Government is committed to sourcing at least 10 percent of its purchases from Australian small-to-medium sized enterprises. The Government continues to require tenderers to include industry development objectives in tender documents, with model guidelines to be developed in consultation with industry.

g. Export Market Development Grants

EMDG grants are provided to partially reimburse Australian residents who have incurred eligible expenditures while developing overseas markets for Australian products and services. Access to Export Market Development Grants is determined, in part, by the degree of local content contained in the product to be exported. To qualify, goods manufactured, produced, or assembled in Australia must contain at least 50 percent local content. Goods produced outside Australia must have at least 75 percent Australian content.

8. RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT

As a general rule, foreign firms establishing themselves in Australia are accorded national treatment. They do not have to seek government permission to establish and own businesses unless their proposed activity meets tests established in law and regulation that trigger notification/review by the FIRB. These FIRB requirements are a matter of public record and are available upon application to

FIRB. (See Appendix E.4. for contacts.)

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

In general, participation in privatization schemes is regulated in accordance with overall investment policy. The Qantas privatization, for example, was limited by the restrictions on foreign investment in civil aviation, discussed above. Most sectors are uncontrolled and are open to foreign participation.

## 9. PROTECTION OF PROPERTY RIGHTS

Patents, trademarks, designs, copyrights and integrated circuit layout rights are protected by Australian law. Australia is a member of the World Intellectual Property Organization (WIPO), the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, the Universal Copyright Convention, the Geneva Phonogram Convention, the Rome Convention for the Protection of Performers, Producers of Phonograms, and Broadcasting Organizations, and the Patent Cooperation Treaty.

IP Australia is the Federal Government agency responsible for registrations of patents, trademarks and designs. Contact details are: IP Australia, Tel: 61-2-6283-2000 or Fax: 61-2-6285 4149, attention: Director-General (Commissioner of Patents, Registrar of Trade Marks, and Registrar of Designs).

### a. Patents, Trade Secrets, Designs

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

Trade secrets are protected by common law.

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

### b. Trade Marks

Trade marks may be protected for ten years and renewed indefinitely, upon request by registration under the Trade Marks Act of 1995. Once used, trade marks may also, without registration, be

protected by common law; however registration with IP Australia does make enforcement easier. It is wise for any U.S. exporter intending to market a product in Australia to check with the Trade Marks Office at IP Australia to ensure that its mark or name is not already in use.

#### c. Copyrights

Copyrights are protected under the Copyright Act of 1968. Works do not require registration, and copyrights automatically subsist in original literary, artistic, musical and dramatic works, film and sound recordings. Computer programs are considered in law to be literary works. Copyright protection is for the life of the author plus 50 years. Legislation is currently before Parliament to implement Australia's obligations under the 1996 WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty.

The Australian Copyright Act provides protection for public performances in hotels and clubs and against video piracy and unauthorized third-country imports. No complaints about unauthorized public showings of films have been received for over five years.

The Commonwealth Government has amended the Copyright Act 1968 so decompilation can be carried out the sake of interoperability. Furthermore, these amendments will mean that decompiling programs to correct errors in a computer program will be allowed. The Copyright Amendment (Computer Programs) Act 1999 allows for the copying of computer programs under certain circumstances for the purposes of interoperability, error correction, and security testing.

#### d. Copyrights and Parallel Imports

Parallel imports refers to imports of legally manufactured products by someone other than a person or firm having exclusive distribution rights in Australia. In general, books, films, computer software and other products subject to copyright cannot be imported without license from the copyright owner, and their parallel importation is prohibited. The GOA has announced its intention to allow for the parallel importation of books and computer software.

Legislation passed by the Australian Parliament in 1998 removed the copyright ban over parallel imports of packaging, labeling and accessories (allowing for the importation of branded goods without a license), to take effect in June 2000, and removed the copyright ban on parallel imports of sound recordings. Furthermore, goods that are the subject of a registered trademark can be imported without the permission of the trademark owner or the registered local distributor. However, copyright over the labeling and packaging prevent this practice from occurring. Goods that are the subject of a registered design can also be imported without the approval of the design holder; however, labeling and packaging copyrights again prevent this from occurring. At present, some parallel importation is allowed for books under strictly limited conditions (cases in which newly-published works are not made available in Australia within 30 days of publication).

### 10. TRANSPARENCY OF THE REGULATORY SYSTEM

Australia subscribes to the 1976 declaration of the Organization for Economic Cooperation and Development (OECD) concerning international investment and multinational enterprises. The instruments cover national treatment and investment incentives and disincentives, and spell-out

voluntary guidelines for the conduct of multinational enterprises in member countries. Australia also subscribes to two OECD codes of liberalization, one covering capital movements and the other invisible transactions.

Both Australian law and government practice foster transparency and favor competition. Taxation policy does not impede the efficient mobilization and allocation of investment, although there are a number of differences between the U.S. and Australian tax systems that have potential implications for business. Businesses are advised to seek counsel from accounting and law firms familiar with the tax policies of both countries.

In early 1990, the Australian Taxation Office and the Internal Revenue Service formalized a simultaneous audits agreement to investigate suspected non-compliance with tax laws of both countries. The U.S. and Australia Double Taxation Treaty affects business investment between the two countries. The Treaty applies to federal income tax of the U.S., excluding accumulated earnings tax, personal holding company tax and Australian income tax. Separate agreements apply to gift and estate taxes. The Controlled Foreign Corporation and Controlled Foreign Trusts legislation, effective July 1, 1991, provides for taxing income that accrues, to corporations, or trusts arranged after residency is established.

Australia has a well-developed and sophisticated financial market, regulated in accordance with international norms. The stock and commodities exchanges have corresponding arrangements with other world exchanges. Credit is allocated on market terms.

## 11. POLITICAL VIOLENCE AFFECTING INVESTMENT

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

## 12. CORRUPTION

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

Australia is 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 forbidding tax deductions for bribes of foreign officials was enacted in May 2000. At the federal level, enforcement of anti-corruption laws and regulations is the responsibility of the Attorney General's Department.

## B. BILATERAL INVESTMENT AGREEMENTS

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. It maintains a limited reservation under the Capital Movements Code, because FIRB practice historically favored the use of Australian contractors and consultants when reviewing foreign investment proposals.

## C. OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS

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

## D. LABOR

Australia has maintained reasonably low inflation and steady economic growth during the past few years, which has led to moderated wage demands. Consequently, most contract negotiations during 1999 and 2000 have proceeded relatively smoothly. This favorable economic climate has also led to a relatively calm industrial relations climate in which few strikes occurred outside of contract negotiation periods.

The one sector that is continuing to experience wage increases well above average is information technology, due to shortages of skilled workers. Another notable area of skill shortage is the hospitality sector, where qualified chefs are in high demand.

Overall, wage increases averaged around four per cent per year. Executive and IT salaries are continuing to increase at almost eight per cent annually. There is some tension surrounding the introduction of the goods and services tax with unions proposing GST related pay increases in future wage negotiations. However, there are very few workplace where such agreements are currently in place.

Historically, Australia's tradition of centralized contract bargaining created an industrial environment where both management and labor tended to resolve their conflicts by compulsory arbitration. Both parties tend to look to the government to regulate the conditions that are covered by enterprise contracts as well as industry standard contracts (called "awards" because they were often negotiated by industry with the unions and then certified by the Australian Industrial Relations Commission, a government judicial/arbitration body).

Under the centralized system of industrial awards, all contracts for wages and working conditions in specific industries are based on a model contract negotiated between the relevant union(s) and a large firm or industrial association. Other firms in related sectors either copy or base their pay on whatever award seemed to be a reasonable guideline for their type of business. Conflicts that arose

in either the negotiations of contracts or in the workplace could be referred to the Industrial Relations Commission.

The negotiation of contracts covering wages and working conditions is gradually shifting away from the centralized system. There are several choices in addition to basing pay and working conditions on the award system. The first is an enterprise agreement, which is negotiated by individual companies with their workers as a group or with the relevant union(s). The second choice is individual contracts with individual workers. This choice has always existed but was redefined under the 1996 Workplace Relations Act. These agreements are subject to far less government regulations than the awards are, but are more complicated than most American contracts. In particular, Australian workplace agreements (as they are known) are required to be roughly equivalent to the basic working conditions in the award that would apply to the sector the firm belongs to. More powerful sections of the union movement over the past year have developed a strategy to undermine the effectiveness of this decentralization and move back to industry-wide bargaining which is more favorable to labor. Known as “Campaign 2000”, this movement is the source of increasing tension between employers and labor at present.

Australia operates a system of compulsory savings for retirement referred to as “superannuation”. This compulsory defined-contribution pension fund differs significantly from the U.S. social security system since it is privately run and firms and their employees choose which investment company or companies will administer their pension funds. Employers pay seven percent (rising to nine percent by the year 2002), employees three percent, and the federal government three percent of the employees’ base salaries into their superannuation. There is an emerging trend for the negotiation of more generous superannuation plans, along with other benefits, as part of the overall compensation packages for executives.

The Australian Government is nominally party to all ILO conventions. However, the current government does not regard ratifications of ILO conventions as a high priority. For example, it estimates that the ratification of ILO convention #182, regarding the worst forms of child labor, will take at least five years to be ratified. During 2000, the Australian Government was the subject of a complaint to the ILO applications committee by the ICTFU and the local peak union body the ACTU, about the Government’s key piece of industrial legislation, the Workplace Relations Act 1996. The committee called on the Government to amend the Act to remove elements which, it says violate ILO conventions on the right to collectively bargain and to organise labor. The Government completely rejected the ILO recommendations.

#### E. FREE TRADE ZONES (FTZ) AND FREE PORTS

The Darwin Trade Development Zone, Northern Territory, is Australia’s attempt to increase exports via a geographically-defined free trade zone. Incentive packages, individually tailored for each prospective company, include subsidies for many up-front property, plant, and equipment costs, as well as relocation assistance. In practice, the Darwin initiative is focused almost exclusively on its Asian neighbors to the North and West.

On December 8, 1997, the Commonwealth Government adopted “Manufacturing-in-Bond” (MIB), designating the BHP Steel River Facility in Newcastle as the first Australian site selected. The big difference — and advantage — over the existing Darwin FTZ structure, is that export manufacturers

are no longer are required to pay up-front customs, excise and sales tax outlays on imported componentry and materials. Goods only become subject to duties and taxes if removed for sale or use in Australia. (See Chapter 11, Section 4.B for contact information).

## CHAPTER VIII: TRADE AND PROJECT FINANCING

### A. BRIEF DESCRIPTION OF THE BANKING SYSTEM

Until recently, the Reserve Bank of Australia (RBA) carried out the prudential regulation of Australia's banks, not unlike the Federal Reserve in the U.S. Changes brought about by the 1997 Wallis Inquiry into the Australian financial system establish the RBA's key roles as monetary policy, systemic stability and payments system regulation. Prudential regulation of banks, insurance companies, superannuation (pension) funds, credit unions, friendly societies and building societies is now the responsibility of the Australian Prudential Regulation Authority (APRA). APRA regulates 14 Australian-owned banks, 10 foreign subsidiaries (of which one is US-based, Citibank), 25 foreign branches (of which six are US-based), 19 building societies, 228 credit unions and approximately 200,700 superannuation funds.

Other changes to the Australian banking system brought about by the Wallis Inquiry include:

- creating the Payments System Board within the Reserve Bank, to supervise the opening of the payments system to non-banks, including companies outside the finance sector; and
- charging the Australian Competition & Consumer Commission (ACCC) to carry out prices surveillance, monitor for restrictive trade practices, and provide non-financial consumer protection.

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

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

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

Governments, both state and federal, have divested themselves of their banking interests over the past few years as part of an economy-wide trend of deregulation and privatization. There are now no

government-owned banks in Australia. The State Bank of New South Wales was sold in December 1994. The South Australian Government accepted an offer for the State Bank of South Australia from the Advance Bank in 1995, and the Western Australian Government floated BankWest in January 1996. The Federal Government completed its privatization of the Commonwealth Bank in 1996.

(See Appendix E.6. for a list of Australian-owned banks and U.S.-owned financial institutions operating in the local market).

## B. FOREIGN EXCHANGE CONTROLS AFFECTING TRADE

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). International currency transfers of A\$5,000 or more, or A\$50,000 in any form in one year, must be reported to the Cash Transaction Reports Agency. The purpose is to control tax evasion and money laundering and does not inhibit currency transfers associated with international trade.

The Australian dollar has been allowed to float since 1983. The currency is freely convertible, and exchange rates are determined by international demand and supply. Official policy is not to defend any particular exchange rate level. Intervention by the Reserve Bank is minimal and is exercised to accommodate government economic policy adjustments. Transactions in foreign exchange are made through authorized foreign exchange dealers, including trading banks and most merchant banks. There are no specific restrictions regarding the remittance of profits, dividends, or capital.

## C. GENERAL FINANCING AVAILABILITY

The major finance companies, which control about three-quarters of the total assets of the industry, are owned wholly or predominantly by the major trading banks. 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 finance 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. Long-term financing, generally, is supplied by syndicated Australian and overseas bank lending. 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 is not widespread.

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. Increasingly, financial services to business are also provided through a wide range of non-bank institutions.

#### D. HOW TO FINANCE EXPORTS AND METHODS OF PAYMENT

As in other industrialized countries with mature financial systems, Australia has a range of export finance methods available. The method chosen should depend upon the individual circumstances of the transaction.

1. **Cash in Advance:** The exporter demands cash in advance before exporting. This is the least popular method used. It is acceptable if the client does not have access to other forms of financing.
2. **Letters of Credit:** Payment is guaranteed by the issuing bank. A confirmed letter of credit guarantees payment by a foreign bank as well. This is a very secure form of payment and is used frequently for unknown clients, or those perceived to be risky accounts.
3. **Commercial Bills of Exchange (sight and time drafts; cash against documents):** These bills of exchange are processed through the exporter's and importer's banks. The banks do not guarantee payment, but they will not release shipping documents until the terms of the bill of exchange are met.

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

4. **Open Account:** The exporter ships the goods and sends a bill for payment. These accounts are used widely, particularly with shipments to U.S. subsidiary operations in Australia. Because this is the least secure form of financing, it is also used for the very best and long-established accounts.

Eighty percent of Australian imports from the U.S. carry payment terms of 30 to 180 days from the date of the shipping documents. Importers normally request terms, the cost of which should be built into the export price. Importers prefer extended terms to allow them to receive, inventory and sell the goods before paying. They may also wish to use exporters' credit.

#### E. TYPES OF AVAILABLE EXPORT FINANCING AND INSURANCE

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

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

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

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

World Bank and Asian Development Bank support for development projects in the developing countries of Asia provides opportunities for American/Australian consortia to compete for MDB-funded contracts in these countries. Australian companies often have established relationships in the region and are in a strong position, when teamed with U.S. companies, to offer very competitive bids and performance qualifications. (See Chapter 11, Section 6 for MDB contact information.)

#### F. PROJECT FINANCING AVAILABLE

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

- Banks
- Financial institutions
- Retail investors
- Government loans
- Export credit agencies
- Credit enhancement agencies
- Bonds
- Formation of national and international banking consortia
- BOOT (build, own, operate and transfer)
- Direct investment by local and international companies
- Formation of loan syndicates
- Formation of joint ventures

Project financing includes finance made available by non-participants (i.e., loan funds by financial institutions) and finance provided by participants (i.e., 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. However, the development of new and innovative funding mechanisms is a key element in financing projects and infrastructure development, as public projects at the federal, state and local levels are made available for

## G. BANKS WITH CORRESPONDENT U.S. BANKING ARRANGEMENTS

All major banks in Australia have correspondent relationships with U.S. banks. (See Chapter 11, Section 6).

## CHAPTER IX: BUSINESS TRAVEL

### A. BUSINESS TRAVEL

American business travelers to Australia should not encounter any particular difficulties. Visitors should make preparations as they would when traveling in the U.S., using normal reservation services for travel and accommodation, plus taking into account the requirement to have either an Electronic Travel Authority (ETA) or a valid Australian visa.

Travel time from the U.S. to Australia is comparable to that of other Asian destinations, a 14-hour non-stop flight from the West Coast, with a choice of flights on several international airlines including United Airlines, Qantas and Air New Zealand. Most departures from the U.S. leave in the evening and arrive in Australia early in the morning (with a day lost at the International Date Line). Travel to or from the rest of Asia, Europe, South America and South Africa is also convenient. Around 30 international airlines fly into Australia every week, from 37 countries around the globe.

