

U.S. Country Commercial Guides



Table of Contents

<i>Doing Business in Australia</i>	5
Market Overview	5
Market Challenges	6
Market Opportunities	6
Market Entry Strategy	6
<i>Political Environment</i>	8
Political Environment	8
<i>Selling US Products & Services</i>	9
Using an Agent to Sell US Products and Services	9
Establishing an Office	9
Franchising	10
Direct Marketing	10
Joint Ventures/Licensing	11
Selling to the Government	12
Distribution & Sales Channels	12
Express Delivery	12
Selling Factors & Techniques	12
eCommerce	13
Trade Promotion & Advertising	15
Pricing	15
Sales Service/Customer Support	15
Protecting Intellectual Property	16
Due Diligence	16
Local Professional Services	16
Principle Business Associations	16
Limitations on Selling US Products and Services	17
Web Resources	17
<i>Leading Sectors for US Exports & Investments</i>	18
Aerospace	18
Cybersecurity	21
Defense	23
Medical Devices	27
Smart Grid	28

Travel and Tourism	31
Agriculture	32
Automotive Parts	34
Building & Construction	37
Franchising	38
Mining	39
Customs, Regulations & Standards	40
Trade Barriers	40
Import Tariff	41
Import Requirements & Documentation	41
Labeling/Marking Requirements	42
US Export Controls	42
Temporary Entry	43
Prohibited & Restricted Imports	44
Customs Regulations	44
Standards for Trade	44
Trade Agreements	46
Licensing Requirements for Professional Services	47
Web Resources	47
Investment Climate Statement	49
Executive Summary	49
Openness to & Restrictions upon Foreign Investment	50
Bilateral Investment Agreements & Taxation Treaties	52
Legal Regime	52
Industrial Policies	56
Protection of Property Rights	57
Financial Sector	58
State-Owned Enterprises	59
Responsible Business Conduct	59
Corruption	60
Political & Security Environment	61
Labor Policies & Practices	61
OPIC & Other Investment Insurance Programs	62
Foreign Direct Investment & Foreign Portfolio Investment Statistics	62
Contact for More Information on the Investment Climate Statement	64

Trade & Project Financing	65
Methods of Payment	65
Banking Systems	65
Foreign Exchange Controls	66
US Banks & Local Correspondent Banks	66
Project Financing	66
Financing Web Resources	68
Banks and Financial Institutions	68
Business Travel	69
Business Customs	69
Travel Advisory	69
Visa Requirements	69
Currency	69
Telecommunications/Electronics	69
Transportation	70
Language	71
Health	71
Local Time, Business Hours & Holidays	71
Temporary Entry of Materials or Personal Belongings	71
Travel Related Web Resources	71

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Doing Business in Australia

Market Overview

Total US - Australia bilateral trade of goods and services in 2017: USD64.4 billion²

US exports of goods and services to Australia in 2017: USD46.7 billion²

US goods exports to Australia in 2017: USD24.6 billion²

US services exports to Australia in 2017: USD22.1 billion²

Australia's rank as a US export market in 2017: 16th largest³

World Bank Ease of Doing Business 2017 Rank: 14 of 189 (15 in 2016)⁴

Australia is the world's 11th largest economy⁵ with a GDP of USD 1.32 trillion⁶

Australia-US Free Trade Agreement (AUSFTA) has significantly stimulated US-Australian trade and investment since its inception in 2005.

¹ Source: [Reserve Bank of Australia](#)

² Source: [Bureau of Economic Analysis](#)

³ Source: [Trade Policy Information System, International Trade Administration](#)

⁴ Source: [World Bank Indicator](#)

⁵ Source: [World Bank GDP Rankings](#)

⁶ Source: [Australian Bureau of Statistics](#)

In 2017, Australia surpassed the world record for the longest period of uninterrupted economic growth, 26 years, previously held by the Netherlands. Australia's GDP grew by 2.4% in 2017 and is anticipated to grow by 3.25% in 2018/19. Australia's growth continues to exceed the Organization for Economic Co-operation and Development (OECD) average despite the economy transitioning to broader-based growth following the end of the resources boom. The start of 2018 has seen strong signs of recovery and growth due to non-mining business investment and significant public infrastructure investment. With few barriers to entry, a familiar legal and corporate framework, sophisticated consumer and industrial sectors, and a straightforward, English-speaking business culture, Australia remains a vibrant and important pro-US market for American goods and services.

Source: [Reserve Bank of Australia](#)

Australia welcomes foreign investment as an essential contributor to economic growth and productivity. The United States is Australia's largest foreign investor – with investment as of 2017 valued at USD690.6 billion. Around 1,400 American companies operate in Australia in a wide variety of sectors. US direct investment in Australia is concentrated in mining, oil and gas, finance and insurance, and manufacturing. In 2017, Australia's total investment in the United States was valued at USD511.7 billion.

Source for investment statistics: [Australian Department of Foreign Affairs and Trade](#)

Since coming into force on January 1, 2005, the AUSFTA has reduced investment thresholds, provided greater intellectual property protection, and fostered greater two-way investment. As a result of the AUSFTA, over 99 % of US exports now enter Australia duty-free.

Source: [Bureau of Economic Analysis](#)

Australia has a well-established legal system for litigation and arbitration. The country is a world leader in the development and provision of dispute resolution mechanisms, and is a signatory to all the major international dispute resolution conventions. Australia has an AAA international credit rating with a well-developed, sophisticated financial market, regulated in accordance with international norms. Australia's four leading banks are highly ranked internationally in terms of financial security and liquidity.

Australia has a large services sector, and is a world leader in mineral and LNG extraction and food production. Australia's abundant and diverse resources attract high levels of foreign investment, and include extensive reserves of coal, iron ore, copper, gold, natural gas, uranium, and renewable energy sources.

Market Challenges

Australia's remote location from the United States is often cited as the single most significant non-tariff barrier to trade.

American companies may find that Australian and third-country competitors in Australia have some long-established brands with strong reputations and well-established supplier relationships.

Australia has ready access to Asian and other low-cost producers. American firms must therefore demonstrate sufficient added value to overcome the costs of getting the product to market, and to compete.

Healthcare companies are concerned about Australian Government-imposed price cuts impacting pharmaceuticals and medical devices in country.