Frequent interstate flights connect the five major Australian cities. Savings are available on internal airfares when purchased in conjunction with international tickets. Australia has a very extensive and efficient domestic transportation system, including air, rail, coach, sea, chauffeured and rental cars, and urban public transport between cities and country areas. Air transport has become even more competitive with the operations of Impulse Airlines and Virgin Airlines on the major air routes.

Australia is becoming well known as a travel destination, and the country is experiencing a tourism boom surpassing that in almost any other western country. In the past ten years, tourism has become one of Australia's largest export earners, with the number of international visitors increasing from 1.4 million in 1986 to 4.5 million in 1999. The Australian Tourist Commission, Australia's national tourist office, has a presence in Los Angeles (see Chapter 11, Section 4A). The Commission can assist with travel advice and information on where to go and what to see.

Australia is a sought-after international destination for conventions, corporate meetings, and corporate incentive travel. Its convention centers and trade show facilities in capital cities and resort areas offer state-of-the-art technology, some accommodating as many as 10,000 delegates. Many executives and conference delegates extend their stays in Australia with a holiday.

### B. BUSINESS CUSTOMS

Doing business in Australia is comfortable for American companies because the language, cultural environment, business practices and customer expectations are very similar. Business etiquette is familiar to Americans, with attention paid to advance planning, promptness, punctuality, and follow

through.

Australians are personally gracious, yet informal and direct in their business dealings. Very soon after meeting, Australians do business on a first name basis. Business cards are exchanged for information purposes, but without any special ceremony. Token gift exchange is not common. Luncheon meetings are common, and Australians do not typically schedule business functions on weekends, which are dedicated to family and friends. Normal business attire is worn in the cities, with country areas being slightly more informal.

## C. TRAVEL ADVISORY AND VISAS

### 1. Time Zones

Australia's three time zones, Eastern, Central and Western, are parallel to those in Asia. Eastern Time (Sydney, Melbourne, Canberra, Brisbane, and Cairns) is one hour ahead of Tokyo. The reversal of the seasons (and hence of daylight saving time in the Northern and Southern Hemispheres) complicates the time zone calculation. Not all Australian states have daylight saving. Between the months of April and October, when it is 8:00 am in New York and 11:00 am in Los Angeles, it is 10:00 pm in Sydney and 8:00 pm in Perth. From November to March, at 8:00 am in New York it is 12:00 pm in Sydney and 9:00 pm in Perth.

Due to the 2000 Olympic Games (Sep 15-Oct 1) and Paralympic Games (Oct 19-29), the eastern seaboard states (except Queensland) will commence daylight saving on August 27 instead of in October.

### 2. International Air Travel Times

Los Angeles to Sydney - 14 hrs, 20 mins  
 New York to Sydney (via Los Angeles)- 21 hrs, 30 mins  
 (via Japan) 25 hrs, 20 mins  
 Honolulu to Sydney - 9 hrs, 55 mins  
 Tokyo to Sydney - 9 hrs, 20 mins  
 Hong Kong to Sydney - 9 hrs  
 Singapore to Sydney - 7 hrs, 50 mins

### 3. Air Travel Times Within Australia

Sydney to Melbourne - 1 hr, 10 mins  
 Sydney to Brisbane - 1 hr, 25 mins  
 Sydney to Perth - 4 hrs, 10 mins  
 Sydney to Canberra - 35 mins  
 Melbourne to Brisbane - 2 hrs  
 Melbourne to Perth - 4 hrs  
 Brisbane to Perth - 6 hrs, 20 mins

### 4. Visas

A valid U.S. passport and either a visa or an Electronic Travel Authority (ETA) are required for Americans traveling to Australia for business and/or tourism. Visas can be obtained from Australian Embassies, High Commissions and Consulates. They are also available, in ETA form, from participating U.S. travel agents and airlines when making travel arrangements. The Australian Embassy has a list of participating travel agencies. U.S. citizens traveling to Australia should note that the ETA can only be obtained in the U.S.

Requirements for work and resident visas are more stringent. The nearest Australian visa office should be contacted well in advance. Visas are issued by Australian Embassies and Consulates. (The addresses of Australian Government offices in the U.S. are listed in Chapter 11 Section 4A.)

## D. HOLIDAYS

Australians tend to take their annual holiday in December and January, combining Christmas/New Year celebrations with the long summer school holidays. Consequently, business slows down and it is usually difficult to make appointments during this time. Business travelers should be sure that their contacts will be available during this period before scheduling trips.

Listed below are the national public holidays observed in Australia. Some dates may vary from state to state, and individual states have their own additional public holidays. For example, all states have a public holiday for the Queen's Birthday and Labour Day, but the dates vary.

New Year's Day	January 1
Australia Day	January 26
Good Friday	April 13
Easter Monday	April 16
Anzac Day	April 25
Christmas Day	December 25
Boxing Day	December 26

## E. BUSINESS INFRASTRUCTURE

### 1. Business Hours and Banking

Office business hours generally are 9:00 am-5:00 pm, Monday through Friday. Retail shops increasingly keep longer business hours, and all city centers have evening shopping at least one day per week, along with Saturday and (in most areas) Sunday also. However, Australia has not yet gone to the 7-day/24-hour shopping mode characteristic of most of the U.S.. Banks are open to the public from 9:00 a.m. to 4:00 p.m. (some later) Monday through Friday, with 7-day/24-hour ATM service. Restaurants and convenience stores are open for extended hours.

### 2. Currency

Australia's unit of currency, the Australian dollar (A\$), is freely traded. The conversion rate is variable. In 1998, the average rate was A\$1 to US\$0.63; in 1999, A\$1 to US\$0.64; and in 2000 the average rate is estimated to be approximately A\$1 to US\$0.63 (as of the writing of this report, the rate was US\$0.59). Travelers checks are accepted widely. Currency can be exchanged easily at

international airports and most major banks, and ATM machines are readily accessible. There are no major restrictions on importing or exporting currency or travelers checks to/from Australia, although a customs declaration is filed when taking out large amounts of cash.

### 3. Credit Cards/ATMS

Most international credit cards are accepted in Australia and, as in the U.S., can be used for purchases of goods and services and to confirm hotel and other travel arrangements. ATM machines have most international cash access systems available so that travelers can withdraw cash directly from their U.S. accounts.

### 4. Telephones and Facsimiles

Australia's telecommunications infrastructure is excellent; national and international prices continue to decline as competition increases. Services to businesses include Internet access, ISDN, E-mail, voice messaging, and faxes. The use of phone cards is common, and most major international phone cards can be used. Phone cards can be purchased locally from numerous retail outlets.

Australia is a user of GSM services with three major registered providers being Telstra, Optus and Vodafone. Mobile phones are available for rent.

Internet access is becoming widely available at airports and internet cafés. Where necessary, facsimile services are also available for public use in post offices, hotels, and some copy shops.

### 5. Mobile Phones

Australia currently uses two international standards for cellular mobile telephones, these are AMPS (analogue) and GSM (digital). 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 are advised to check if your cellular phone equipment is safe to operate in Australia. Power voltage is 240 volts/50Hz.

For further information, see the Australian Communication Authority website at [www.aca.gov.au](http://www.aca.gov.au)

### 6. Postal and Courier Services

Australia Post supplies modern and efficient postal services within Australia and overseas. Express delivery and insured service is available. Domestic and international faxes can be sent from post offices. Several international courier services operate from major cities, offering express worldwide delivery of documents and packages.

### 7. Hotels and Business Services

The business traveler to Australia can choose from a full range of hotels, from budget to international standard. Bookings for major chains can be made before leaving the U.S. Accommodation ranges from standard rooms to elaborate suites. Serviced apartment/hotels, with kitchens and living rooms, are available. Most large hotels offer a full range of business and

communications services, including E-mail, fax, word processing and copying. Temporary worker-serviced office suites are available for short-term rental.

#### 8. Rental Cars and Local Transportation

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

#### 9. Electrical Power

Voltage in Australia is 220-240V, 50 cycles. Three-pronged conversion plugs are available widely in retail stores. Voltage transformers, to convert American 110V appliances are available, but not found so easily. Dual-voltage devices are more practical.

#### 10. Taxes and Customs Duties

On July 1, 2000, the Australian Government introduced a ten percent General Services Tax (GST) to replace wholesale sales taxes. The GST is a tax that is charged on the supply of all goods and services in Australia, including hotels and restaurants, and on goods imported into Australia. Tourists may be able to claim a refund at the airport on departure from Australia for GST paid on goods purchased in Australia that they take with them. Conditions apply and further details on the Tourist Refund Scheme can be obtained from information brochures that will be available at the airport upon arrival.

Passengers with airline tickets can buy items at duty-free shops in major cities and airports, although sometimes the prices are better in other retail shops. It pays to compare prices. Customs information is available from the Australian Customs Service. (See Chapter 11, Section 1.)

#### 11. Health

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

#### 12. Food and Drink

Australia's reputation as a world gourmet destination is growing, as awareness spreads of Australia's abundance of fresh, pure, and prime quality fruits, vegetables, meats, seafood, dairy products, specialty cheeses and fine wines. Australia's cultural diversity provides a broad choice of cuisine, and modern Australian chefs are reaching new heights of creativity. The coastal cities are renowned for fresh seafood, and the traditional Australian barbecue is a way of life. Australia is winning

international wine awards and its wine industry export earnings are growing exponentially.

### 13. Cultural Opportunities

Australia's vibrant, multicultural society offers cultural events to suit every preference. In major cities, opera, ballet, and theater companies perform throughout the year. Typically, there are a myriad of art exhibitions, music festivals and concerts. Country towns often stage annual local agricultural, food and wine festivals, and ethnic groups hold their own celebrations. Sports of all types are well supported, in particular, the four football codes (Australian rules football, rugby league, rugby union and soccer) and cricket.

#### F. REQUIREMENTS FOR TEMPORARY ENTRY OF PERSONAL LAPTOPS, SOFTWARE, EXHIBIT MATERIALS AND RELATED ITEMS

There are no restrictions to the temporary importation of personal computers and software applications for use in normal business situations, nor does Australia have restrictions on Encryption based software. In most cases, items imported for the sole use of exhibiting at local trade fairs are not subject to import duties.

Commercial goods brought into Australia with the intention of being sold will be subject to the normal rates of duty and sales tax where applicable. Goods, commercial or personal, which are brought into Australia to remain temporarily, may be admitted duty and tax free, subject to certain conditions. Carnets may be obtained for temporary duty-free entry of goods such as commercial samples, jewelry, goods for international exhibitions, equipment for sporting events, professional television and film equipment etc.

Before you arrive in Australia, you are advised to check if your communications equipment (for example, mobile and cordless phone, fax machine, wireless microphone, laptop computer) is safe to operate in Australia. Power voltage is 240 volts/50Hz.

For further information: [www.customs.gov.au](http://www.customs.gov.au)

#### G. COUNTRY SPECIFIC TRAVEL INFORMATION WEB SITES

Australian Tourist Commission	<a href="http://www.aussie.net.au">www.aussie.net.au</a>
New South Wales Tourist Commission	<a href="http://www.tourism.nsw.gov.au">www.tourism.nsw.gov.au</a>
City of Sydney Tourist Office	<a href="http://www.sydneycity.nsw.gov">www.sydneycity.nsw.gov</a>
Victorian Tourist Commission	<a href="http://www.visitvictoria.com">www.visitvictoria.com</a>
Queensland Tourist & Travel Corp.	<a href="http://www.tq.com.au">www.tq.com.au</a>
South Australian Tourist Commission	<a href="http://www.visit-southaustralia.com.au">www.visit-southaustralia.com.au</a>
Western Australian Tourist Commission	<a href="http://www.westernaustralia.net">www.westernaustralia.net</a>
Northern Territory Tourist Commission	<a href="http://www.nttc.com.au">www.nttc.com.au</a>
Tourism Tasmania	<a href="http://www.tas.gov.au">www.tas.gov.au</a>

#### H. COMMERCIAL SERVICE/US EMBASSY CONTACTS

U.S. business travelers are encouraged to obtain a copy of the "Key Officers of Foreign Service

Posts: Guide for Business Representatives”, available for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402; Tel: (202) 512-1800; Fax: (202) 512-2250.

Business travelers to Australia seeking appointments with U.S. Embassy/Consulate officials in Australia should contact the U.S. Commercial Service, Sydney, in advance. The U.S. Commercial Service can be reached by telephone at 61-2-9373-9202 or 9205; fax at 61-2-9221-0573; or E-mail: [sydney.office.box@mail.doc.gov](mailto:sydney.office.box@mail.doc.gov)

## I. USG WEB SITES IN AUSTRALIA

U.S. Commercial Service, Australia	<a href="http://www.csaustralia.org">www.csaustralia.org</a>
American Consulate General, Sydney	<a href="http://www.usconsydney.org">www.usconsydney.org</a>
American Consulate General, Melbourne	<a href="http://www.usis-australia.gov/melbourne">www.usis-australia.gov/melbourne</a>
American Consulate General, Perth	<a href="http://www.usis-australia.gov/perth">www.usis-australia.gov/perth</a>
U.S. Embassy, Australia	<a href="http://www.usis-australia.gov/embassy">www.usis-australia.gov/embassy</a>

## CHAPTER X: ECONOMIC AND TRADE STATISTICS

### APPENDIX A: AUSTRALIAN DOMESTIC ECONOMY STATISTICS

(All figures in millions of U.S. Dollars\*)

Calendar Year	1998	1999	2000 (p)
1. Gross Domestic Product (GDP) (89-90 prices)	364,000	389,000	395,000
2. GDP growth rate (%)**	4.7	4.3	3.8
3. GDP per capita	19,100	20,400	20,800
4. Government spending (% of GDP)	26	26	23
5. Inflation (%)***	1.6	1.8	2.8
6. Unemployment (%)	8.0	7.2	6.8
7. Foreign Exchange Reserves (Year end)	14,000	19,200	17,000
8. Avg. Exchange rate (US\$=1.00)	1.59	1.51	1.42
(A\$=1.00)	0.63	0.64	0.63
9. Net Foreign Debt (Year End)	150,000	158,000	158,000
10. Debt Service Ratio (%)	9.0	9.9	9.8
11. U.S. Economic/Military	NA	NA	NA

## Assistance

Sources: Australian Bureau of Statistics, Federal Budget Statement 2000-01, and the Reserve Bank of Australia.

\* Exchange rate fluctuations must be considered when analyzing data

\*\* Percent changes are calculated using Australian dollars

\*\*\* 2000 inflation figure extracts from one-off effects of July 2000 introduction of Goods and Services Tax. Headline inflation in late 2000 should peak around 6 pct, returning to core level by mid-2001.

(p) projection

## APPENDIX B: GOODS AND SERVICES TRADE STATISTICS

(All figures in millions of U.S. dollars\*)

Calendar Year	1998	1999	2000 (p)
<b>AUSTRALIAN TOTAL TRADE</b>			
Exports to the World			
Goods	55,700	55,200	56,700
Services	15,900	16,900	17,600
Total	71,600	82,100	74,300
Imports from the World			
Goods	57,900	63,400	61,700
Services	16,600	18,000	18,400
Total	74,500	81,400	80,100
Balance			
Goods	-2,200	-8,200	-5,000
Services	-700	-1,100	-800
Total	-2,900	-9,300	-5,800
<b>AUSTRALIAN TRADE WITH THE U.S.</b>			
Exports to the U.S.			
Goods	4,900	5,200	5,100
Services	2,600	2,900	3,000
Total	7,500	8,100	8,100
Imports from the U.S.			
Goods	12,400	13,500	13,900
Services	3,400	3,600	3,800
Total	15,800	17,100	17,700

Balance			
Goods	-7,500	-8,400	-8,800
Services	-900	-800	-800
Total	-8,400	-9,200	-9,500

Source: Australian Bureau of Statistics

Footnotes:

\* Exchange rate fluctuations must be considered when analyzing data

(p) projection

## CHAPTER XI: U.S. AND COUNTRY CONTACTS

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1. U.S. GOVERNMENT ORGANIZATIONS

## A. EMBASSY OF THE UNITED STATES OF AMERICA

Moonah Place  
 Canberra ACT 2600  
 Tel: 61 2 6214 5600  
 Fax: 61 2 6214 5970

For mail from the U.S.:  
 American Embassy Canberra  
 PSC 277  
 APO AP 96549

The U.S. Embassy, with its subsidiary Consulates General, is responsible for all of the functions of the U.S. diplomatic mission to Australia. The Ambassador is the senior U.S. government official in Australia. Embassy Officers with primary responsibility for trade policy, trade issues, and trade promotion programs include:

- \* Commercial Counselor (The Senior U.S. Commercial Service Officer for Australia, who is located at the U.S. Consulate General in Sydney - send inquiries to address below, not to the Embassy in Canberra)
- \* Economic Counselor
- \* Agricultural Counselor
- \* Labor Attache
- \* Defense Attache
- \* Animal and Plant Health Inspection Service (APHIS) Attache

## B. COMMERCIAL SERVICE OFFICES IN AUSTRALIA

The Foreign Commercial Service of the U.S. Department of Commerce has offices at the American Consulates General in Sydney, Melbourne, and Perth. Offices in Sydney and Melbourne are staffed by American Commercial Service Officers, who are part of the Diplomatic Mission to Australia. They manage all aspects of the trade promotion program, with an Australian staff of trade professionals.

The Foreign Commercial Service in Australia works with the U.S. Department of Commerce Export Assistance Centers and District Offices throughout the United States to provide a full range of export facilitation services to U.S. business. The first point of inquiry for an American company needing Commercial Service assistance is its nearest USDOC District Office in the United States.

For general questions concerning trade policy or issues, or industry-specific inquiries:

Senior Commercial Officer for Australia:

Commercial Service  
 U.S. Consulate General  
 Level 59, MLC Centre,  
 19-29 Martin Place

102  
Sydney NSW 2000  
Tel: 61 2 9373 9200  
Fax: 61 2 9221 0573

For inquiries specifically concerning New South Wales, Queensland and the Australian Capital Territory:

Deputy Senior Commercial Officer  
Commercial Service  
U.S. Consulate General  
Level 59, MLC Centre,  
19-29 Martin Place  
Sydney NSW 2000  
Tel: 61 2 9373 9200  
Fax: 61 2 9221 0573

For mail from the U.S.:

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

For inquiries concerning Victoria, South Australia, Tasmania and the Northern Territory:

Principal Commercial Officer  
Commercial Service  
U.S. Consulate General  
553 St. Kilda Road, 6th Floor  
Melbourne VIC 3004  
Tel: 61 3 9526 5900  
Fax: 61 3 9510 4660

For mail from the U.S.:

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

For inquiries concerning Western Australia:

Commercial Specialist  
U.S. Consulate General  
Commercial Service

16 George's Terrace, 13th Floor  
Perth WA 6000  
Tel: 61 8 9231 9400  
Fax: 61 8 9231 9444

For mail from the U.S.:

Commercial Specialist  
Commercial Service  
U.S. Consulate General, Perth  
APO AP 96530

## C. WASHINGTON-BASED U.S. GOVERNMENT OFFICES DEALING WITH AUSTRALIA

### U.S. DEPARTMENT OF AGRICULTURE

Foreign Agricultural Service  
Foreign Agricultural Affairs  
East Asia Pacific Area Office  
Washington DC 20250  
Tel: 202 720 2690  
Fax: 202 720 6063

### U.S. DEPARTMENT OF COMMERCE

Australia Desk Officer  
International Trade Administration  
Room 2308 HCHB  
Washington DC 20230  
Tel: 202 482 2471/2955  
Fax: 202 482 5330

### U.S. DEPARTMENT OF DEFENSE

Defense Security Assistance Agency  
East Asia Pacific Division  
Office of the Secretary of Defense  
Room 4B740  
The Pentagon  
Washington DC 20301  
Fax: 703 604 6541

### U.S. DEPARTMENT OF STATE

East Asia Pacific/ANZ Desk  
Room 4209  
Washington DC 20520/6310  
Tel: 703 255 5138  
Fax: 202 647 4402

104  
EAST ASIA PACIFIC/PUBLIC DIPLOMACY  
301 4th Street, S.W., Room 766  
Washington DC 20547  
Tel: 202 619 5847  
Fax: 202 619 6684

MULTILATERAL DEVELOPMENT BANK OFFICE  
U.S. Department of Commerce  
14th and Constitution Avenue, N.W.  
Room H-1107  
Washington DC 20007  
Tel: 202 482 3399  
Fax: 202 273-0927

Australia is a donor country to multilateral development banks, not a recipient. There are no MDB offices in Australia. The Australian government liaises with the MDBs through its Embassies in the cities where the banks are located: Asian Development Bank, Manila; World Bank, Washington.

TRADE INFORMATION CENTER (TIC)  
Tel: 1-800-USA-TRADE (1 800 872 8723)  
202 482 5455 (TPCC Secretariat)  
Fax: 202 482 4473

TIC specialists provide basic export counseling and information on export services and programs offered by 19 federal agencies of the Trade Promotion Coordinating Committee (TPCC). The annual report of the TPCC, "The National Export Strategy", designates "the Trade Information Center, situated in Commerce, as the single TPCC-wide information office that will coordinate specialized non-agricultural export information offices".

## 2. AMCHAM AND BILATERAL BUSINESS COUNCILS

### A. THE AMERICAN CHAMBER OF COMMERCE IN AUSTRALIA (AMCHAM)

AmCham is the premier organization supporting the U.S.-Australian business community. The Chamber has more than 1500 member companies and works very closely with the U.S. Embassy and U.S. Commercial Service in Australia. AmCham has a full program of business information and advisory services, business community networks, business forums, etc. It represents views of the business community to both the Australian and American governments and is active in the Asia-Pacific Association of Chambers and the Asia-Pacific Cooperation Forum (APCAC). AmCham publishes an annual directory of all members.

The American Chamber of Commerce in Australia  
Suite 4, Gloucester Walk  
88 Cumberland Street  
Sydney NSW 2000  
Tel: 61 2 9241 1907  
Fax: 61 2 9251 5220

Email: [nsw@amcham.com.au](mailto:nsw@amcham.com.au)

## B. AUSTRALIAN/AMERICAN CHAMBERS OF COMMERCE (AACC)

These organizations conduct a variety of activities ranging from trade promotion and facilitation, to information programs, to social and cultural activities, depending upon the interests of their members. They also are affiliated loosely with the Australian Embassy and the Australian Trade Commission (AUSTRADE) in the U.S. There are AACCs in the following cities: Atlanta, GA; Chicago, IL; Dallas, TX; Denver, CO; Honolulu, HI; Houston, TX; Los Angeles, CA; Minneapolis, MN; Orlando, FL; Pittsburgh, PA; St. Louis, MO; San Diego, CA; San Francisco, CA. Contact AUSTRADE for further information (see Section 4A for address).

## C. AUSTRALIAN CHAMBERS OF COMMERCE (BY STATE)

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

### NEW SOUTH WALES

State Chamber of Commerce (NSW)  
GPO Box 4280  
Sydney NSW 2001  
Tel: 61 2 9350 8100  
Fax: 61 2 9350 8199  
[www.thechamber.com.au](http://www.thechamber.com.au)

### QUEENSLAND

Queensland Chamber of Commerce and Industry Limited  
Industry House, 375 Wickham Terrace  
Brisbane QLD 4000  
Tel: 61 7 3842 2244  
Fax: 61 7 3832 3195  
E-mail: [qcci@qcci.com.au](mailto:qcci@qcci.com.au)  
[www.qcci.com.au](http://www.qcci.com.au)

### VICTORIA

Victorian Employers' Chamber of Commerce and Industry  
196 Flinders Street  
Melbourne VIC 3000  
Tel: 61 3 8662 5333  
Fax: 61 3 8622 5473  
E-mail: [vecci@vecci.org.au](mailto:vecci@vecci.org.au)  
[www.vecci.org.au](http://www.vecci.org.au)

### SOUTH AUSTRALIA

Business SA  
136 Greenhill Road  
Unley SA 5061

106

Tel: 61 8 8300 0000

Fax: 61 8 8300 0001

E-mail: [enquiries@business-sa.com](mailto:enquiries@business-sa.com)

[www.business-sa.com](http://www.business-sa.com)

#### TASMANIA

Tasmanian Chamber of Commerce and Industry

GPO Box 793

Hobart TAS 7001

Tel: 61 3 6234 5933

Fax: 61 3 6231 1278

E-mail: [admin@tcci.com.au](mailto:admin@tcci.com.au)

[www.tcci.com.au](http://www.tcci.com.au)

#### WESTERN AUSTRALIA

Chamber of Commerce and Industry of Western Australia

PO Box 6209

East Perth WA 6892

Tel: 61 8 9365 7555

Fax: 61 8 9365 7550

E-mail: [info@cciwa.com](mailto:info@cciwa.com)

[www.cciwa.com](http://www.cciwa.com)

### 3. 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 (ZEC; ZRG; ZSV)

Association of Consulting Engineers

PO Box 1002

North Sydney NSW 2059

Tel: 61 2 9922 4711

Fax: 61 2 9957 2484

[www.acea.aust.com](http://www.acea.aust.com)

Australian Business Limited of NSW

Private Bag No. 938

North Sydney NSW 2059

Tel: 61 2 9927 7500

Fax: 61 2 9923 1166

[www.australianbusiness.com.au](http://www.australianbusiness.com.au)

Australian Chamber of Commerce and Industry

PO Box E14

Kingston ACT 2604  
Tel: 61 2 6273 2311  
Fax: 61 2 6273 3196  
[www.acci.asn.au](http://www.acci.asn.au)

Australian Commercial Disputes Centre  
Level 6, 50 Park Street  
Sydney NSW 2000  
Tel: 61 2 9267 1000  
Fax: 61 2 9267 3125  
E-mail: [info@acdcltd.com](mailto:info@acdcltd.com)

Australian Industry Group  
PO Box 7622  
Melbourne VIC 8004  
Tel: 61 3 9280 0111  
Fax: 61 3 9280 0199  
[www.airgroup.asn.au](http://www.airgroup.asn.au)

Australian Institute of Management  
PO Box 112  
St. Kilda VIC 3182  
Tel: 61 3 9534 8181  
Fax: 61 3 9534 5050  
E-mail: [vic@aim.com.au](mailto:vic@aim.com.au)  
[www.aim.com.au](http://www.aim.com.au)

Australian Retailers Association  
Level 2, 20 York Street  
Sydney NSW 2000  
Tel: 61 2 9290 3766  
Fax: 61 2 9262 1464  
[www.ara.com](http://www.ara.com)

Business Council of Australia (policy advisory group)  
GPO Box 1472N  
Melbourne VIC 3001  
Tel: 61 3 9610 4222  
Fax: 61 3 9610 4223  
[www.bca.com.au](http://www.bca.com.au)

Customs Brokers Council of Australia Inc  
Suite 603, Westfield Tower  
152 Bunnerong Road  
East Gardens NSW 2036  
Tel: 61 2 9314 1711  
Fax: 61 2 9314 2484

[www.cbca.org.au](http://www.cbca.org.au)

Institute of Patent and Trademark Attorneys of Australia  
1 Little Collins Street  
Melbourne VIC 3000  
Tel: 61 3 9650 2399  
Fax: 61 3 9650 3611  
[www.ipta.com.au](http://www.ipta.com.au)

Institution of Engineers, Australia  
Engineering House, 11 National Circuit  
Barton ACT 2600  
Tel: 61 2 6270 6555  
Fax: 61 2 6273 1488  
[www.ieaust.org.au](http://www.ieaust.org.au)

Market Research Society of Australia Ltd.  
PO Box 697  
North Sydney NSW 2059  
Tel: 61 2 9955 4830  
Fax: 61 2 9955 5746  
[www.mrsa.com.au](http://www.mrsa.com.au)

Standards Australia  
PO Box 1055  
Strathfield NSW 2135  
Tel: 61 2 9746 4700  
Fax: 61 2 9746 8450  
[www.standards.com.au](http://www.standards.com.au)

#### ACCOUNTING FIRMS (ACT)

CPA Australia  
GPO Box 2820AA  
Melbourne VIC 3001  
Tel: 61 3 9606 9606  
Fax: 61 3 9670 8901  
[www.cpaonline.com.au](http://www.cpaonline.com.au)

Institute of Chartered Accountants in Australia  
GPO Box 3921  
Sydney NSW 2001  
Tel: 61 2 9290 1344  
Fax: 61 2 9262 1512  
[www.icaa.org.au](http://www.icaa.org.au)

#### AGRICULTURAL MACHINERY AND EQUIPMENT (AGM)

Agricultural Machinery Research and Design Center  
University of South Australia  
GPO Box 2471  
Adelaide SA 5001  
Tel: 61 8 8302 6611  
Fax: 61 8 8302 2466  
[www.unisa.edu.au/amrdc](http://www.unisa.edu.au/amrdc)

AIRCRAFT/PARTS (AIR)  
AIRPORT/GROUND SUPPORT EQPT (APG)  
AVIATION SERVICES (AVS)

Aircraft Owners and Pilots Association  
PO Box 26  
Georges Hall NSW 2198  
Tel: 61 2 9791 9099  
Fax: 61 2 9791 9355  
E-mail: [mail@aopa.com.au](mailto:mail@aopa.com.au)

Association of Australian Aerospace Industries  
PO Box 2  
Civic Square ACT 2600  
Tel: 61 2 6273 6555  
Fax: 61 2 6273 6611  
[www.aaai.asn.au](http://www.aaai.asn.au)

Commercial Aviation Association of Australia  
2/74 Fullarton Road  
Norwood SA 5067  
Tel: 61 8 8362 1139  
Fax: 61 8 8362 0705

Helicopter Association of Australia  
25 Wentworth Street  
Granville NSW 2142  
Tel: 61 2 9637 0944  
Fax: 61 2 9637 2772

General Aviation Association (Australia) Inc.  
Unit 2, 74 Fullarton Road  
Norwood SA 5067  
Tel: 61 8 8362 0488  
Fax: 61 8 8362 0705

AUTOMOTIVE PARTS/SERVICE EQUIPMENT (APS)

Australian Automotive Aftermarket Association  
622 Ferntree Gully Road  
Mulgrave East VIC 3170  
Tel: 61 3 9561 7044  
Fax: 61 3 9561 7066  
E-mail: [aaaa@vicnet.net.au](mailto:aaaa@vicnet.net.au)  
[www.aaaa.com.au](http://www.aaaa.com.au)

Auto Parts Recyclers Association of Australia (APRAA)  
PO Box 581  
Unley SA 5061  
Tel: 61 8 8357 7866  
Fax: 61 8 8357 7011  
E-mail: [info@apraa.com.au](mailto:info@apraa.com.au)  
[www.apraa.com](http://www.apraa.com)

Motor Trades Association of Australia  
PO Box E368  
Kingston ACT 2600  
Tel: 61 2 6273 4333  
Fax: 61 2 6273 2738  
E-mail: [mtaa@msn.com.au](mailto:mtaa@msn.com.au)  
[www.mtaa.com.au](http://www.mtaa.com.au)

#### BIOTECHNOLOGY (BTC)

Australian Biotechnology Association (ABA)  
Box 7004  
Gardenvale LPO  
Brighton VIC 3186  
Tel: 61 3 9596 8879  
Fax: 61 3 9596 8874  
E-mail: [aba@netspace.net.au](mailto:aba@netspace.net.au)

Australian Pharmaceutical Manufacturers Association  
Level 7, 88 Walker Street  
North Sydney NSW 2060  
Tel: 61 2 9922 2699  
Fax: 61 2 9959 4860  
[www.apma.com.au](http://www.apma.com.au)

#### BOOKS/PERIODICALS (BOK)

Australian Booksellers Association Inc. (ABA)  
P.O. Box 1088  
Carlton VIC 3053  
Tel: 61 3 9349 5766  
Fax: 61 3 9349 5799

E-mail: [abaaba@aba.org.au](mailto:abaaba@aba.org.au)  
[www.aba.org.au](http://www.aba.org.au)

## BUILDING AND CONSTRUCTION (CON)

Australian Constructors Association  
Level 4, 51 Walker Street  
North Sydney NSW 2060  
Tel: 61 2 9466 5566  
Fax: 61 2 9466 5599  
E-mail: [jimainnsw.aigroup.asn.au](mailto:jimainnsw.aigroup.asn.au)  
[www.constructors.com.au](http://www.constructors.com.au)

Australian Underground Construction and Tunneling Association  
11 National Circuit  
Barton ACT 2600  
Tel: 61 2 6270 6555  
Fax: 61 2 6273 1488  
E-mail: [valerie\\_lee@ieaust.org.au](mailto:valerie_lee@ieaust.org.au)