Market Opportunities

Australia is a pro-US market and the United States is a major supplier of transportation equipment, machinery, chemicals, electronic products, fabricated metal products, processed foods, electrical equipment, plastics, rubber, primary metal products, and agricultural products and equipment.

Leading prospect sectors related to these broad categories include defense, aircraft and parts, automotive parts, building products, cloud computing, medical equipment, mining equipment, oil and gas equipment, smart grid technology, recreational marine transportation, and cosmetics and are detailed. Attractive service sectors for US exporters include: financial services, healthcare, information technology services, travel and tourism, and franchising.

Market Entry Strategy

A common language and familiar business framework may lead Americans to overlook Australia's cultural and market differences. It is vital for a US product's success to first gain an understanding of the Australian context for a product or service, its competitors, standards, regulations, sales channels, and applications.

Success in the Australian market often requires establishing a local sales presence. For many American exporters, this means appointing an agent or distributor. The bounds of that appointment are negotiated, and may include only certain states of Australia, the entire country, or New Zealand as well.

The distance from many of their trading partners and the sheer size of the Australian continent-comparable to the continental United States-causes Australian firms to stress the importance of local support and service. American companies should visit Australia both to meet prospective partners and demonstrate ongoing support, as this is the common practice of their competitors.

Most of the criteria American firms use to select agents or distributors in markets throughout the world are also applicable to Australia, with expectations adjusted to the scale of the market given the population of 24.8

million. Performing due diligence is just as important in Australia as in the United States, and the Commercial Service in Australia offers services to assist in this area.

Political Environment

Political Environment

For background information on the political and economic environment of the country, please click on the link to the [US Department of State Background Notes](#).

Selling US Products & Services

Using an Agent to Sell US Products and Services

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

Agents assume a number of duties and obligations once a representation contract with a foreign company is finalized, including adherence to the principal's instructions, good faith in the interests of the principal, and maintenance of proper accounts. The agent retains the right to remuneration and the right to an indemnity for liabilities or losses incurred due to improper termination. Australian law, however, does not require indemnity payments.

Parties may stipulate specific causes for termination in the agreement. Either party may terminate the agreement upon receipt of reasonable notice. 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.

A distributor acts as an independent contractor, purchasing products from the foreign corporation and distributing them to wholesale buyers or retailers. Generally, a foreign corporation cannot restrain a distributor from selling competitors' products. Australian distributors often ask for exclusive geographic rights to market a foreign corporation's products. Due to the size of the market, Australian distributors often request nationwide exclusivity.

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

For many products the use of an agent or distributor is not legally required. However, there are products such as dangerous goods that can only be brought into Australia through an import permit or license. Other products like cosmetics may need an importer/introducer to ensure compliance with regulatory requirements.

Establishing an Office

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

Australian business practices are similar to those in the United States. Establishing a business in Australia, either singly or in partnership with a local company, is relatively straightforward, and a foreign company can choose from a range of business structures. The most common forms of business organizations are representative offices, branches of parent companies, subsidiaries, sole traders, partnerships, trusts,

companies, and joint ventures. Overseas investors may set up an operation using any of these forms, irrespective of the business structure they have elsewhere.

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

A private company is the most typical structure for an overseas investor if it is to be a wholly-owned subsidiary of a foreign company and if public offering of shares is not intended. The regulations that apply to a private company are simpler and less costly than those applicable to a publicly-traded company.

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 US has an office in Australia, that office will be required to register for an Australian Business Number (ABN) as well as possibly registering for the Goods and Services Tax (GST).

While establishing an office is fairly straightforward, we encourage US companies to obtain expert legal and financial advice, readily available from Australian and multinational providers. Nominal costs for company incorporation include: filing fees payable to ASIC, legal costs for preparing the charter and bylaws, and registration.

Franchising

Franchising is well-established in Australia with more franchising outlets per capita than in any other country, and three times more per capita than in the United States. For information on franchising please refer to the best prospects section under Leading Sectors for US Exports & Investments.

Direct Marketing

Advancements within the telecommunications industry and technological developments associated with database applications have resulted in significant growth in the direct marketing industry. As with most forms of advertising, direct marketing is becoming saturated in the marketplace and competition for the consumer's attention is increasing.

A wide range of communication facilities are used in this competitive industry. This includes telephones (telemarketing), mail (catalogs/direct mail), traditional broadcast and print media (direct response advertising via television, radio, newspapers, and magazines) and electronic media (the Internet). In response to community concerns and complaints about unsolicited direct marketing calls to private telephones, the Australian government introduced the "Do Not Call Register" in May 2007 for those consumers who want to opt out of receiving calls from telemarketers. Organizations exempt from adhering to the Register's regulations include charities, government bodies, religious groups, educational institutions, and registered political parties.

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

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

The Association for Data-driven Marketing and Advertising ([ADMA](#)) is Australia's principal body for information-based marketing and represents more than 500 member organizations. ADMA works closely with government, consumer, and industry groups on the development of codes of practice for direct marketing.

Joint Ventures/Licensing

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

Unincorporated Joint Ventures

The rights and obligations of these joint venture parties are set out extensively in the JV documents. An unincorporated JV is sometimes more suitable for a single project or business venture, for example, in sectors like the mining, oil, and gas industries. The joint venture document usually expresses the limitations and conditions of the JV so that a broader partnership is not implied. The application of partnership laws comes with other tax and liability implications.

Incorporated Joint Ventures

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

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

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

They can also be created to suit the needs of the particular participants. For example, one participant in an unincorporated JV could be the trustee of a unit trust, while one shareholder in an incorporated JV could also be the trustee of a unit trust.

Licensing

Australian industry is known for its practical approach to problem solving. In this context, the role of licensing is of particular importance for Australian commerce and industry. The common language and cultural similarities make negotiation and understanding easier.

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

warranties and indemnities, technical assistance and confidentiality, sub-licensing and assignments, and termination.

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

Selling to the Government

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to “Project Financing” Section in “Trade and Project Financing” for more information.