Civil Contractors Federation  
1/8 Glan Road  
Hawthorn VIC 3122  
Tel: 61 3 9819 0611  
Fax: 61 3 9819 0622  
E-mail: [ccfnat@ccf.org.au](mailto:ccfnat@ccf.org.au)  
[www.ccf.org.au](http://www.ccf.org.au)

Master Builders Australia Inc.  
3rd Floor, 217 Northbourne Avenue  
Turner ACT 2612  
Tel: 61 2 6249 1433  
Fax: 61 2 6249 1373  
E-mail: [mbaust@ozemail.com.au](mailto:mbaust@ozemail.com.au)  
[www.ozemail.com.au/~mbaust](http://www.ozemail.com.au/~mbaust)

Process Engineers and Constructors Association Inc.  
214 Northbourne Avenue  
Canberra ACT 2601  
Tel: 61 2 6217 9188  
Fax: 61 2 6217 9199  
E-mail: [peca@aigvic.aigroup.asn.au](mailto:peca@aigvic.aigroup.asn.au)

## CHEMICAL PRODUCTION MACHINERY (CHM) CHEMICALS, INDUSTRIAL (ICH)

Chemical Advisory Service

PO Box 38  
Vermont VIC 3133  
Tel: 61 3 9335 3208  
Fax: 61 3 9335 1750  
E-mail: [info@cas.com.au](mailto:info@cas.com.au)  
[www.cas.com.au](http://www.cas.com.au)

Plastics and Chemicals Industries Association Inc. (PACIA)  
GPO Box 1610M  
Melbourne VIC 3001  
Tel: 61 3 9699 6299  
Fax: 61 3 9699 6717  
E-mail: [info@pacia.org.au](mailto:info@pacia.org.au)  
[www.pacia.org.au](http://www.pacia.org.au)

COMPUTERS/PERIPHERALS (CPT)  
COMPUTER SOFTWARE (CSF)  
COMPUTER SERVICES (CSV)

Australian Computer Society Inc.  
PO Box Q534  
Queen Victoria Building  
Sydney NSW 1230  
Tel: 61 2 9299 3666  
Fax: 61 2 9299 3997  
[www.acs.org.au](http://www.acs.org.au)

Australian Information Industry Association (AIIA)  
PO Box 246  
Deakin West ACT 2600  
Tel: 61 2 6282 4700  
Fax: 61 2 6285 1408  
[www.aiia.com.au](http://www.aiia.com.au)

Australian Interactive Multimedia Industry Association (AIMIA)  
PO Box N657  
Grosvenor Place NSW 1220  
Tel: 61 2 9338 0570  
Fax: 61 2 9338 1534  
[www.aimia.com.au](http://www.aimia.com.au)

Australian Internet Industry Association  
PO Box 74  
Red Hill ACT 2603  
Tel: 61 2 6232 6900  
Fax: 61 2 6232 6513  
[www.iiia.net.au](http://www.iiia.net.au)

Australian Visual Software Distributors Association (AVSDA)

Level 3/160 Rowe Street

Eastwood NSW 2122

Tel: 61 2 9874 9700

Fax: 61 2 9874 9205

(Association represents wholesalers of interactive games and deals with issues such as protection from illegal parallel imports etc.)

DEFENSE INDUSTRY EQUIPMENT (DFN)

Australian Industry Group

214 Northbourne Avenue

Canberra ACT 2601

Tel: 61 2 6217 9188

Fax: 61 2 6217 9199

E-mail: [gregj@aigact.aigroup.asn.au](mailto:gregj@aigact.aigroup.asn.au)

DIRECT MARKETING (DIR)

Australian Direct Marketing Association

Suite 1, Level 5, 100 William Street

East Sydney NSW 2011

Tel: 61 2 9368 0366

Fax: 61 2 9368 0866

E-mail: [info@adma.com.au](mailto:info@adma.com.au)

[www.adma.com.au](http://www.adma.com.au)

EDUCATION/TRAINING (EDS)

Adult Learning Australia

PO Box 308

Jamison Centre ACT 2614

Tel: 61 2 6251 7933

Fax: 61 2 6251 7935

E-mail: [info@ala.asn.au](mailto:info@ala.asn.au)

[www.ala.asn.au](http://www.ala.asn.au)

Australian Institute of Training & Development (AITD)

PO Box 5452

West Chatswood NSW 1515

Tel: 61 2 9419 4966

Fax: 61 2 9419 4142

E-mail: [national@aitd.com.au](mailto:national@aitd.com.au)

[www.aitd.com.au](http://www.aitd.com.au)

Australian National Training Authority (ANTA)

GPO Box 3120  
Brisbane QLD 4001  
Tel: 61 7 3246 2300  
Fax: 61 7 3246 2490  
E-mail: [champnessc@anta.gov.au](mailto:champnessc@anta.gov.au)  
[www.anta.gov.au](http://www.anta.gov.au)

## ELECTRICAL POWER SYSTEMS (ELP)

Australian Bureau of Agriculture and Resource Economics  
GPO Box 1563  
Canberra ACT 2601  
Tel: 61 2 6272 2000  
Fax: 61 2 6272 2001  
[www.abare.gov.au](http://www.abare.gov.au)

## Department of Industry, Science and Resources

GPO Box 9839  
Canberra ACT 2601  
Tel: 61 2 6213 7923  
Fax: 61 2 6213 7970  
E-mail: [distpub@disr.gov.au](mailto:distpub@disr.gov.au)  
[www.disr.gov.au](http://www.disr.gov.au)

Electricity Supply Association of Australia Ltd  
GPO Box A2492  
Sydney NSW 1235  
Tel: 61 2 9233 7222  
Fax: 61 2 9233 7244  
[www.esaa.com.au](http://www.esaa.com.au)

Energy Industry Ombudsman (Victoria)  
GPO Box 469D  
Melbourne VIC 3001  
Tel: 61 3 9649 7599  
Fax: 61 3 9649 7588  
[www.wiov.vic.gov.au](http://www.wiov.vic.gov.au)

Office of the Regulator-General, Victoria  
Level 1, 35 Spring Street  
Melbourne VIC 3000  
Tel: 61 3 9651 0201  
Fax: 61 3 9651 3688  
E-mail: [reception@reggen.vic.gov.au](mailto:reception@reggen.vic.gov.au)  
[www.reggen.vic.gov.au](http://www.reggen.vic.gov.au)

Sustainable Energy Development Authority

PO Box N442  
 Grosvenor Place NSW 1220  
 Tel: 61 2 9291 5260  
 Fax: 61 2 9299 1519  
 E-mail: [seda@seda.nsw.gov.au](mailto:seda@seda.nsw.gov.au)  
[www.seda.nsw.gov.au](http://www.seda.nsw.gov.au)

The Warren Centre for Advanced Engineering  
 Engineering Building J13  
 Sydney University  
 Sydney NSW 2006  
 Tel: 61 2 9351 3752  
 Fax: 61 2 9351 2012  
 E-mail: [warren@eng.usyd.edu.au](mailto:warren@eng.usyd.edu.au)  
[www.usyd.edu.au](http://www.usyd.edu.au)

#### ELECTRONICS (EIP)

Australian Electrical and Electronic Manufacturers' Association  
 GPO Box 1966  
 Canberra City ACT 2601  
 Tel: 61 2 6247 4655  
 Fax: 61 2 6247 9840  
[www.aeema.asn.au](http://www.aeema.asn.au)

#### ENVIRONMENTAL TECHNOLOGIES (POL)

Australian Water & Wastewater Association  
 PO Box 388  
 Artarmon NSW 1570  
 Tel: 61 2 9413 1288  
 Fax: 61 2 9413 1047

Environment Management Industry Association of Australia  
 GPO Box 2231  
 Brisbane QLD 4001  
 Tel: 61 7 3229 8522  
 Fax: 61 7 3229 8577

Waste Management Association of Australia  
 C/- CRC WM & PC  
 PO Box 644  
 Randwick NSW 2031  
 Tel: 61 2 9385 6177  
 Fax: 61 2 9662 2188

#### FILM, VIDEOS/OTHER REC. (FLM)

Australasian Performing Rights Association Ltd. (APRA)  
Locked Bag 3665  
St. Leonards NSW 2065  
Tel: 61 2 9935 7900  
Fax: 61 2 9935 7999  
[www.apra.com.au](http://www.apra.com.au)

Australian Copyright Council  
3/245 Chalmers Street  
Redfern NSW 2016  
Tel: 61 2 9318 1788  
Fax: 61 2 9698 3536  
[www.copyright.org.au](http://www.copyright.org.au)

Australian Council of Film Societies  
20 Craithie Avenue  
Park Orchards VIC 3114  
Tel: 61 3 9876 1128  
Fax: 61 3 9808 4714

Australian Film Institute  
49 Eastern Road  
South Melbourne VIC 3205  
Tel: 61 3 9696 1844  
Fax: 61 3 9696 7972  
[www.cinemia.net/afi](http://www.cinemia.net/afi)

Australian Record Industry Association (ARIA)  
PO Box Q20  
Queen Victoria Building  
Sydney NSW 1230  
Tel: 61 2 9267 7996  
Fax: 61 2 9267 7962  
[www.aria.com.au](http://www.aria.com.au)

Australian Visual Software Distributors Association (AVSDA)  
Level 3/160 Rowe Street  
Eastwood NSW 2122  
Tel: 61 2 9874 9700  
Fax: 61 2 9874 9205

Screenrights/Audio-Visual Copyright Society  
PO Box 1248  
Neutral Bay NSW 2089  
Tel: 61 2 9904 0133  
Fax: 61 2 9904 0498

[www.avcs.com.au](http://www.avcs.com.au)

## FINANCIAL SERVICES (FNS)

Australian Prudential Regulation Authority

400 George Street

Sydney NSW 2000

Tel: 61 2 9210 3000

Fax: 61 2 9210 3020

[www.apra.gov.au](http://www.apra.gov.au)

(APRA is the government's prudential regulator of banks, insurance companies and superannuation (pension) funds.)

Australian Securities and Investment Commission (ASIC)

GPO Box 4866

Sydney NSW 2000

Tel: 61 2 9911 2000

Fax: 61 2 9911 2030

[www.asic.gov.au](http://www.asic.gov.au)

Dun & Bradstreet (Australia) Pty. Ltd.

PO Box 188

Chatswood NSW 2057

Tel: 61 2 9935 2600

Fax: 61 2 9935 2666

[www.dnb.com.au](http://www.dnb.com.au)

Reserve Bank of Australia (RBA)

65 Martin Place

Sydney NSW 2000

Tel: 61 2 9551 8111

Fax: 61 2 9551 8000

[www.rba.gov.au](http://www.rba.gov.au)

Securities Institute of Australia

PO Box H99 Australia Square

Sydney NSW 1215

Tel: 61 2 9251 6799

Fax: 61 2 9251 6287

## FOOD PROCESSING/PACKAGING EQUIPMENT (FPP)

### FOODS, PROCESSED (FOD)

Australian Institute of Food Science & Technology

3/104 Mount Street

North Sydney NSW 2060

Tel: 61 2 9959 4499

Fax: 61 2 8854 4327  
E-mail: aifst@aifst.asn.au  
www.foodaust.com.au

Council of Australian Food Technology Associations Inc.  
136 Greenhill Road  
Unley SA 5061  
Tel: 61 8 8300 0000  
Fax: 61 8 8300 0001  
E-mail: inquiries@business-sa.com  
www.business-sa.com

CSIRO Food Science Australia  
PO Box 52  
North Ryde NSW 1670  
Tel: 61 2 9490 8333  
Fax: 61 2 9490 8499  
E-mail: brigitte.cox@foodscience.afisc.csiro.au

Food and Beverage Importers Association Inc.  
181 Drummond Street  
Carlton VIC 3053  
Tel: 61 3 9639 3644  
Fax: 61 3 9639 0638  
E-mail: ajb@sprint.com.au

Packaging Council of Australia Inc.  
GPO Box 1469N  
Melbourne VIC 3001  
Tel: 61 3 9698 4278/9  
Fax: 61 3 9690 3514  
E-mail: packcoun@packcoun.com.au  
www.packcoun.com.au

#### FRANCHISING (FRA)

Franchise Council of Australia Ltd (FCA)  
GPO Box 1498N  
Melbourne VIC 3001  
Tel: 61 3 9650 1667  
Fax: 61 3 9650 1713  
www.fca.com.au

#### HEALTH CARE SERVICES (HCS)

Australian Dental Industry Association  
PO Box 536

Strawberry Hills NSW 2012  
Tel: 61 2 9319 5631  
Fax: 61 2 9319 5381  
E-mail: [adia@adia.org.au](mailto:adia@adia.org.au)  
[www.adia.org.au](http://www.adia.org.au)

Australian Institute of Health & Welfare (AIHW)  
GPO Box 570  
Canberra ACT 2601  
Tel: 61 2 6244 1000  
Fax: 61 2 6244 1299  
E-mail: [info@aihw.gov.au](mailto:info@aihw.gov.au)  
[www.aihw.gov.au](http://www.aihw.gov.au)

Australian Private Hospitals Association Ltd  
PO Box 346  
Curtin ACT 2605  
Tel: 61 2 6285 2716  
Fax: 61 2 6285 2243  
E-mail: [george.neale@apha.org.au](mailto:george.neale@apha.org.au)  
[www.apha.org.au](http://www.apha.org.au)

#### INFORMATION SERVICES (INF)

Australian Computer Society  
Level 3, 160 Clarence Street  
Sydney NSW 2000  
Tel: 61 2 9299 3666  
Fax: 61 2 9299 3997  
E-mail: [info@acs.org.au](mailto:info@acs.org.au)  
[www.acs.org.au](http://www.acs.org.au)

Australian Information Industry Association (AIIA)  
PO Box 246  
Deakin West ACT 2600  
Tel: 61 2 6282 4700  
Fax: 61 2 6285 1408  
E-mail: [aiaa@aiia.com.au](mailto:aiaa@aiia.com.au)  
[www.aiia.com.au](http://www.aiia.com.au)

Australian Information Technology Society  
PO Box R590  
Royal Exchange NSW 2000  
Tel: 61 2 9211 9522  
Fax: 61 2 9211 6589  
[www.aits.com.au](http://www.aits.com.au)

## INVESTMENT SERVICES (INV)

Investment and Financial Services Association  
Level 24, 44 Market Street  
Sydney NSW 2000  
Tel: 61 2 9299 3022  
Fax: 61 2 9299 3198  
[www.ifsa.com.au](http://www.ifsa.com.au)

## JEWELRY (JLR)

Jewellers Association of Australia (JAA)  
PO Box 282  
Deakin West ACT 2600  
Tel: 61 2 6282 3211  
Fax: 61 2 6282 2725  
E-mail: [jaa@jewellers.asn.au](mailto:jaa@jewellers.asn.au)  
[www.jewellers.asn.au](http://www.jewellers.asn.au)

## LABORATORY AND SCIENTIFIC EQUIPMENT (LAB)

The Scientific Suppliers' Association of Australia  
PO Box 600  
Eastwood NSW 2122  
Tel: 61 2 9804 8051  
Fax: 61 2 9804 8052  
E-mail: [ssaa@enternet.com.au](mailto:ssaa@enternet.com.au)  
[www.ssaa.asn.au](http://www.ssaa.asn.au)

## MACHINE TOOLS/METALWORKING EQUIPMENT (MTL)

Australian Industry Group  
PO Box 289  
North Sydney NSW 2059  
Tel: 61 2 9466 5566  
Fax: 61 2 9466 5599  
E-mail: [bennet@aigsw.airgroup.asn.au](mailto:bennet@aigsw.airgroup.asn.au)  
[www.aigroup.asn.au](http://www.aigroup.asn.au)

Australian Machine Tool Association  
PO Box 620  
Turramurra NSW 2074  
Tel: 61 2 9440 3044  
Fax: 61 2 9449 9332  
E-mail: [info@machinenet.com.au](mailto:info@machinenet.com.au)  
[www.amtex.org.au](http://www.amtex.org.au)

**MATERIALS HANDLING MACHINERY (MHM)**

Australian Institute of Materials Management  
PO Box 192  
Salisbury QLD 4107  
Tel: 61 7 3241 1800  
Fax: 61 7 3274 3670