Australia’s public procurement is estimated to account for 15-18% of GDP. Australian federal, state and local government agencies remain significant purchasers of goods and services. Under the US and Australia Free Trade Agreement (AUSFTA) federal and state-based government purchasing entities may not:

- (a) treat a locally established supplier less favorably than other locally established suppliers on the basis of degree of foreign affiliation or ownership; nor
- (b) discriminate against a locally established supplier on the basis that the goods or services offered by that supplier for a particular procurement are goods or services of the other party.

The AUSFTA permits the use of three procurement methods: open tendering; select tendering (referred to as ‘multi-use lists’); and limited tendering.

While federal and state-based entities cannot favor Australian-made goods over US-made goods, it is still critical for US suppliers to establish a physical presence in the market to be able to address critical buying factors such as delivery and after sales service.

Distribution & Sales Channels

Distribution channels tend to be less industry sector-focused than those in the United States. Australian distributors are often open to exploring new industry channels and product applications. In most cases, Australia’s distribution and sales channels are comparable to those in other industrialized countries. US exporters commonly use importers, distributors, agents, wholesalers, and manufacturers’ representatives. Foreign companies also export directly to end-users.

Express Delivery

The courier pick-up and delivery services market in Australia is efficient and very well developed. Major players include Toll, FedEx, Star Track Express (owned by Australia Post), DHL and UPS. These major players do not hold significant market share as there are an estimated 12,000 businesses operating within this sub-sector. Express shipping from the US to Australia can take between three-five working days. Priority mail can take between seven-ten working days.

Selling Factors & Techniques

Before entering the market, prospective exporters to Australia should evaluate their selling techniques thoroughly to ensure that they are appropriate to the market, and that there is sufficient demand for the product or service in Australia. Australian distributors can struggle to compete against online retailers so it is very important for US companies to work out their wholesale discounts that can be offered to a partner. Margins also tend to be higher in Australia than they are in the United States.

eCommerce

Overview

In 2017 Australians spent approximately USD16.3 billion (AUD22 billion) on online purchases. From 2016-2017 the local ecommerce market grew by 11.5%. In comparison, the bricks and mortar retail market grew by 3.3% over the same period to reach USD193 billion. Leading Australian eCommerce platforms include Amazon eBay, Gumtree, and Catch of the Day. Leading Australian etailers include JB HiFi, Kogan, SurfStitch, the Iconic and Appliances Online.

In December 2017, Amazon opened its .au website, and also placed a logistics warehouse in Melbourne. Whilst the stock offerings are not as comprehensive as on its .com site, it is predicted that Amazon will take a considerable slice of the market leading share that in its absence, ebay.com.au has built up.

Current Market Trends

According to a recent survey carried out by the National Australia Bank (NAB) entitled Online Retail Sales Index, over a 12-month period to December 2017, the fastest growth sectors include department and variety items (CAGR 30%), fashion (22%), homeware and appliances (15%). Other leading segments include media (13%), health & beauty (8.7%), food & liquor (6%) and hobbies & recreational goods (5%).

Domestic eCommerce (B2C)

An overwhelming number of Australians (79%) buy domestic products from local etailers. This market has grown over 11% over the last year. Over 40% of all B2C transactions take place on eCommerce platforms such as eBay, Amazon, and Gumtree. The remainder of B2C eCommerce takes place at the individual company website. With over 13 million active Facebook users in Australia, social media is also a big driver in the promotion of B2C transactions. Retailers are driving sales through a mix of shop and online promotions or "multi-channel". The finance industry is a major driver with the large four Australian banks providing a range of cutting-edge tools for accessing accounts, and paying bills and making mobile transactions. B2B sales are somewhat more fragmented with less reliance on eCommerce platforms for trading.

Cross-Border eCommerce

Only 21% of Australians purchased products in 2017 from international sellers. This has increased by 7.3% over the last year. 40% of goods are purchased from America, 32% comes from China, and 22% from the U.K. These purchases are generally made due to increased product offerings from overseas suppliers and cheaper prices. Until 2018, a Goods and Service Tax (GST) was not applied to low value (less than AUD1,000) imports. However, from July 1 2018, the Australian Taxation Office (ATO) is changing the way GST is calculated. The GST amendments are targeted at goods sent from overseas to Australian consumers. GST will apply to sales of low value imported goods to consumers. A recipient is not a consumer if they are a GST-registered business who purchases the goods for use in their business in Australia. The supplier can be sure this is the case if they obtain the recipient's ABN and the recipient states to them that they are GST-registered.

The reporting requirements for customs documents apply when the supplier is registered for GST in Australia and responsible for sales of low value goods. This includes where items where GST is not charged because the customer is not a consumer – if so, the tax information which must be included is the supplier's GST registration number and the recipient's ABN (if the supplier has it).

A supplier only needs to be registered for GST if the value of their sales of low value goods imported into Australia by consumers (plus any other sales made that are connected with Australia) is AUD75,000 or more in a 12-month period. If the supplier only makes sales to Australia of goods imported by GST-registered businesses, they will not be required to register for GST. This means there will be no requirement to include the information in customs documents.

More information can be found at www.ato.gov.au/AusGST, including a webinar and some short factsheets as well as detailed web guidance and links to public rulings.

Other sections relevant to US exporters include:

- [Sales of low value goods to GST-registered businesses](#)
- [Requirements for customs documents](#)

eCommerce Services

Major fulfillment service providers in the local market include Australia Post, DHL, FedEx, TNT, Toll.

Popular eCommerce Sites

Popular eCommerce sites in Australia include Ebay, Gumtree, Amazon, Catch of the Day, Kogan, JB HiFi, The Iconic, Temple & Webster, Appliances Online, and Amazon (United States).

Online Payment

Approximately 70% of all online payments are made using credit and debit cards. PayPal represents 30% of online transactions in Australia

Mobile eCommerce

Mobile eCommerce represents a significant opportunity in the local market. With mobile penetration at close to 100%, mobile payments and purchasing is a major strategy for all retailers. Australians are expected to increase their spending on mobile devices by 50% this year to USD7.7 billion (AUD10.4 billion).

Digital Marketing

The fastest growing segments in the Australian online advertising market are mobile and online video, and both are expected to outperform the market significantly over the next five years. Mobile advertising, for example, is forecast to grow at a Compound Annual Growth Rate (CAGR) of 39% between 2013 and 2018, while video advertising is expected to grow at 31%.