**MEDICAL EQUIPMENT (MED)**

Medical Industry Association of Australia (MIAA)  
PO Box 497  
Roseville NSW 2069  
Tel: 61 2 9415 1151  
Fax: 61 2 9415 2130  
E-mail: [miaa@ozemail.com.au](mailto:miaa@ozemail.com.au)

**MINING INDUSTRY EQUIPMENT (MIN)**

Minerals Council of Australia  
PO Box 363  
Dickson ACT 2602  
Tel: 61 2 6279 3600  
Fax: 61 2 6279 3699

**OIL & GAS FIELD MACHINERY (OGM)****OIL, GAS, MINERAL PRODUCTION/EXPLORATION SERVICES (OGS)**

The Australian Gas Association  
GPO Box 323  
Canberra ACT 2601  
Tel: 61 2 6247 3955  
Fax: 61 2 6249 7402  
E-mail: [canberra@gas.asn.au](mailto:canberra@gas.asn.au)  
[www.gas.asn.au](http://www.gas.asn.au)

**PACKAGING EQUIPMENT (PKG)**

Packaging Council of Australia  
GPO Box 1469N  
Melbourne VIC 3001  
Tel: 61 3 9698 4278/9  
Fax: 61 3 9690 3514

**PLASTIC MATERIALS/RESINS (PMR)****PLASTICS PRODUCTION MACHINERY (PME)**

Plastics and Chemicals Industries Association (PACIA)  
GPO Box 1610M  
Melbourne VIC 3001  
Tel: 61 3 9699 6299  
Fax: 61 3 9699 6717  
E-mail: [info@pacia.com.au](mailto:info@pacia.com.au)  
[www.pacia.com.au](http://www.pacia.com.au)

#### POLLUTION CONTROL EQUIPMENT (POL)

Australian Water and Wastewater Association (AWWA)  
PO Box 388  
Artarmon NSW 2064  
Tel: 61 2 9413 1288  
Fax: 61 2 9413 1047  
E-mail: [info@awa.asn.au](mailto:info@awa.asn.au)  
[www.awwa.asn.au](http://www.awwa.asn.au)

Environment Management Industry Association of Australia Ltd (EMIAA)  
Ground Floor, 217 Northbourne Ave  
Turner ACT 2612  
Tel: 61 2 6230 1011  
Fax: 61 2 6230 6814  
E-mail: [emiaa@emiaa.org.au](mailto:emiaa@emiaa.org.au)  
[www.emiaa.org.au](http://www.emiaa.org.au)

#### PRINTING/GRAPHIC ARTS EQUIPMENT (PGA)

Graphic Arts Merchants Association of Australia  
88 Ernest Street  
Crows Nest NSW 2065  
Tel: 61 2 9439 1675  
Fax: 61 2 9439 1675  
E-mail: [info@gamaa.net.au](mailto:info@gamaa.net.au)  
[www.gamaa.net.au](http://www.gamaa.net.au)

Printing Industries Association of Australia  
Level 10, 99 York Street  
Sydney NSW 2000  
Tel: 61 2 9248 7300  
Fax: 61 2 9299 0087  
E-mail: [info@printnet.com.au](mailto:info@printnet.com.au)  
[www.printnet.com.au](http://www.printnet.com.au)

#### PROCESS CONTROL INSTRUMENTATION (PCI)

Institute of Instrumentation and Control Australia, Inc.

PO Box 82  
Deepdene Delivery Centre VIC 3103  
Tel: 61 3 9816 3333  
Fax: 61 3 9857 5057  
E-mail: [info@iica.org.au](mailto:info@iica.org.au)  
[www.iica.org.au](http://www.iica.org.au)

#### RAILROAD EQUIPMENT (RRE)

Australasian Railway Association Inc.  
PO Box 266  
Melbourne VIC 3007  
Tel: 61 3 9614 5162  
Fax: 61 3 9614 5514  
[www.ara.net.au](http://www.ara.net.au)

Australian Railways Industry Industry Corporation (ARIC)  
PO Box 649  
Seven Hills NSW 2147  
Tel: 61 2 9390 2145  
Fax: 61 2 9251 3654

Rail 2000  
PO Box 8229  
Adelaide Station Arcade SA 5000  
Tel: 61 8 8410 0024  
Fax: 61 8 8212 4441  
E-mail: [rail2000@adelaide.on.net](mailto:rail2000@adelaide.on.net)  
[www.users.on.net/rail2000](http://www.users.on.net/rail2000)

#### SECURITY/SAFETY EQUIPMENT (SEC)

Australian Security Industry Association Limited (ASIAL)  
PO Box 1338  
Crows Nest NSW 2065  
Tel: 61 2 9906 4780  
Fax: 61 2 9906 4202  
[www.asial.com.au](http://www.asial.com.au)

#### TELECOMMUNICATIONS EQUIPMENT (TEL) TELECOMMUNICATION SERVICES (TES)

Australasian Teleconferencing Association (ATA)  
PO Box 3151  
South Brisbane QLD 4101  
Tel/Fax: 61 7 3300 9077  
E-mail: [atainc@ozemail.com.au](mailto:atainc@ozemail.com.au)

Australian Telecommunications Users Group Limited (ATUG)  
PO Box 357  
Milsons Point NSW 1565  
Tel: 61 2 9957 1333  
Fax: 61 2 9925 0880  
E-mail: jamesh@atug.org.au  
www.atug.org.au

#### TEXTILES, CLOTHING AND FOOTWEAR (TXP)

Council of Textile and Fashion Industries of Australia Limited  
GPO Box 1469N  
Melbourne VIC 3001  
Tel: 61 3 9698 4460  
Fax: 61 3 9698 4459  
E-mail: info@tfia.com.au

#### TRAVEL AND TOURISM SERVICES (TRA)

Australian Federation of Travel Agents Limited  
Level 3, 309 Pitt Street  
Sydney NSW 2000  
Tel: 61 2 9264 3299  
Fax: 61 2 9264 1085  
www.afta.com.au

Visit USA Organisation (Australia)  
Level 1, 564 Willoughby Road  
Willoughby NSW 2068  
Tel: 61 2 9967 4122  
Fax: 61 2 9967 5460  
E-mail: toured@ozemail.com.au  
www.visitusa.org.au

#### WATER RESOURCES EQUIPMENT/SERVICES (WRE)

Australian Water & Wastewater Association  
PO Box 388  
Artarmon NSW 1570  
Tel: 61 2 9413 1288  
Fax: 61 2 9413 1047

International Association on Water Quality  
Australian National Committee  
PO Box 388  
Artarmon NSW 1570

Tel: 61 2 9413 1288

Fax: 61 2 9413 1047

#### 4. AUSTRALIAN GOVERNMENT AGENCIES

##### A. AUSTRALIAN GOVERNMENT OFFICES IN THE UNITED STATES

The Embassy of Australia is responsible for all diplomatic relations between Australia and the United States. Australian Consulates General are located in various U.S. cities and have representational, trade and consular functions.

The Australian Trade Commission (AUSTRADE) is responsible for trade and investment promotion and has offices in the Australian Embassy in Washington, D.C. and at the Australian Consulates General in Los Angeles, San Francisco, Atlanta, Houston, and New York.

Embassy of Australia  
1601 Massachusetts Avenue NW  
Washington DC 20036  
Tel: 202 797 3000  
Fax: 202 797 3168

Senior Trade Commissioner  
AUSTRADE  
c/o Embassy of Australia  
(as above)

Senior Customs Representative  
Embassy of Australia  
(as above)

Australian Tourist Commission  
2049 Century Park East  
Suite 1920  
Los Angeles CA 90067  
Tel: 310 229 4870  
Fax: 310 552 1215

##### B. KEY AUSTRALIAN FEDERAL GOVERNMENT AGENCIES

Airservices Australia  
GPO Box 367  
Canberra ACT 2601  
Tel: 61 2 6268 4111  
Fax: 61 2 6268 5685  
[www.airservices.gov.au](http://www.airservices.gov.au)

Broadcasting Authority, Australian (ABA)

126  
PO Box Q500  
Queen Victoria Building  
Sydney NSW 1230  
Tel: 61 2 9334 7700  
Fax: 61 2 9334 7799  
[www.aba.gov.au](http://www.aba.gov.au)

Building and Construction Committee, National  
Department of Industry, Science and Resources  
33 Allara Street  
Canberra ACT 2601  
Tel: 61 2 6213 7180  
Fax: 61 2 6213 7688

Building Codes Board, Australian  
Department of Industry, Science and Resources  
GPO Box 9839  
Canberra ACT 2601  
Tel: 61 2 6213 7191  
Fax: 61 2 6213 7287  
[www.abcb.gov.au](http://www.abcb.gov.au)

Bureau of Statistics, Australian (ABS)  
PO Box 10  
Belconnen ACT 2616  
Tel: 61 2 6252 5000  
Fax: 61 2 6251 6009  
[www.abs.gov.au](http://www.abs.gov.au)

Communications Authority, Australian (ACA)  
PO Box 78  
Belconnen ACT 2616  
Tel: 61 2 6256 5555  
Fax: 61 2 6256 5200  
[www.aca.gov.au](http://www.aca.gov.au)  
Purpose: Telecommunications Regulatory Authority

Communications, Information Technology and the Arts, Department of  
Film and Licensed Broadcasting Division  
GPO Box 2154  
Canberra ACT 2601  
Tel: 61 2 6279 1066  
Fax: 61 2 6279 1901  
[www.dcita.gov.au](http://www.dcita.gov.au)

Communications, Information Technology and the Arts, Department of  
Telecommunications Industry Division

GPO Box 2154  
Canberra ACT 2601  
Tel: 61 2 6271 1348  
Fax: 61 2 6271 1901  
[www.dcita.gov.au](http://www.dcita.gov.au)

Competition & Consumer Commission, Australian (ACCC)  
5 Challis Street  
Dickson ACT 2062  
Tel: 61 2 6243 1111  
Fax: 61 2 6243 1199  
[www.accc.gov.au](http://www.accc.gov.au)

Customs Service, Australian (ACS)  
Customs House  
5 Constitution Avenue  
Canberra ACT 2600  
Tel: 61 2 6275 6666  
Fax: 61 2 6275 6999

Sydney .....	Fax: 61 2 9213 4000
Melbourne ...	Fax: 61 3 9244 8220
Brisbane ....	Fax: 61 7 3835 3499
Perth .....	Fax: 61 8 9430 1771
Adelaide ....	Fax: 61 8 8447 9208
Tasmania ....	Fax: 61 3 6230 1264

Dumping and Self Assessment Branch  
Tel: 61 2 6275 6396  
Fax: 61 2 6275 6990

Defence, Department of  
R1-Russell Offices  
Canberra ACT 2600  
Tel: 61 2 6265 9111  
Fax: 61 2 6265 3000  
[www.dao.defence.gov.au](http://www.dao.defence.gov.au)

Foreign Affairs and Trade, Department of (DFAT)  
R G Casey Building  
John McEwen Cres.  
Barton ACT 0221  
Tel: 61 2 6261 1111  
Fax: 61 2 6261 3111  
[www.dfat.gov.au](http://www.dfat.gov.au)

Foreign Investment Review Board (FIRB)

128  
c/o Department of the Treasury  
Parkes Place  
Parkes ACT 2600  
Tel: 61 2 6263 3755  
Fax: 61 2 6263 2940  
[www.treasury.gov.au](http://www.treasury.gov.au)

Health and Medical Research Council, National  
Federal Department of Health and Aged Care  
GPO Box 9848  
Canberra ACT 2601  
Tel: 61 2 6289 1555  
Fax: 61 2 6289 1350  
[www.health.gov.au](http://www.health.gov.au)

Immigration and Multicultural Affairs, Department of (DIMA)  
Benjamin Offices  
Chan Street  
Belconnen ACT 2616  
Tel: 61 2 6264 1111  
Fax: 61 2 6264 2670  
[www.immi.gov.au](http://www.immi.gov.au)

IP Australia (Industrial Property)  
Discovery House  
47 Bowes Street  
Woden ACT 2606  
Tel: 61 2 6283 2211  
Fax: 61 2 6281 1841  
[www.ipaustralia.gov.au](http://www.ipaustralia.gov.au)

Industry, Science and Resources, Department of (DISR)  
20 Allara Street  
Canberra ACT 2601  
Tel: 61 2 6213 6000  
Fax: 61 2 6213 7000  
[www.isr.gov.au](http://www.isr.gov.au)

Quarantine & Inspection Service, Australian (AQIS)  
GPO Box 858  
Canberra ACT 2601  
Tel: 61 2 6272 5440  
Fax: 61 2 6272 5753

Taxation Office, Australian (ATO)  
PO Box 900  
Civic Square ACT 2608

Tel: 61 2 6216 1111  
Fax: 61 2 6216 2538  
[www.ato.gov.au](http://www.ato.gov.au)

Transport and Regional Services, Department of  
Todd Building  
17 Mort Street  
Canberra ACT 2601  
Tel: 61 2 6274 7111  
Fax: 61 2 6257 2505  
[www.dotrs.gov.au](http://www.dotrs.gov.au)

Treasury, Department of the  
Parkes Place  
Parkes ACT 2600  
Tel: 61 2 6263 3738  
Fax: 61 2 6263 3360  
[www.treasury.gov.au](http://www.treasury.gov.au)

### C. AUSTRALIAN STATE ECONOMIC DEVELOPMENT AGENCIES

Each Australian state has its own office that provides information on business location, communications and infrastructure, privatization, major projects, work force and skills base, regulations, planning and approval processes, and potential joint-venture opportunities and partners. These offices actively promote foreign investment into their individual states. They have a great deal of information available and offer a variety of business promotion services to corporations interested in establishing a business presence in their state.

#### AUSTRALIAN CAPITAL TERRITORY

Business Development and Attraction  
Level 12  
Nara Centre  
1 Constitution Centre  
Canberra City ACT 2600  
Tel: 61 2 6207 5111  
Fax: 61 2 6205 0597  
[www.business.act.gov.au](http://www.business.act.gov.au)

#### NEW SOUTH WALES

Department of State and Regional Development  
Level 44, Grosvenor Place  
225 George Street  
Sydney NSW 2000  
Tel: 61 2 9338 6900  
Fax: 61 2 9338 6950

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Department of Sport and Recreation  
PO Box 422  
North Sydney NSW 2059  
Tel: 61 2 9923 4234  
Fax: 61 2 9923 4345

#### NORTHERN TERRITORY

Department of Industries and Small Business  
GPO Box 4160  
Darwin NT 0801  
Tel: 61 8 8999 5210  
Fax: 61 8 8999 5333  
[www.tbc.nt.gov.au](http://www.tbc.nt.gov.au)

#### QUEENSLAND

Department of State Development  
PO Box 168 Albert Street  
Brisbane QLD 4002  
Tel: 61 7 3224 4009  
Fax: 61 7 3225 1671  
[www.statedevelopment.qld.gov.au](http://www.statedevelopment.qld.gov.au)

#### SOUTH AUSTRALIA

Department of Industry and Trade  
GPO Box 1264  
Adelaide SA 5001  
Tel: 61 8 8303 2400  
Fax: 61 8 8303 2410  
[www.business.sa.gov.au](http://www.business.sa.gov.au)

#### TASMANIA

Department of State Development  
GPO Box 646  
Hobart TAS 7001  
Tel: 61 3 6233 5888  
Fax: 61 3 6233 5800  
[www.dsd.tas.gov.au](http://www.dsd.tas.gov.au)

#### VICTORIA

Department of State and Regional Development  
GPO Box 4509RR

Melbourne VIC 3001  
 Tel: 61 3 9651 9999  
 Fax: 61 3 9651 9770  
[www.dsd.vic.gov.au](http://www.dsd.vic.gov.au)

## WESTERN AUSTRALIA

Department of Commerce and Trade  
 168-170 St Georges Terrace  
 Perth WA 6000  
 Tel: 61 8 9327 5666  
 Fax: 61 8 9327 5481  
[www.commerce.wa.gov.au](http://www.commerce.wa.gov.au)

### 5. SOURCES OF MARKET RESEARCH AND BUSINESS FACILITATION SERVICES

There are many professional Market Research companies in Australia. Some have industry specializations. Others offer a range of services from broad industry analyses, to financial checks, to tailored market entry assistance. In addition, many national and international law firms, accounting firms, management consulting firms and financial services organizations offer market research and business facilitation as part of their services packages.

The U.S. Foreign Commercial Service in Australia, the American Chamber of Commerce in Australia and the State Chambers of Commerce maintain lists of service providers and can advise companies on how to obtain assistance on specific needs (see Sections 1B and 2A and 2C for contact information).