According to a recent survey, less than one-third of retailers rate their eCommerce/digital strategy highly as best practice and key to driving sales. Nonetheless, around half of retailers consider their eCommerce/digital strategy as moderately in line with best practice and a driver of sales.

On average, retailers report that 53% of their advertising budget is allocated to online media. 42% of retailers also report that this advertising budget allocation is expected to change in the next 12 months.

Major Buying Holidays

Christmas is a big driver for online sales, as well as Boxing Day (December 26), Easter, Mother's Day (second Sunday of May each year), Father's Day (first Sunday in September each year), Valentine's Day and Click Frenzy (set up to mimic Cyber Monday), US Black Friday and Merry Monday (December 19).

Social Media

Social media is an important part of online advertising in the local market. Most companies see social media as a method for increasing brand awareness, advertising and promotions and generating sales. With over 13 million users, Facebook and YouTube are the two most used mediums for product promotion. Other leading sites include WordPress, Tumblr, LinkedIn, BlogSpot, Twitter, Instagram, TripAdvisor, Yelp, Snapchat and Pinterest.

Trade Promotion & Advertising

US companies can promote their products by advertising in established broadcast, print and digital media outlets such as major newspapers, industry magazines, trade association newsletters, and websites. Direct mail campaigns launched from the United States, without a local Australian presence, generally are not effective as a sole tactic. Companies should take note that households can also be placed on a "Do Not Mail List" that has been growing yearly.

Australia hosts a variety of trade shows and conferences each year. While not as large as some similar events in Asia or Europe, these can provide efficient access to Australian trade and industry buyers. The US Commercial Service Australia organizes US Pavilions at several Australian trade shows to introduce new American suppliers and raise the market profile of existing distributors of US products and technologies.

Pricing

The Australian market requires that companies be price competitive, expect lower profit margins, and expect sales of smaller quantities.

In addition to Australian domestic supply, products from all over the world are represented in this sophisticated market, where sellers and end-users alike are all searching for something new. It is important for US companies to adapt their pricing to the local market, which is active and highly-competitive.

To structure their prices competitively, suppliers must consider all the cost elements that imported products have to bear. The key factors are: freight rates; handling charges; import tariffs in some cases; a Goods and Services Tax (GST); marketing costs, such as advertising and trade promotion; and agent or distributor commissions. US exporters should note that sea freight rates from the US to Australia are high when compared with those from within Asia, and even from Europe. The cost of living is generally higher in Australia, and this is coupled with higher wages.

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 high-volume businesses particularly in the B2C eCommerce sector have alerted the increasingly cost-conscious consumer to competitive discount sales and services. Suppliers need to be able to deliver quality products or services at attractive prices. To compete successfully, exporters should consider granting maximum wholesale discounts, keeping in mind that what may seem to be a small transaction to the US exporter appears as a major order to an Australian buyer.

Sales Service/Customer Support

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

Depending on the product or service to be exported, Australian agents/distributors expect support from their US 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 US freight forwarders have offices in Australia. Air and sea freight are commonly used. Where necessary, US firms should ensure that their representatives can service the imported equipment or that there are service arrangements in place.

Protecting Intellectual Property

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, please link to our article on [Protecting Intellectual Property](#) and [Stopfakes.gov](#) for more resources.

Due Diligence

US 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.

The US Commercial Service-Australia provides the International Company Profile (ICP) program, giving useful background information on an Australian firm including financial data, trade references, company size, marketing operations, and a listing of key officers. We can also visit the company premises to interview principals in the Sydney, Canberra, and Perth metropolitan areas.

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

Local Professional Services

The full range of professional services such as human resources, executive recruitment, legal, financial, and real estate exist in Australia, with a greater choice and concentration in metropolitan centers such as Sydney, Melbourne, Perth, Adelaide, Canberra, and Brisbane. For the benefit of US exporters, the US Commercial Service-Australia maintains a list of firms known to us on our website under the heading [Business Service Providers](#).

Principle Business Associations

[American Chamber of Commerce in Australia](#)

[Australian Industry Group](#)

[Australian Institute of Management](#)

[Business Council of Australia](#)

[Business South Australia](#)

[Chamber of Commerce & Industry Queensland](#)

[Chamber of Commerce and Industry Western Australia](#)

[Export Council of Australia](#)

[Institute of Management Consultants](#)

[New South Wales Business Chamber](#)

[Small Business Association of Australia](#)

[Tasmanian Chamber of Commerce & Industry](#)

[Victorian Employers' Chamber of Commerce and Industry](#)

Limitations on Selling US Products and Services

Australia is an open and transparent market. There are no manufacturing or service sectors where only citizens are allowed to own or sell.

Web Resources

[The Australian](#)

[Australian Bureau of Statistics](#)

[Australian Competition and Consumer Commission](#)

[Australian Direct Marketing Association](#)

[The Australian Financial Review](#)

[Australian Securities and Investment Commission](#)

[Australian Taxation Office](#)

[ATO: Business Entry Point](#)

[Australian Trade Commission](#)

[Business Review Weekly](#)

[The Canberra Times](#)

[FedEx](#)

[Franchise Council of Australia](#)

[IP Australia](#)

[Reed Exhibitions Australia](#)

[The Sydney Morning Herald](#)

[The West Australian](#)

Leading Sectors for US Exports & Investments

Aerospace

Overview

Australia is a major buyer of US aircraft parts (HS8803, USD463 million, third largest); powered aircraft (HS8802, USD666 million, second largest); helicopters > 2000kg (HS880212, USD269 million, third largest) and overall for aircraft, spacecraft and parts thereof (HS88, USD2536 million, 15th largest). In 2016, Australia was the largest importer of US helicopters worldwide. Aircraft manufacturing and repair services in Australia generate revenue of USD3 billion – including exports of USD1.5 billion. Boeing Australia has the leading local market share at 38.1% with revenue of approx. USD1.15 billion (AUD1.5 billion), and Boeing maintains its largest presence outside of the United States in Australia.

The United States is the leading source for all of the above categories of imported aircraft and parts into Australia, supplying nearly all of Australia's military requirements and 60% of Australia's civilian needs - thereby linking Australia closely to US standards, suppliers, parts, and finished aircraft. US-manufactured aircraft represent a sizeable proportion of the registered aircraft in Australia, ensuring a market for spares, accessories, and service. Other registered aircraft are manufactured in Australia, Germany, the U.K., and France. Australia's Civil Aviation Safety Authority's (CASA) acceptance of FAA certification standards strengthens the relationship between Australian and US aircraft and parts exporters.

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

There are 15,512 aircraft on Australia's civil aviation register of which 11,551 are powered aircraft; 2259 are helicopters; 996 are gliders; and 423 lighter than air. Leading brands are Cessna (3622), Piper (1839), amateur built (1588), Robinson Helicopter (1160), Beech (634), Bell Helicopter (286), Kavanagh Balloons (284), Boeing (257) and De Havilland (237) and Schempp-Hirth Flugzeugbau GmbH (187). There are over 700 design, maintenance, maintenance training, parts manufacturing and parts distribution organizations. Australia is a key market in, and a major distribution point for, the Asia Pacific.

	2015	2016	2017	2018 (Estimated)
Total Local Production	2800	2840	3000	3100
Total Exports	1354	1477	1488	11550
Total Imports	3185	3265	3274	3350
Imports from the US	2889	2360	2536	2800
Total Market Size	4631	4628	4786	4900
Exchange Rates	.75	.74	.77	.77

(total market size = (total local production + imports) - exports)

Unit: USD Thousands

Data Sources: Global Trade Atlas, IBISWorld Australia, Australian aviation industry estimates and analysis as well as tariff and trade data from the US Department of Commerce and the US International Trade Commission. Data retrieved as of 2 July 2018.

Leading Sub-Sectors

Defense contracts – all categories

QANTAS fleet upgrade

Parts, repairs and maintenance

Business jets

Helicopters

Aerial agriculture

Unmanned Aerial Vehicles (UAVs)

Australia has a large civil helicopter fleet (2259), ranking fifth worldwide. Helicopters are well suited to supporting remote oil, gas and mining projects as well as island tourist resorts, aeromedical and rescue services, and large agricultural properties. Australia was the largest buyer of US helicopters in 2016.

Opportunities

Over the next ten years, the Australian carrier Qantas has committed to about USD12.6 billion (AUD17 billion) for more fuel efficient, next generation aircraft such as the Airbus 380 and the Boeing 787 Dreamliner. Tigerair Australia, the low-cost subsidiary of Virgin Australia, is also transitioning to become an all Boeing 737 operator by 2020 as part of fleet simplification efforts at the Virgin group of airlines. That entails replacing 12 Airbus A320s over three years.

The commercial airline market sources major equipment directly from manufacturers and prefers to obtain OEM spares from approved suppliers.

In Australia, Qantas leads the field in commercial aviation, followed by Virgin Australia. Opportunities in the aviation market include a range of products from avionics to ground support equipment. Best prospects remain in parts and components supplies for aircraft maintenance, repair, and overhaul of US-manufactured airplanes.

Australia announced in March 2016 a 10-year, USD146 billion defense equipment investment program. This includes a heavy focus on various fixed wing, helicopter and UAV aircraft. Australia is a major importer of defense systems – third in 2015, ninth in 2016 – and a leading customer of the US –third in 2015 and 2016.

Australia is also the second largest business jet market in the Asia Pacific – 184 aircraft – and growing rapidly.

Australia is a major helicopter market; operates over 2200 helicopters; offers substantial opportunities in both the civilian and defense sectors; and has a fast-growing trade show called Rotortech dedicated to the helicopter industry.

Web Resources

Rotortech 2018

<https://www.rotortech.com.au/Index.asp>

May 24–26, 2018, Sunshine Coast, Queensland

Largest helicopter event in Southern Hemisphere and recently taken over by AMDSFA, organisers of the Avalon Airshow and various other major defense trade shows (Land Forces, Pacific and CivSec). As the specialist rotor event for the largest rotor industry in the Asia Pacific, AMDSFA has high hopes to grow this event significantly – and fast. Held every second year. Next event is scheduled for May 2020.

Australian Airports Association National Conference and Exhibition

<https://airportsconference.asn.au/>

November 13 – 16, 2018, Brisbane, Queensland

Leading airports and aviation conference/exhibition in Asia Pacific. Held annually. Prime venue for meeting representatives of Australia's large airports community in one location. Conference program is augmented by a trade expo.

Australian International Airshow

<https://www.airshow.com.au/airshow2019/index.asp>

February 26 - March 3, 2019, Geelong, Victoria

The Australian International Airshow is the largest air show in the Southern Hemisphere and largest in Asia every second year. Known widely as the Avalon Airshow [its permanent venue is Avalon Airport], Avalon alternates with the Singapore Air Show every second year in the same way that Farnborough alternates with the Paris Air Show. While clearly smaller than that pairing, Avalon/Singapore is the next biggest option and they pitch to the world's fastest growing and largest aviation market – East Asia Pacific.

There is a large US Pavilion and total US exhibitor numbers across the whole event is projected to exceed 100 for the first time in 2019. US States are a prominent feature of this presence, hosting booths and SMEs from their respective regions and – for the first time – Avalon 2019 will also feature a US Investment Pitchfest at which key US States and regions will be able to promote themselves to Australian and indeed Asia Pacific business audiences as key locations for planned expansion into the United States' aerospace and defense market.

Hyperlinks to key Australian aerospace associations and businesses follow.

[Aerial Agricultural Association of Australia](#)

[Aircraft Owners and Pilots Association of Australia](#)

[Airservices Australia](#)

[Australian Airports Association](#)

[Australian Helicopter Industry Association](#)

[Aviation/Aerospace Australia](#)

[Aviation Maintenance Repair and Overhaul](#)

[Civil Aviation Safety Authority](#)

[QANTAS](#)

[Recreational Aviation Australia](#)

[Regional Aviation Association of Australia](#)

[Space Industry Association of Australia](#)

Cybersecurity

Overview

The Australian Information and Communications Technology (ICT) market is valued at approximately USD100 billion. The information technology (IT) services industry accounts for approximately one third of the total IT market and is valued at nearly USD18 billion. The Australian ICT market is mature with a large number of multinational technology companies active in the local market.