There are a number of new information products, in print and on CD-ROM discs, available to help American companies find prospective business contacts in Australia (see Section 7.C. for listing).

### 6. COMMERCIAL BANKS IN AUSTRALIA

#### A. AUSTRALIAN-OWNED BANKS

Adelaide Bank Ltd  
 169 Pirie Street  
 Adelaide SA 5000  
 Tel: 61 8 8300 6000  
 Fax: 61 8 8300 6175  
[www.adelaidebank.com.au](http://www.adelaidebank.com.au)

AMP Bank Ltd  
 Level 9, 20 Hunter Street  
 Sydney NSW 2000  
 Tel: 61 2 8275 1000  
 Fax: 61 2 8275 1001  
[www.amp.com.au](http://www.amp.com.au)

Australia and New Zealand Banking Group Limited

GPO Box 537E  
Melbourne VIC 3001  
Tel: 61 3 9273 5555  
Fax: 61 3 9273 6142  
[www.anz.com](http://www.anz.com)

Bank of Queensland Ltd

Level 9, Bank of Queensland Center  
229 Elizabeth Street  
Brisbane QLD 4000  
Tel: 61 7 3212 3333  
Fax: 61 7 3212 3399  
[www.boq.com.au](http://www.boq.com.au)

Bendigo Bank Ltd

Fountain Court  
Bendigo VIC 3550  
Tel: 61 3 5433 9339  
Fax: 61 3 5433 9690  
[www.bendigobank.com.au](http://www.bendigobank.com.au)

Colonial State Bank

Level 35, Colonial Center  
52 Martin Place  
Sydney NSW 2000  
Tel: 61 2 9226 8000  
Fax: 61 2 9235 3921  
[www.colonial.com.au](http://www.colonial.com.au)

Commonwealth Bank of Australia

GPO Box 2719  
Sydney NSW 1155  
Tel: 61 2 9227 7111  
Fax: 61 2 9378 4993  
[www.commbank.com.au](http://www.commbank.com.au)

Macquarie Bank Ltd

Level 11, 1 Martin Place  
Sydney NSW 2000  
Tel: 61 2 9237 3333  
Fax: 61 2 9237 3350  
[www.macquarie.com.au](http://www.macquarie.com.au)

National Australia Bank Limited

GPO Box 84A

Melbourne VIC 3001  
Tel: 61 3 8641 3500  
Fax: 61 3 8641 4916  
[www.national.com.au](http://www.national.com.au)

St. George Ltd  
4-16 Montgomery Street  
Kogarah NSW 2217  
Tel: 61 2 9952 1111  
Fax: 61 2 9952 1060  
[www.stgeorge.com.au](http://www.stgeorge.com.au)

Suncorp-Metway Ltd  
36 Wickham Terrace  
Brisbane QLD 4000  
Tel: 61 7 7835 5355  
Fax: 61 7 7832 5139  
[www.suncorpmetway.com.au](http://www.suncorpmetway.com.au)

Westpac Banking Corporation  
GPO Box 1  
Sydney NSW 2001  
Tel: 61 2 9226 3311  
Fax: 61 2 9226 4128  
[www.westpac.com.au](http://www.westpac.com.au)

## B. AMERICAN BANKS and FINANCIAL INSTITUTIONS

Bank of America NA  
GPO Box 490  
Sydney NSW 2001  
Tel: 61 2 9931 4200  
Fax: 61 2 9221 1023  
[www.bankofamerica.com](http://www.bankofamerica.com)

Bank One NA  
Level 4, 70 Hindmarsh Square  
Adelaide SA 5000  
Tel: 61 8 8228 2222  
Fax: 61 8 8223 2948  
[www.bankone.com.au](http://www.bankone.com.au)

BT Financial Group  
PO Box H4  
Australia Square  
Sydney NSW 1215  
Tel: 61 2 9259 3555

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Fax: 61 2 9259 9800  
[www.bt.com.au](http://www.bt.com.au)

Citibank Limited  
GPO Box 40  
Sydney NSW 1027  
Tel: 61 2 9239 9100  
Fax: 61 2 9239 5856  
[www.citibank.com.au](http://www.citibank.com.au)

Credit Suisse First Boston Australia Securities Ltd  
PO Box R1474  
Sydney NSW 1223  
Tel: 61 2 9394 4400  
Fax: 61 2 9394 4676  
[www.csfb.com](http://www.csfb.com)

JP Morgan Australia Pty Ltd  
Level 20, 1 O'Connell Street  
Sydney NSW 2000  
Tel: 61 2 9551 6100  
Fax: 61 2 9551 6363  
[www.jpmorgan.com](http://www.jpmorgan.com)

Merrill Lynch Australasia  
Level 39, 120 Collins Street  
Melbourne VIC 3000  
Tel: 61 3 9659 2222  
Fax: 61 3 9659 2677  
[www.merrilllynch.com](http://www.merrilllynch.com)

Morgan Stanley/Dean Witter Australia Limited  
Level 38, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000  
Tel: 61 2 9770 1111  
Fax: 61 2 9770 1121  
[www.msdw.com](http://www.msdw.com)

Salomon Smith Barney  
Level 16, Grosvenor Place  
225 George Street  
Sydney NSW 2000  
Tel: 61 2 9321 4000  
Fax: 61 2 9321 4456  
[www.ssbm.com.au](http://www.ssbm.com.au)

State Street Bank and Trust Company  
 PO Box H296  
 Australia Square  
 Sydney NSW 2125  
 Tel: 61 2 9323 6500  
 Fax: 61 2 9323 6540  
[www.statestreet.com](http://www.statestreet.com)

The Chase Manhattan Bank  
 GPO Box 9816  
 Sydney NSW 2001  
 Tel: 61 2 9250 4111  
 Fax; 61 2 9250 4554  
[www.chase.com](http://www.chase.com)

Warburg Dillon Read Australia Ltd  
 Level 26, Governor Philip Tower  
 1 Farrer Place  
 Sydney NSW 2000  
 Tel: 61 2 9324 2000  
 Fax: 61 2 9324 2001  
[www.wdr.com.au](http://www.wdr.com.au)

## 7. AUSTRALIAN PUBLICATIONS AND DATABASES

Australia has a full range of national, state and local general, business and special purpose newspapers and periodicals, and a range of comprehensive business directories and references.

### A. NEWSPAPERS

#### AUSTRALIAN CAPITAL TERRITORY

The Canberra Times  
 Federal Capital Press of Australia  
 PO Box 7155  
 Canberra Mail Centre ACT 2610  
 Tel: 61 2 6280 2122  
 Fax: 61 2 6280 4884  
[www.canberratimes.com.au](http://www.canberratimes.com.au)

#### NEW SOUTH WALES

The Australian (national focus)  
 News Ltd.  
 GPO Box 4245  
 Sydney NSW 2001

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Tel: 61 2 9288 3000  
Fax: 61 2 9288 2300  
[www.australian.aust.com](http://www.australian.aust.com)

The Australian Financial Review (national focus)  
John Fairfax Group Ltd.  
GPO Box 506  
Sydney NSW 2001  
Tel: 61 2 9282 2833  
Fax: 61 2 9282 3027  
[www.afr.com.au/](http://www.afr.com.au/)

The Sydney Morning Herald  
John Fairfax Group Ltd.  
GPO Box 506  
Sydney NSW 2001  
Tel: 61 2 9282 2833  
Fax: 61 2 9282 3027  
[www.smh.com.au/](http://www.smh.com.au/)

#### NORTHERN TERRITORY

Northern Territory News  
News Ltd.  
GPO Box 1300  
Darwin NT 0801  
Tel: 61 8 8944 9900  
Fax: 61 8 8981 6045

#### QUEENSLAND

The Courier Mail  
Queensland Newspapers Ltd.  
GPO Box 130  
Brisbane QLD 4001  
Tel: 61 7 3666 8000  
Fax: 61 7 3666 6696  
[www.news.com.au](http://www.news.com.au)

#### SOUTH AUSTRALIA

The Adelaide Advertiser  
Advertiser Newspaper Ltd.  
121 King William Street  
Adelaide SA 5000  
Tel: 61 8 8206 2000  
Fax: 61 8 8206 3622

## VICTORIA

The Age  
GPO Box 257C  
Melbourne VIC 3001  
Tel: 61 3 9600 4211  
Fax: 61 3 9601 2327  
[www.theage.com.au/](http://www.theage.com.au/)

## WESTERN AUSTRALIA

The West Australian  
WA Newspapers Ltd.  
GPO Box D162  
Perth WA 6840  
Tel: 61 8 9482 3111  
Fax: 61 8 9482 3177  
[www.thewest.com.au](http://www.thewest.com.au)

## TASMANIA

The Mercury  
GPO Box 334D  
Hobart TAS 7001  
Tel: 61 3 6230 0622  
Fax: 61 3 6230 0766  
[www.news.com.au](http://www.news.com.au)

## B. NATIONAL PERIODICALS

Business Review Weekly  
BRW Media  
GPO Box 55A  
Melbourne VIC 3001  
Tel: 61 3 9603 3888  
Fax: 61 3 9670 4328  
[www.brw.com.au/](http://www.brw.com.au/)

The Bulletin with Newsweek  
ACP Publishing Pty. Limited  
4th Floor, 54 Park Street  
Sydney NSW 2000  
Tel: 61 2 9282 8000  
Fax: 61 2 9267 2150  
[www.acp.com.au](http://www.acp.com.au)

138  
The Business Bulletin  
National Business Magazines Pty. Ltd.  
PO Box 687  
Darlinghurst NSW 1300  
Tel: 61 2 9212 5588  
Fax: 61 2 9212 3709  
[www.nationalbusiness.com.au](http://www.nationalbusiness.com.au)

The Land Newspaper (Agriculture/Country Life focus)  
Rural Press Limited  
159 Bells Line of Road  
North Richmond NSW 2754  
Tel: 61 2 4570 4444  
Fax: 61 2 4570 4650  
[www.rpl.com.au](http://www.rpl.com.au)

### C. BUSINESS DIRECTORIES

Brylar's Australia on Disc  
Dependable Database Data  
Level 6, 192 Pitt Street  
Sydney NSW 2000  
Tel: 61 2 9261 8560  
Fax: 61 2 9261 8511  
[www.greenpages.com.au/ddd](http://www.greenpages.com.au/ddd)  
Yellow Pages Business Directories of Australia on CD-ROM  
Annual

“Australia on Disc - Business” is one of the most comprehensive, including more than one million business names, addresses and fax numbers throughout Australia.

Searches can be made on a number of criteria. Information can be exported to an ASCII format. Customized databases can also be built. The cost is about US\$200 with updates twice a year. A less sophisticated CD-ROM called “Green Pages” contains business and residential telephone book listings but no fax numbers. Its cost is about US\$60. Contact the Commercial Service in Australia for more details.

The Business Who's Who of Australia  
Riddell Information Services Pty. Ltd.  
A Dun & Bradstreet company  
PO Box 204  
Chatswood NSW 2057  
Tel: 61 2 9935 2600  
Fax: 61 2 9935 2777  
[bww.dnd.com.au](http://bww.dnd.com.au)  
Available in CD-ROM or hard copy.  
Annual

Directory of Australian Associations  
 Information Australia  
 75 Flinders Lane  
 Melbourne VIC 3000  
 Tel: 61 3 9654 2800  
 Fax: 61 3 9639 1548  
 www.infoaust.com  
 Quarterly

Kompass  
 APN Business Publishing Pty. Ltd.  
 Locked Bag 888  
 Elsternwick VIC 3185  
 Tel: 61 3 9245 7777  
 Fax: 61 3 9245 7840  
 Available in CD-ROM or hard copy  
 Annual

National Guide to Government  
 Information Australia  
 75 Flinders Lane  
 Melbourne VIC 3000  
 Tel: 61 3 9654 2800  
 Fax: 61 3 9639 1548  
 www.infoaust.com  
 Quarterly

## CHAPTER 12:

## MARKET RESEARCH

### 1. INDUSTRY SECTOR MARKET RESEARCH

A full range of available market research, including a broad range of Industry Sector Analysis (ISA) reports in best prospects and other sectors, as well as other special market research reports are available in the National Trade Data Bank (NTDB). The following is a selected list:

#### A. INDUSTRY SECTOR ANALYSES (ISAS) COMPLETED/SCHEDULED FOR FY-2000:

AGM	Agricultural Equipment
AIR	General Aviation
BTC	Biotechnology
CON	Construction Machinery – Engineering and Non-Residential
COS	Cosmetics & Skin Care (due 8/31/00)
CPT	Computer Hardware
CSF	Knowledge Management (due 8/31/00)
DFN	Defense Commercial Support Program

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DRG	Pharmaceuticals
ELP	Power Transmission Systems
FOD	Beer
IRN	Steel Products
MED	Medical Equipment
MIN	Mining Equipment
MTL	Machine Tools
REQ	Renewable Energy (due 7/31/00)
TEL	Internet Telephony (Voice Over Internet Protocol-VOIP)
TOY	Toys/Games
TRA	Tourism

B. INDUSTRY SECTOR ANALYSES (ISAS) SCHEDULED FOR FY 2001:

BLD	Hardware Products
BOK	Books
CPT/CSF/CSV	IT in the Healthcare Industry
CPT/CSF	Networking Equipment
DEN	Dental Equipment
DFN	Defense Equipment-Post 2001 White Paper
DRG	Complementary Healthcare Market in Australia
ELP	Energy Efficiency Equipment: Lighting
FUR	Furniture Industry
GSV	Government Purchasing in Western Australia
HCS	Health Care Services
ICH	Industrial Inorganic Chemicals
MCS	Management Consulting Services
MTL	Welding Equipment
OGS	Services to the Oil and Gas Industry
POL	Air Pollution Control Equipment
SEC	Personal Security Equipment
TES	Telecommunications Services

C. IMI REPORTS JANUARY – JUNE 2000

01/06	Australians Spent US\$90 Million Online at Christmas
01/07	Environmental Trade Leads-Jan 2000
01/10	Goods and Service Tax To Be Levied On Software And Hardware
01/10	GM-Holden Regains Leadership in Automotive Sales in Australia
01/11	Australian Telstra Plans \$A300 Million Deal To Buy Nearest Internet Competitor, Ozemail
01/13	AGL Forms Joint Venture With Canberra's Electricity And Water Utility (ACTEW)
01/14	Expression of Interest for the Sale of Western Australian Gas Utility, Alintagas Limited
01/14	Environmental Attitudes of Australian Households
01/21	Video and Audio Cabling for the Olympics

- 01/21 World Trade Organization (WTO) Orders Australian Company Howe Leather To Repay Loan
- 01/24 Bass Link Undersea Power Cable A Step Closer
- 02/01 Economic Outlook for the State of Tasmania
- 02/02 Car Sales Increase Despite Pre-GST Concern for Buyers Strike in Australia
- 02/03 Engineering Construction Set For 16 Percent Decline Over Three Years
- 02/03 Textile, Clothing and Footwear (TCF) Market to Slow Under the New Goods and Services Tax (GST)
- 02/09 Australian Government to Re-Allocate More Spectrum Availability In the 3.4 Gigahertz Band For the Local Telephone Market
- 02/14 Air 87 Project Reopened
- 02/16 Construction and Property Sectors: News Compendium
- 02/16 Defense Project Management Tender
- 02/28 Waste Disposal Sites in Victoria
- 03/02 Property and Construction News Update
- 03/10 Telstra Releases Six-Month Trading Figures as an Unconvincing Strategy
- 03/13 Environmental Products and Local Government
- 03/17 Spectrum Auction In Mobile Telephony Boosts Competition in Telecommunications in Australia
- 03/22 US\$1.4 Billion Bayu-Undan Petroleum Project in Darwin Proceeds
- 03/28 GST and Defense
- 03/29 Australia's Market for Used/Refurbished Medical Equipment
- 03/30 Architectural Optimism in Architecture 2000
- 03/30 Offshore Investment Opportunities in the Northern Territory and the Timor Sea
- 04/03 Packaging Industry: News Compendium
- 04/03 Australia's Corporate Tax Rate
- 04/03 Telstra Opens Local Area Network
- 04/13 Defense Update
- 04/13 End of Show Report: Now 2000 Telecommunications Exhibition/Conference, April 4-6, 2000, Sydney Australia.
- 04/18 Pfizer Appeals Court Decision
- 04/18 Australia Aims to Slow "Pokies"
- 04/19 NSW Construction Industry in Good Shape
- 04/19 Comalco Opts For Gladstone to Build Their Alumina Refinery
- 04/26 GST Regulation Changes on Imports Into Australia
- 04/26 South Australian Electricity Transmission to Be Privatized
- 04/27 The Franchising Code of Conduct: An Update
- 04/27 Construction Decline Moderated By Growth in Infrastructure Projects and Off-Shore Business
- 05/09 Australia Among the Leaders in E-Commerce Usage and Web-Technology Uptake
- 05/10 TXU Acquires Another Energy Asset in Australia
- 05/11 Market Update: Sunscreen
- 05/12 Australian Business Number (ABN) Advice For U.S. Exporters
- 05/19 Building and Property News Update
- 05/19 New Scheme To Administer Used Vehicle Importation
- 05/24 Oil and Gas Industry Suffering From Dot Com Fever
- 05/24 Australian Telecommunications Services Inquiry