The Australian cybersecurity market according to analyst group Gartner will reach USD3.2 billion in 2018. USD100 million will be spent on hardware-related purchases, USD600 million on software and USD2.5 billion on services. The cyber market is growing at over 7% annually. Much of the growth can be attributed to emerging digital threats, increased exposure to cyber risk, corporates reaction to increased regulation of cyber risk, and business' evolution to consolidate a digital business strategy. A recent report by the Australian Cyber Security Growth Network entitled Cyber Security Sector Competitiveness Plan suggests that over the next decade, the Australian cyber market has the potential to triple in size.

Locally, there is strong demand for cyber security services as many public and private companies lack the internal expertise to adequately and comprehensively secure their IT assets. This trend will grow over the next decade as companies will place an even greater reliance on outsourced security vendors to provide digital security solutions on their behalf. This is especially true with small to medium sized companies.

American and Israeli companies make up the majority of the import market for IT security solutions (and the majority of the whole market). 60% of all imported solutions are of US origin and approximately 20% originates from Israel. US companies are widely recognized as providing industry leading solutions and are well respected in the local market. In addition, Australian and American defense forces have a very strong working relationship, and if a product is approved for use with the US military, typically the approval process for adoption by Australian counterparts is much simpler.

As much of the demand for cyber products and solutions is supplied by foreign vendors, it is no surprise that Australian companies do not feature in the list of the top 15 security software vendors in the local market. Australian companies only feature in a significant way in the supply of services and acting as channel partners for overseas vendors supply specific and niche security service expertise.

As the above graph shows, of the USD3.2 billion total local spending on cyber security products and solutions, USD1.4 billion is derived from imports from companies that don't have a core team in Australia, USD2 billion is a combination of local companies and from local subsidiaries of foreign vendors and about USD200 million in solutions and services is exported out of Australia.

In the end-user market, financial service firms – ANZ, NAB, CBA, Westpac, AMP – amongst others, are the largest users of cyber products in the Australian market. Collectively, the segment accounts for one third of Australia's IT security demand. It appears that they spend more on average than most other financial institutions on a global scale. According to a recent report by industry group IDC, the cyber spend by Australian government agencies, and telecommunications, education, professional services, and transportation companies is also greater than their world counterparts.

Australian Government's Cyber Security Posture

The Australian Government's cyber security capabilities are housed under the umbrella of the Australian Cyber Security Centre (ACSC) – www.acsc.gov.au. The ACSC works with government and business to reduce the cyber security risk to Australian government networks, and networks of national interests. It also acts to enable a more comprehensive understanding of cyber threats and sharing information to both government and private sector alike.

The ACSC houses the cyber security efforts of the Australian Signals Directorate (ASD), Computer Emergency Response Team (CERT) Australia, The Defence Intelligence Organisation (DIO), the Australian Criminal Intelligence Commission (ACIC), the Australian Federal Police (AFP), and the Australian Security Intelligence Organisation (ASIO). More information on these agencies can be found at:

<https://acsc.gov.au/publications/ACSC Threat Report 2017.pdf>

Other government agencies that have responsibility for managing Australia's cyber policy and implementation include: Department of Prime Minister and Cabinet (governance, structure, and research), Attorney General's Department (increase Australia's CERT capacity), and the Department of Defense (increase Australian Signals Directorate's capacity to identify new and emerging cyber threats).

	2015	2016	2017	2018 (Estimated)
Total Local Production	1,600	1,730	1,860	2,000
Total Exports	161	173	186	200
Total Imports	1,125	1,209	1,300	1,400
Imports from the US	663	711	762	820
Total Market Size	2,564	2,772	2,980	3,200
Exchange Rates	.75	.74	.77	.77

(total market size = (total local production + imports) - exports)

Unit: USD Thousands

Leading Sub-Sectors

Mobile device penetration is very high in Australia and the banks especially are spending significant amounts of money to enable mobile banking applications. As such, the demand for mobile security solutions will be strong over the next few years, these include threat detection, end-point penetration and authentication tools. The rise of the Internet of Things will ensure that end point security will also be critical. The increase in compliance and regulation around data security will mean that reporting and compliance tools will also be in strong demand.

Opportunities

Overall, the market for cyber services will remain very strong over the next decade as Australian companies outsource the supply of security solutions.

Thanks to the US Australian Free Trade Agreement, there are no tariffs on the importation of software. A goods and service tax (GST) is levied on the landed value of goods imported into Australia. GST is also applicable to services that are carried out in Australia however, not on services that are carried out remotely.

Web Resources

[Australian Information Industry Association](#)

[Australian Reseller News](#)

[CIO](#)

Trade Shows/Events

[MILCIS](#) – Military Communication & Information Systems Conference

13-15 November 2018

Defense

Overview

Every US business active in the defense sector and looking to pursue international business opportunities should include Australia on its shortlist of potential export markets. Australia has a ten-year, USD145 billion acquisition strategy supported by allocated funding; a strong preference for US technology based around an operational focus on interoperability with the US military; and is a close US ally offering the additional diverse benefits of being a strong democracy based on the rule of law; IP protection; familiar business practices; English language; and a well-established American Chamber of Commerce.

US companies also have the in-country support of US export promotion agencies – specifically the US Commercial Service with an aerospace and defense/marine/safety and security specialist based in the US Embassy in Canberra, along with a uniformed team at the Office of Defense Cooperation, also located in the US Embassy, tasked with facilitating US solutions for a range of Australian defense projects.

Australia claims the largest jurisdiction of any nation – 10 million square miles or 27.2 million square kilometers - split almost evenly between land and ocean, and stretching from the South Pole to just short of the Equator. This places a heavy burden on the nation's military and its border security services. The Australian Defence Force is widely regarded as the most potent military force in the Southern Hemisphere, comprising some 60,000 full-time personnel and over 20,000 active reserves, operating a technologically-advanced portfolio of weapons platforms. It has for example recently acquired two Landing Helicopter Docks [LHDs] amphibious assault ships, each of 27,000+ tons to strengthen its force projection capabilities, and is a major customer for the F-35 Joint Strike Fighter program. It has also embarked on a large conventional submarine construction program with frigates to follow. By 2020, Australia will also boast the world's first fifth generation air force, flying almost exclusively US-made product.

Australia has various defense agreements with the United States including a Defence Trade Cooperation Treaty. It prioritizes interoperability with the United States and has been a firm US ally for a century. Indeed, the two countries are celebrating a 'century of mateship' in 2018 dating back to the Battle of Hamel in 1918 when the two armies first went into battle together. Australia's defense acquisitions are premised on a desire to operate the most advanced conventional defense systems in the world; a commitment to defend its territorial jurisdiction and a readiness to deploy worldwide in support of key policy objectives. Australia fully funds its defense acquisitions and undertakes periodic reviews of its national defense strategy and associated equipment needs.

Australia's defense equipment investment program includes a heavy focus on various fixed wing, helicopter and UAV aircraft. Australia is a major importer of defense systems – third in 2015, 9th in 2016 – and a leading customer of the United States – third in 2015 and 2016 and 2nd in 2017. In 2016-17 Australia budgeted to spend AUD12.9 billion on defense acquisition (AUD7.2 billion) and sustainment (AUD5.7 billion). NB AUD 1 = 0.75 USD.

Australia released its [Naval Shipbuilding Plan](#) in May 2017, outlining the country's largest ever program of naval shipbuilding and sustainment, including AUD1.3 billion (USD1 billion) investment to develop infrastructure in shipyards.

Australia has committed to investing around AUD90 billion (USD70 billion) in the rolling acquisition of new submarines, and the continuous build of major ships such as future frigates, as well as minor naval vessels. It is useful to peruse this document in combination with Australia's [White Paper on Defence](#), which profiles Australia's total defense acquisition program over the coming decade.

US companies looking to showcase their capabilities to Australia and its Asia Pacific neighbors should be actively considering exhibiting in the US Pavilion at the upcoming Australian International Airshow 2019 ['Avalon 2019'] to be held south of Melbourne in early 2019.

Airshow dates are February 26-March 3, 2019. See its website here <https://www.airshow.com.au/airshow2019/index.asp> Avalon 2019 will be the defense-focused trade show to attend in the Asia Pacific in 2019. There will also be a large US Pavilion and total US exhibitors across the airshow are expected to exceed 100 for the first time. Avalon will also feature the first US Investment Pitchfest where US States and regions have the opportunity to present their jurisdictions as the best options for expansion into the US market for those aerospace and defense companies looking to expand into the world's largest defense market.

Many US defense companies have large presences in Australia, including Boeing, Lockheed Martin, Rockwell Collins, Northrop Grumman, and Raytheon. Three significant US defense export successes in the first half of calendar year 2018 have included the January announcement of Lockheed Martin's USD566 million (AUD700 million) SEA 1000 Future Submarine Combat Systems Design, Build and Integration project.; the April announcement of US companies KBR and Huntington Ingalls Industries (HII) to jointly deliver a Naval Shipbuilding College in Adelaide to train the skilled workforce necessary to deliver Australia's ambitious naval capability plan [value unspecified but estimated in tens of millions of dollars, depending on ultimate scale of college activity]; and the June announcement re acquisition of the first MQ-4C Triton remotely-piloted aircraft from Northrop Grumman through a cooperative program with the US Navy, valued at AUD1.4 billion (USD1.1 billion) under the AIR 7000. Six and possibly seven MQ-4C RPAS are planned to be acquired under this project, with a total value of approx. AUD7 billion (USD5.5 billion). And while various companies have or will win the prime contractor roles to deliver these large projects, that still leaves extensive specific supply opportunities for US companies within their scope. For example, whilst UK company BAE Systems will build the AUD35 billion (USD27 billion) SEA 5000 fleet of anti-submarine warfare frigates, the United States will supply its Aegis combat management system as a critical component and Australian industry content is expected to reach 65-70%, further opening up opportunities for US companies and their subsidiaries to work with local companies.

Annual total defense expenditure is of the order of USD25–30 billion and defense acquisition and sustainment is a large part of this figure. Australia's already substantial defense purchases were further strengthened in March 2016 by the release of the Defence White Paper which detailed an USD145 billion defense acquisition plan for the decade to FY 2025-26.

New investments will include 12 regionally-superior conventional submarines (to be built by French company DCNS in Australia); 9 anti-submarine warfare frigates (to be built by UK company BAE Systems); 12 patrol vessels (Germany); 7 P-8 Poseidon aircraft (US); 72 F-35A Joint Strike Fighters (US); 12 E/A-18G Growler airborne electronic warfare aircraft (US); helicopters of various types (United States has multiple options); missile defense systems (probable US); a long range rocket system (probable US); a new generation of armored vehicles (Germany); and upgrading the main battle tank fleet (US). In addition, there will be a host of investments including upgrades to airports, training areas, army bases, naval facilities, cyber and communications systems. US industry is well-placed to win some of this business as well in collaboration with Australian industry. Note also that there is a strong US industry presence in Australia by way of local subsidiaries and that this is also reflected in a particularly strong American Chamber of Commerce in Australia (AmCham) with offices across the country.

US industry is a likely key beneficiary of decisions concerning weapons systems, although the scale and diversity of the total program of acquisitions means that there will need to be a number of collaborative bids for projects involving third countries and incorporating Australian industrial capabilities.

The key source document for future defense purchases is the Defence White Paper released in March 2016. It is accessible online and includes the Defence White Paper explaining Australia's defense strategy, capability and resources within a complex security environment; an Integrated Investment Program detailing acquisitions by project, timing and functionality for the decade FY 2016-17 to FY 2025-26; and the Defence Industry Policy Statement explaining the relationship and need to modernize the capability of the Australian defense industry both in terms of local construction and sustainment as well as global supply chains. US suppliers should peruse all three documents to gain an appreciation of the operating environment and where they may fit.

	2015	2016	2017	2018 (Estimated)
Total Local Production	7000	7670	7800	8000
Total Exports	700	720	7500	800
Total Imports	2200	2050	2100	2200
Imports from the US	1766	1541	1685	1750
Total Market Size	8500	9000	9150	9400
Exchange Rates	.75	.74	.77	.77

(total market size = (total local production + imports) - exports)

Unit: USD Thousands

Data Sources: Global Trade Atlas; IBISWorld Australia; tariff and trade data from the US Department of Commerce and the US International Trade Administration; White Paper on Defence, Australian Department of Defence; Australian defense sector estimates and analysis. Data retrieved as at 5 July 2018.