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 05/24 Australia's Internet Code Of Conduct For Blocking Undesirable Content Gets Mixed Results  
 05/26 Expected Sale of National Rail  
 06/05 Residential Property Markets In Australia Set to Weaken  
 06/07 Corner Shops Threatened By Dynamics of Fast Food Industry  
 06/15 Australian Wastewater Pilot Plant Funding

2. U.S. DEPARTMENT OF AGRICULTURE/FOREIGN AGRICULTURAL SERVICE  
 COMMODITY REPORTS AND MARKET BRIEFS

AGRICULTURAL COMMODITY REPORTS FY2001

JANUARY	Fresh Deciduous Fruit - annual
FEBRUARY	Livestock - semi-annual Tree Nuts - annual
MARCH	Grain and Feed - annual Canned Deciduous Fruit - annual
APRIL	Sugar - annual Dried Fruit - annual
MAY	Citrus - annual Dairy - semi-annual
JUNE	Cotton - annual Wine Competition - annual
AUGUST	Livestock - annual Poultry - annual
SEPTEMBER	Fresh Deciduous Fruit - semi-annual Canned Deciduous Fruit - semi-annual Competitor Report - annual
OCTOBER	Sugar - semi-annual Dried Fruit - semi-annual Forest Products - annual Dairy - annual

CHAPTER 13: TRADE EVENT SCHEDULE

(Fourth Quarter Calendar Year 2000 and Calendar Years 2001-2002)

Because trade event schedules may change, firms should consult the Export Promotion Calendar in the National Trade Data Bank (NTDB) or contact the Commercial Service in Australia for the latest information.

Interested companies are invited to check the following website for a listing of trade shows and public events for 2000 and beyond, listing dates, venues and organizers. A minimal subscription fee is required in order to log on to the entire listing.

Australian Convention & Exhibition Calendar  
[www.onlineevents.com.au](http://www.onlineevents.com.au)

Following are major Australian exhibitions (listed by industry sector):

1. Fourth Quarter Calendar Year 2000

COMPUTER HARDWARE (CPT)  
 COMPUTER SOFTWARE (CSF)

COMDEX/SYDNEY AND NETWORLD + INTEROP

Trade show with strong Internet and networking focus. Run at the same time as Comdex/Fall

Date: October 24-26, 2000

Location: Sydney

Exhibition Organizer: ZD Events

Tel: 61 2 9369 1242

Fax: 61 2 9387 5482

Website: [www.interop.com.au](http://www.interop.com.au)

FRANCHISING (FRA)

FRANCHISING AND BUSINESS OPPORTUNITIES EXPO

Date: October 6-8, 2000

Location: Melbourne

Frequency: Annual

Exhibition Organizer: Australian Exhibition Services

Tel: 61 3 9261 4500

Fax: 61 3 9261 4545

Email: [shows@ausexhibit.com.au](mailto:shows@ausexhibit.com.au)

Website: [www.ausexhibit.com.au](http://www.ausexhibit.com.au)

HOSPITALITY (HTL)

AUSTRALASIAN GAMING EXPO

Trade exhibition for suppliers to the gaming, hotel, hospitality, amusement and entertainment industries.

Date: July 2-4, 2000

Location: Sydney

Frequency: Annual  
Exhibition Organizer: Exhibition Management Pty. Ltd.  
Tel: 61 3 9646 4044  
Fax: 61 3 9646 1828  
Email: exhibition@enternet.com.au

#### MEDICAL EQUIPMENT (MED)

ACCESS EXPO 2000  
Access Expo will be held during the 2000 Paralympic Games in Sydney.  
Date: October 22-24, 2000  
Location: Australian Technology Park, Sydney  
Frequency: Annual  
Exhibition Organizer: Paraquad Victoria  
Tel: 61 3 9415 1200  
Fax: 61 3 9415 1222  
Website: www.paraquad.asn.au

#### MINING INDUSTRY EQUIPMENT (MIN)

GOLDFIELDS MINING EXPO (GME)  
Date: October 18-20, 2000  
Location: Kalgoorlie, Western Australia  
Exhibition Organizer: GME  
Tel: 61 8 9021 2970  
Fax: 61 8 9021 1402  
Email: admin@gmexpo.com.au  
Website: www.gmexpo.com.au

#### OIL/GAS FIELD MACHINERY (OGM)

#### OIL/GAS/MINERAL PRODUCTION/EXPLORATION SERVICES (OGS)

GOLDFIELDS MINING EXPO (GME)  
Date: October 18-20, 2000  
Location: Kalgoorlie, Western Australia  
Exhibition Organizer: GME  
Tel: 61 8 9021 2970  
Fax: 61 8 9021 1402  
Email: admin@gmexpo.com.au  
Website: www.gmexpo.com.au

#### AGA 2000 CONVENTION

The Australian Gas Association's Convention  
Date: November 12-14, 2000  
Location: Canberra  
Exhibition Organizer: The Australian Gas Association  
Tel: 61 2 6281 6624

Fax: 61 2 6285 1336  
 Email: [conference@conlog.com.au](mailto:conference@conlog.com.au)  
 Website: <http://www.gas.asn.au/conv/agaann.pdf>

## PET FOODS/SUPPLIES

### PET EXPO

Trade exhibition for suppliers to the pet food and supplies industry  
 Date: October 13-14, 2000  
 Location: Brisbane  
 Frequency: Annual  
 Exhibition Organizer: Pet Industry Joint Advisory Council of Australia (PIJAC)  
 Tel: 61 2 9896 2899  
 Fax: 61 2 9896 3521  
 Email: [pijac@fast.net.au](mailto:pijac@fast.net.au)

## PROCESS CONTROL AND INSTRUMENTATION (PCI)

### ELENEX/AUTOMATE 2000

The most prestigious trade event for the process control, automation, robotics and electronics for the manufacturing sectors.  
 Date: October 10-12, 2000  
 Location: Melbourne  
 Frequency: Annual  
 Exhibition Organizer: Australian Exhibition Services  
 Tel: 61 3 9867 4500  
 Fax: 61 3 9866 7931  
 Email: [shows@ausexhibit.com.au](mailto:shows@ausexhibit.com.au)

## TRAVEL/TOURISM SERVICES (TRA)

### GETAWAY HOLIDAY EXPOS

The largest consumer travel shows in Australia, attracting approximately 25,000 visitors at each show.

Dates/Locations:      October 13-15, 2000, Sydney  
                                  November 10-12, 2000, Melbourne

Frequency: Annual  
 Exhibition Organizer: Expertise Events Pty. Ltd.  
 Tel: 61 2 9977 0888  
 Fax: 61 2 9977 0336  
 Email: [expertiseevents@bigpond.com](mailto:expertiseevents@bigpond.com)

Note: In previous years, the Visit USA Organization has organized a "USA Pavilion" at the Sydney and Melbourne shows. Please contact the Visit USA Organization for further information (for contact details, see Section 2 below).

The U.S. Commercial Service is recruiting Australian trade delegations to attend the following U.S. trade shows, which have been certified under the Commerce Department's International Buyer

## Program (IBP):

Medtrade	October 3-5	Orlando, FL
Minexpo International 2000	October 9-12	Las Vegas, NV
COMDEX/Fall	November 13-17	Las Vegas, NV
Powergen International	November 14-16	Orlando, FL

## 2. Calendar Year 2001

## AIRCRAFT/AIRCRAFT PARTS (AIR)

**AUSTRALIA'S INTERNATIONAL AIR SHOW AND AEROSPACE EXPO**  
(USDOC certified tradeshow w/USA Pavilion)

Date: February 13-18, 2001

Location: Melbourne

Frequency: Biennial

Exhibition Organizer: Airshows Downunder

Tel: 61 3 5282 4400

Fax: 61 3 5282 4455

Web: [www.airshow.net.au](http://www.airshow.net.au)

## AUTOMOTIVE PARTS/SERVICES/EQUIPMENT (APS)

**AUSTRALIAN AUTOMOTIVE AFTERMARKET EXHIBITION**  
(USDOC certified trade show)

This exhibition is the only event in Australia promoting the automotive aftermarket sector. It is held every year in either Melbourne or Sydney, on an alternating basis.

Date: June 15-17, 2001

Location: Sydney

Frequency: Annual – held in either Sydney or Melbourne on an alternating basis

Exhibition Organizer: Trade Fairs & Events Australia

Tel: 61 2 9357 7022

Fax: 61 2 9356 3834

Email: [cristinaz@ausauto.com](mailto:cristinaz@ausauto.com)

Website: [www.ausauto.com](http://www.ausauto.com)

## BOOKS/PERIODICALS (BOK)

**APA AUSTRALIAN BOOK FAIR**

Premier publishing industry fair

Date: June 20-22, 2001

Location: Sydney

Frequency: Annual

Exhibition Organizer: Expertise Events

Tel: 61 2 9939 4445

Fax: 61 2 9939 4229

Email: [info@expertiseevents.com.au](mailto:info@expertiseevents.com.au)

Website: [www.expertiseevents.com](http://www.expertiseevents.com)

## COMPUTER HARDWARE (CPT)

### COMPUTER SOFTWARE (CSF)

#### PC IT 2001 SYDNEY + LINUX OPEN SOURCE EXPO AND CONFERENCE

Largest annual trade event in Australia focusing on the retail computer market.

Date: March 6-9, 2001

Location: Sydney

Exhibition Organizer: Australian Exhibition Services (AES)

Tel: 61 3 9261 4500

Fax: 61 3 9261 4545

Website: [www.itexpo.com.au](http://www.itexpo.com.au)

#### IT 2001 BRISBANE

Largest annual trade event in Australia focusing on the retail computer market.

Date: May 15-17, 2001

Location: Brisbane

Exhibition Organizer: Australian Exhibition Services (AES)

Tel: 61 3 9261 4500

Fax: 61 3 9261 4545

Website: [www.itexpo.com.au](http://www.itexpo.com.au)

#### INTERNET WORLD

Internet, network and E-commerce applications trade event

Date: July 18-20, 2001

Location: Melbourne

Exhibition Organizer: Kirby Network Services Pty. Ltd.

Tel: 61 2 9310 5404

Fax: 61 2 9310 5249

Email: [Info@kirby.com.au](mailto:Info@kirby.com.au)

#### INTERACT + IT 2001

IT trade event focusing on multimedia applications and targeting attendees from the Asia Pacific region.

Date: September 4-7, 2001

Location: Melbourne

Exhibition Organizer: Australian Exhibition Services (AES)

Tel: 61 3 9261 4500

Fax: 61 3 9261 4545

Website: [www.Itexpo.com.au](http://www.Itexpo.com.au)

## CONSTRUCTION (CON)

### THE ENGINEERS FIELD DAYS

Date: March/April, 2001

Location: Panthers World of Entertainment, Penrith, NSW  
Frequency: Annual  
Exhibition Organizer: Institute of Municipal Engineering Australia, NSW Division  
Tel: 61 2 9267 6677  
Fax: 61 2 9283 5255  
Website: [www.imea.asn.au](http://www.imea.asn.au)

#### LOGOV EXPO

Date: September, 2001  
Location: Logan City, Brisbane  
Frequency: Annual  
Exhibition Organizer: Logan City Council  
Tel: 61 7 3826 5259  
Fax: 61 7 3808 0014  
Email: [wendylihou@logan.qld.gov.au](mailto:wendylihou@logan.qld.gov.au)

#### DENTAL EQUIPMENT (DNT)

##### 9<sup>TH</sup> AUSTRALIAN DENTAL INDUSTRY ASSOCIATION EXHIBITION

Trade exhibition for the dental industry.  
Date: May 5-8, 2001  
Location: Brisbane  
Frequency: Annual  
Exhibition Organizer: Australian Dental Industry Association  
Tel: 61 2 9319 5631  
Fax: 61 2 9319 5381

#### EDUCATION/TRAINING SERVICE (EDS)

##### EDUTECH

Trade exhibition for education and training technology  
Date: May 27-29, 2001  
Location: Melbourne  
Frequency: Annual  
Exhibition Organizer: Australian Trade Exhibitions Pty. Ltd.  
Tel: 61 3 9819 0211  
Fax: 61 3 9818 8553  
Email: [ate@ate.net.au](mailto:ate@ate.net.au)  
Website: [www.ate.net.au](http://www.ate.net.au)

#### FOOD PROCESSING/PACKAGING EQUIPMENT (FPP)

AUSPACK Date: August 7-10, 2001  
Location: Sydney  
Frequency: Biennial  
Exhibition Organizer: Exhibition and Trade Fairs  
Tel: 61 2 9413 3322

Fax: 61 2 9413 3303  
 Email: [syd@ets.com.au](mailto:syd@ets.com.au)  
 Website: [www.apma.asn.au](http://www.apma.asn.au)

## FRANCHISING (FRA)

### FRANCHISING AND BUSINESS OPPORTUNITIES EXPO

Dates/Locations: March 23-25, 2001, Sydney  
 October 5-7, 2001, Melbourne

Frequency: Annual  
 Exhibition Organizer: Australian Exhibition Services  
 Tel: 61 3 9261 4500  
 Fax: 61 3 9261 4545  
 Email: [shows@ausexhibit.com.au](mailto:shows@ausexhibit.com.au)  
 Website: [www.ausexhibit.com.au](http://www.ausexhibit.com.au)

## FURNITURE (FUR)

### ACCESS AUSTRALIA – Furniture

Aimed at assisting U.S. manufacturers of packaging equipment identify potential importers, agents, distributors and direct sales partners in Australia..

Date: May-September, 2001  
 Location: Sydney  
 Organizer: U.S. Department of Commerce – contact Patricia Matt, CS, Sydney  
 Tel: 61 2 9373 9211; Fax: 61 2 9221 9573  
 Email: [patricia.matt@mail.doc.gov](mailto:patricia.matt@mail.doc.gov)

## GENERAL INDUSTRIAL EQUIPMENT (GIE)

### NATIONAL MANUFACTURING WEEK, 2001

Largest annual trade event in Australia focusing on the manufacturing and engineering industries. The venue alternates between Sydney and Melbourne. The U.S. Department of Commerce is organizing a catalog stand within the event. For more information contact John Kanawati, U.S. Commercial Service, Sydney, Tel: 61 2 9373 9207;

Fax: 61 2 9221 0573; Email: [john.kanawati@mail.doc.gov](mailto:john.kanawati@mail.doc.gov)

Date: May 29-June 1, 2001

Location: Melbourne  
 Exhibition Organizer: Reed Exhibition Companies  
 Tel: 61 2 9422 2511  
 Fax: 61 2 9422 2555  
 Website: [www.reedexpo.com](http://www.reedexpo.com)

## HOSPITALITY (HTL)

### AUSTRALASIAN GAMING EXPO

Trade exhibition for suppliers to the gaming, hotel, hospitality, amusement and entertainment industries.

Date: August 19-21, 2001  
Location: Sydney  
Frequency: Annual  
Exhibition Organizer: Exhibition Management Pty. Ltd.  
Tel: 61 3 9646 4044  
Fax: 61 3 9646 1828  
Email: exhibition@enternet.com.au

## LABORATORY AND SCIENTIFIC INSTRUMENTS (LAB)

### ACCESS AUSTRALIA – LABORATORY & SCIENTIFIC EQUIPMENT

Aimed at assisting U.S. manufacturers of laboratory and scientific equipment identify potential importers, agents, distributors and direct sales partners in Australia.

Date: February-June, 2001

Location: Melbourne

Organizer: U.S. Department of Commerce – contact Marie Hill, CS, Melbourne

Tel: 61 3 9526 5927

Fax: 61 3 9510 4660

Email: marie.hill@mail.doc.gov

### SCIENCE 2001

Trade exhibition for the laboratory and scientific areas. Will coincide with Australian National Science Week in 2001.

Date: May 8-10, 2001

Location: TBC

Frequency: Annual

Exhibition organizer: Scientific Suppliers Association of Australia

Tel: 61 2 9804 8051

Fax: 61 2 9804 8052

Email: ssaa@enternet.com.au

Website: www.ssaa.asn.au

## MACHINE TOOLS (MTL)

### NATIONAL MANUFACTURING WEEK, 2001

Largest annual trade event in Australia focusing on the manufacturing and engineering industries. The venue alternates between Sydney and Melbourne. The U.S. Department of Commerce is organizing a catalog stand within the event. For more information contact John Kanawati, U.S. Commercial Service, Sydney, Tel: 61 2 9373 9207;

Fax: 61 2 9221 0573; Email: john.kanawati@mail.doc.gov

Date: May 29-June 1, 2001

Location: Melbourne

Exhibition Organizer: Reed Exhibition Companies

Tel: 61 2 9422 2511

Fax: 61 2 9422 2555

Website: www.reedexpo.com

## MEDICAL EQUIPMENT (MED)

### HOSPITAL AND HEALTHCARE 2001

Trade exhibition for the hospital and healthcare industry.

Date: August 28-30, 2001

Location: Melbourne

Frequency: Biennial

Exhibition Organizer: Australian Trade Exhibitions Pty. Ltd.

Tel: 61 3 9819 0211

Fax: 61 3 9819 8553

Website: [www.ate.com.au](http://www.ate.com.au)

### ACCESS EXPO 2001

Access Expo is open to industry and public and has a focus on products and services for access-impaired, aged and disabled people.

Date: October 25-27, 2001

Location: Melbourne

Frequency: Annual

Exhibition Organizer: Paraquad Victoria

Tel: 61 3 9415 1200

Fax: 61 3 9415 1222

Website: [www.paraquad.asn.au](http://www.paraquad.asn.au)

## PACKAGING EQUIPMENT (PKG)

### ACCESS AUSTRALIA – Packaging Equipment

Aimed at assisting U.S. manufacturers of packaging equipment identify potential importers, agents, distributors and direct sales partners in Australia.

Date: May-August, 2001

Location: Sydney

Organizer: U.S. Department of Commerce – contact Patricia Matt, CS, Sydney

Tel: 61 2 9373 9211

Fax: 61 2 9221 9573

Email: [patricia.matt@mail.doc.gov](mailto:patricia.matt@mail.doc.gov)

## PET FOODS/SUPPLIES (PET)

### ACCESS AUSTRALIA – Pet Products

Aimed at assisting U.S. manufacturers of pet products identify potential importers, agents, distributors and direct sales partners in Australia

Date: May-September, 2001

Location: Sydney

Organizer: U.S. Department of Commerce: contact Monique Roos, CS, Sydney

Email: [monique.roos@mail.doc.gov](mailto:monique.roos@mail.doc.gov)

### PET EXPO

Trade exhibition for suppliers to the pet food and supplies industry

Date: October 19-20, 2001  
Location: Melbourne  
Frequency: Annual  
Exhibition Organizer: Pet Industry Joint Advisory Council of Australia (PIJAC)  
Tel: 61 2 9896 2899  
Fax: 61 2 9896 3521  
Email: pijac@fast.net.au

#### POLLUTION CONTROL EQUIPMENT (POL)

##### OZWATER & OZWASTE

The largest annual trade exhibition aimed at the environmental industry.

Date: April 2-4, 2001  
Location: Canberra  
Exhibition Organizer: Australian Water Association  
Tel: 61 2 9413 1288  
Fax: 61 2 9413 1047  
Website: [www.awwa.asn.au](http://www.awwa.asn.au)

#### POWER GENERATION (ELP)

##### 5<sup>TH</sup> INTERNATIONAL TRANSMISSION & DISTRIBUTION EXHIBITION (D2001)

The leading trade exhibition for the power distribution and transmission industry, displaying leading edge technology in energy networks.

Date: November, 2001  
Location: Brisbane  
Frequency: Bi-annual  
Exhibition Organizer: Waldron Smith Network and the Electricity Supply Association of Australia  
Tel: 61 3 9690 6744  
Fax: 61 3 9690 7155  
Email: [wscn@bigpond.com.au](mailto:wscn@bigpond.com.au)

#### PROCESS CONTROL AND INSTRUMENTATION (PCI)

##### ELENEX/AUTOMATE 2001

The most prestigious trade event for the process control, automation, robotics and electronics for the manufacturing sectors.

Date: October, 2001  
Location: Melbourne  
Frequency: Annual  
Exhibition Organizer: Australian Exhibition Services  
Tel: 61 3 9867 4500  
Fax: 61 3 9866 7931  
Email: [shows@ausexhibit.com.au](mailto:shows@ausexhibit.com.au)

#### SECURITY/SAFETY EQUIPMENT (SEC)

**16<sup>th</sup> ANNUAL SECURITY EXHIBITION**

Australia's premier security event, held in conjunction with the National Security Conference

Date: February 18-20, 2001

Location: Sydney

Exhibition Organizer: Australian Security Industry Association Limited

Tel: 61 2 9906 4780

Fax: 61 2 6606 4202

Website: [www.asial.com.au](http://www.asial.com.au)

**TELECOMMUNICATIONS EQUIPMENT (TEL)**

NOW 2001

(USDOC Certified Trade Fair w/USA Pavilion)

NOW 2001 is Australia's premier telecommunications exhibition and conference. The exhibition caters to most segments of the communications industry.

Date: May 15-17, 2001 (TBC)

Location: Sydney

Frequency: Annual

Exhibition Organizer: Hannover Fairs Australia

Tel: 61 2 8920 9235

Fax: 61 2 9954 7718

Email: [zoe.ford@hannoverfairs.com.au](mailto:zoe.ford@hannoverfairs.com.au)

**TRAVEL/TOURISM SERVICES (TRA)****VISIT USA DESTINATION AND PRODUCT SEMINARS**

(USDOC certified trade event)

Trade shows aimed at educating retail travel agents on U.S. destinations and products.

Date: February 5-8, 2001

Locations: Sydney, Melbourne, Brisbane, Perth and Adelaide

Frequency: Annual

Exhibition Organizer: Visit USA Organization (Australia) Inc.

Tel: 61 2 9967 4122

Fax: 61 2 9967 5460

Email: [toured@ozemail.com.au](mailto:toured@ozemail.com.au)

**GETAWAY HOLIDAY EXPOS**

The largest consumer travel shows in Australia, attracting approximately 25,000 visitors at each show.

Dates/Locations:     October, 2001, Sydney  
                               November, 2001, Melbourne

Frequency: Annual

Exhibition Organizer: Expertise Events Pty. Ltd.

Tel: 61 2 9977 0888

Fax: 61 2 9977 0336

Email: [expertiseevents@bigpond.com](mailto:expertiseevents@bigpond.com)

Note: In previous years, the Visit USA Organization has organized a "USA Pavilion" at the Sydney and Melbourne shows. Please contact the Visit USA Organization for further information (contact details listed above under Visit USA Destination and Product Seminars

The Commercial Service plans to recruit Australian trade delegations to attend the following U.S. trade shows, which have been certified under the Commerce Department's International Buyer Program (IBP):

Super Show 2001	January 21-24	Las Vegas, NV
Offshore Technology Conference (former IBP)	April 30-May 3	Houston, TX
National Plastics Exposition	June 19-23	Chicago, IL
Print 01 and Converting Expo	September 6-13	Chicago, IL
Waste Expo 2001	September 10-13	Atlantic City, NJ
ISA 2001	September 10-13	Houston, TX

### 3. Calendar Year 2002

#### BOOKS/PERIODICALS (BOK)

APA AUSTRALIAN BOOK FAIR  
Premier publishing industry fair  
Date: June 19-21, 2002  
Location: Sydney  
Exhibition Organizer: Expertise Events  
Tel: 61 2 9939 4445  
Fax: 61 2 9939 4229  
Email: info@expertiseevents.com.au  
Website: www.expertiseevents.com

#### COMPUTER HARDWARE (CPT)

#### COMPUTER SOFTWARE (CSF)

PC IT 2001 SYDNEY + LINUX OPEN SOURCE EXPO AND CONFERENCE  
Largest annual trade event in Australia focusing on the retail computer market.  
Date: March 5-8, 2002  
Location: Sydney  
Exhibition Organizer: Australian Exhibition Services (AES)  
Tel: 61 3 9261 4500  
Fax: 61 3 9261 4545  
Website: www.itexpo.com.au

#### CONSTRUCTION (CON)

THE ENGINEERS FIELD DAYS  
Date: March/April, 2002

Location: Panthers World of Entertainment, Penrith, NSW  
 Frequency: Annual  
 Exhibition Organizer: Institute of Municipal Engineering Australia, NSW Division  
 Tel: 61 2 9267 6677  
 Fax: 61 2 9283 5255  
 Website: [www.imea.asn.au](http://www.imea.asn.au)

#### LOGOV EXPO

Date: September, 2002  
 Location: Logan City, Brisbane  
 Frequency: Annual  
 Exhibition Organizer: Logan City Council  
 Tel: 61 7 3826 5259  
 Fax: 61 7 3808 0014  
 Email: [wendylihou@logan.qld.gov.au](mailto:wendylihou@logan.qld.gov.au)

#### DENTAL EQUIPMENT (DNT)

##### 9<sup>TH</sup> AUSTRALIAN DENTAL INDUSTRY ASSOCIATION EXHIBITION

Trade exhibition for the dental industry.  
 Date: May, 2002  
 Location: Brisbane  
 Frequency: Annual  
 Exhibition Organizer: Australian Dental Industry Association  
 Tel: 61 2 9319 5631  
 Fax: 61 2 9319 5381

#### EDUCATION/TRAINING SERVICES (EDS)

##### EDUTECH

Trade exhibition for education and training technology  
 Date: May, 2002  
 Location: Melbourne  
 Frequency: Annual  
 Exhibition Organizer: Australian Trade Exhibitions Pty. Ltd.  
 Tel: 61 3 9819 0211  
 Fax: 61 3 9818 8553  
 Email: [ate@ate.net.au](mailto:ate@ate.net.au)  
 Website: [www.ate.net.au](http://www.ate.net.au)

#### FOOD PROCESSING AND PACKAGING (FPP)

##### FOODPRO

Date: July, 2002  
 Location: Sydney Convention & Exhibition Centre  
 Frequency: Every three years  
 Exhibition Organizer: Riddell Exhibitions

Tel: 61 3 94292 6088  
Fax: 661 3 9427 0829  
Email: melbourne@riddelleh.com.au

## FRANCHISING (FRA)

### FRANCHISING AND BUSINESS OPPORTUNITIES EXPO

Dates/Locations: March 22-24, 2002, Sydney  
October 4-6, 2002, Melbourne

Frequency: Annual  
Exhibition Organizer: Australian Exhibition Services  
Tel: 61 3 9261 4500  
Fax: 61 3 9261 4545  
Email: shows@ausexhibit.com.au  
Website: www.ausexhibit.com.au

## HOSPITALITY (HTL)

### AUSTRALASIAN GAMING EXPO

Trade exhibition for suppliers to the gaming, hotel, hospitality, amusement and entertainment industries.

Date: August, 2002  
Location: Sydney  
Frequency: Annual  
Exhibition Organizer: Exhibition Management Pty. Ltd.  
Tel: 61 3 9646 4044  
Fax: 61 3 9646 1828  
Email: exhibition@enternet.com.au

### SYDNEY INTERNATIONAL CATERING TRADE FAIR

Trade exhibition for suppliers of food, beverage, commercial kitchen, top-of-the-table, front & back of house, service and technology equipment.

Date: August 11-14, 2002  
Location: Sydney  
Frequency: Biannual  
Exhibition Organizer: Exhibitions & Trade Fairs  
Tel: 61 2 9413 3322  
Fax: 61 2 9413 3300  
Email: trudi@sydney.etf.com.au

## LABORATORY AND SCIENTIFIC INSTRUMENTS (LAB)

### SCIENCE 2002

Trade exhibition for the laboratory and scientific areas.

Date: May, 2002  
Location: TBC  
Frequency: Annual

Exhibition organizer: Scientific Suppliers Association of Australia  
Tel: 61 2 9804 8051  
Fax: 61 2 9804 8052  
Email: [ssaa@enternet.com.au](mailto:ssaa@enternet.com.au)  
Website: [www.ssaa.asn.au](http://www.ssaa.asn.au)

#### MEDICAL EQUIPMENT (MED)

##### ACCESS EXPO 2002

Access Expo is open to industry and public and has a focus on products and services for access-impaired, aged and disabled people.

Date: October, 2002

Location: Melbourne

Frequency: Annual

Exhibition Organizer: Paraquad Victoria

Tel: 61 3 9415 1200

Fax: 61 3 9415 1222

Website: [www.paraquad.asn.au](http://www.paraquad.asn.au)

#### PET FOODS/SUPPLIES

##### PET EXPO

Trade exhibition for suppliers to the pet food and supplies industry.

Date: October 18-19, 2002

Location: Sydney

Frequency: Annual

Exhibition Organizer: Pet Industry Joint Advisory Council of Australia (PIJAC)

Tel: 61 2 9896 2899

Fax: 61 2 9896 3521

Email: [pijac@fast.net.au](mailto:pijac@fast.net.au)

#### PROCESS CONTROL AND INSTRUMENTATION (PCI)

##### ELENEX/AUTOMATE 2001

The most prestigious trade event for the process control, automation, robotics and electronics for the manufacturing sectors.

Date: October, 2001

Location: Melbourne

Frequency: Annual

Exhibition Organizer: Australian Exhibition Services

Tel: 61 3 9867 4500

Fax: 61 3 9866 7931

Email: [shows@ausexhibit.com.au](mailto:shows@ausexhibit.com.au)

#### TELECOMMUNICATIONS EQUIPMENT (TEL)

NOW 2002

(USDOC Certified Trade Fair w/USA Pavilion - proposed)

NOW 2002 is Australia's premier telecommunications exhibition and conference. The exhibition caters to most segments of the communications industry.

Date: May, 2002 (TBC)

Location: Sydney

Frequency: Annual

Exhibition Organizer: Hannover Fairs Australia

Tel: 61 2 8920 9235

Fax: 61 2 9954 7718

Email: zoe.ford@hannoverfairs.com.au

## TRAVEL/TOURISM SERVICES (TRA)

### VISIT USA DESTINATION AND PRODUCT SEMINARS

(USDOC certified trade event)

Trade shows aimed at educating retail travel agents on U.S. destinations and products.

Date: February, 2002

Locations: Sydney, Melbourne, Brisbane, Perth and Adelaide

Frequency: Annual

Exhibition Organizer: Visit USA Organization (Australia) Inc.

Tel: 61 2 9967 4122

Fax: 61 2 9967 5460

Email: toured@ozemail.com.au

### GETAWAY HOLIDAY EXPOS

The largest consumer travel shows in Australia, attracting approximately 25,000 visitors at each show.

Dates/Locations:      October, 2002, Sydney  
                                   November, 2002

Frequency: Annual

Exhibition Organizer: Expertise Events Pty. Ltd.

Tel: 61 2 9977 0888

Fax: 61 2 9977 0336

Email: expertiseevents@bigpond.com

Note: In previous years, the Visit USA Organization has organized a "USA Pavilion" at the Sydney and Melbourne shows. Please contact the Visit USA Organization for further information (contact details listed above under Visit USA Destination and Product Seminars

## WATER RESOURCES EQUIPMENT/SERVICES (WRE)

### IRRIGATION AUSTRALIA 2002

Tradeshaw aimed at Australia's irrigation industry.

Date: May, 2002

Location: not determined

Exhibition Organizer: Exhibitions and Trade Fairs

Tel: 61 2 9413 3322

Fax: 61 2 9413 3303

Email: [rodney@sydney.etf.com.au](mailto:rodney@sydney.etf.com.au)

Website: [www.etf.com.au](http://www.etf.com.au)

It is anticipated that Australian trade delegations will attend the following U.S. trade shows, which have been certified under the Commerce Department's International Buyer Program (IBP):

Super Show 2001

Offshore Technology Conference  
(former IBP)

January 21-24

May 6-9

Las Vegas, NV

Houston, TX