Leading Sub-Sectors

The scale of the defense acquisition is so great that US companies would be well advised to review the Defence White Paper in the first instance; identify potential opportunities from the information provided; and subsequently reach out to the US Commercial Service in Canberra and/or the Office of Defense Cooperation, also in Canberra, for more detailed advice.

Opportunities

Strong promotion is essential. Three major defense trade shows held in Australia on a rolling two-year cycle, each featuring a US Pavilion are the Australian International Airshow at Avalon, which alternates with the Singapore Air Show; Pacific International Maritime Exposition; and Land Forces. There is also a civil security including border security and disaster response event called CivSec which is anticipated to include a US Pavilion in 2020 and other smaller, more specialized events – notably MilCIS, which has a particularly strong US industry presence.

The next events in order are the Land Forces in Adelaide (09/2018), MilCIS 2018 in Canberra (11/2018) and the Australian International ['Avalon'] Airshow outside Melbourne (02/2019). Avalon is easily the largest and

most important defense event in Australia in 2019 and arguably in Asia as a whole. Land Forces runs a respectable second.

MilCIS is the annual Military Communication and Information Systems conference held in Canberra in November and features a strong US exhibitor presence. In fact, almost half of the exhibitors at the 2017 event were US-based or Australian subsidiaries of US companies. CIVSEC 2018, the civil security and civil defense trade show, was held for the first time 31 May – 1 June 2016 in Melbourne. It is aimed at border security, cyber security, search and rescue, ISR, law enforcement, and disaster relief. NB Avalon, Pacific, Land Forces and CivSec are all organized by the one company - AMDSFA - and Kallman Worldwide of NJ promotes and manages US Pavilions at Avalon, Land Forces and Pacific. It is widely anticipated that a US Pavilion will also feature at CivSec 2020 as the event continues to expand at a rapid rate.

The Australian Government also organizes the annual US Australia Dialogue on Defence Industries to bring together industry representatives and senior government officials to discuss opportunities to optimize defense industry collaboration. The most recent Dialogue took place in Washington DC 12 April 2018- <http://www.gdayusa.org/event/gday-usa-us-australian-dialogue-on-defence-industries-2018>. Key speakers included Australia's Minister for Defence Industry the Hon Christopher Pyne MP and the Chairman, Chief Executive Officer and President of Northrop Grumman Corporation, Wes Bush. For the past two years it has been scheduled during the same week as the Sea Air Space trade show at National Harbor MD.

Key defense acquisition and sustainment projects are profiled on the Australian Department of Defence website page titled [Equipping Defence](#). US companies should pay particular attention to the Australian Government's Industry Capability Plan requirements and objectives. Australia is determined to reverse a decline in its defense industry capabilities, starting with the rejuvenation of its naval shipbuilding, and has a strategy to turn Australia into a leading defense exporter in the mid-term. While not mandating specific Australian content requirements or offsets, Australia is determined to see that everything that can be done in Australia should be done in Australia and has been quite clear that those companies that bid on that basis will be looked upon more favourably than those that do not.

Note that this framework still leaves enormous opportunities for US companies to sell directly; in collaboration with an Australian distributor / partner; and / or via an Australian subsidiary or contracted partner delivered some work in-country. It is about 'clever supply' that delivers enhanced capabilities in Australia whilst also achieving export success to US exporters and manufacturers. US industry is a preferred partner; benefits strongly from Australia's determination to deliver interoperability with the US military; and easily wins the largest share of defense business going to non-Australian suppliers, as well as a large share of Australian industry business via its Australian subsidiaries.

Web Resources

[Australian Government Department of Defence](#)

[AVALON 2019](#)

[CIVSEC 2018](#)

[Defence White Paper](#)

[Kallman Worldwide](#)

[Land Forces 2018](#)

MilCIS 2018- <http://www.milcis.com.au/>

Pacific 2019- <http://www.pacific2019.com.au/>

[The Advocacy Center](#)

Centre for Defence Industry Capability (CDIC)- <https://www.business.gov.au/centre-for-defence-industry-capability>

Medical Devices

Overview

	2015	2016	2017	2018 (Estimated)
Total Local Production	2057	2183	2487	2561
Total Exports	1790	1900	1971	2030
Total Imports	4033	4271	4276	4404
Imports from the US	1439	1524	1566	1612
Total Market Size	4300	4554	4792	4935
Exchange Rates	.75	.74	.77	.77

(total market size = (total local production + imports) - exports)

Data Sources: Local Production: Industry estimates

Total Exports, Imports & Imports from the US: GTA using HS 9018, 9019, 9021, 9022

The Australian medical equipment industry sector has consistently provided good prospects for US exporters. Australia is the eighth largest market for US exporters of medical products and ranks tenth in the near-term medical device export market rankings according to the [2016 ITA Medical Devices Top Markets Report](#).

In 2017, US exports of medical equipment and supplies to Australia totaled USD1.5 billion, representing 3.5% of total medical equipment and supplies exports.

Approximately 80% of domestic demand for medical devices and diagnostics is met by imports while nearly all medical technology products manufactured in Australia are exported. The three major suppliers of medical imports are the United States, the European Union and China. Over half of all imports originate from the United States and Germany.

US medical equipment is traditionally well received due to its perceived high quality. The market is sophisticated, mature, and quick to adopt new healthcare technologies. Importers seek to obtain cost-effective and innovative products that will improve patient outcomes and reduce healthcare costs.

Australia has a high per capita income, and there is demand for a full range of medical equipment. Opportunities exist for products that provide a significant improvement in clinical outcomes and products with clearly differentiated capabilities. There is also a growing demand for products that lead to faster patient recovery, reduce hospital and rehabilitation costs and alleviate or manage disability and chronic pain.

The USD5 billion market is price sensitive and competitive. Australia spends approximately 9.6% of its GDP on healthcare, which is similar to the United Kingdom (9.7%) but less than the United States (17.2%). Australia's aging population will significantly influence the demand for products and services that serve the aging population are likely to experience growth.

Both the public and private sectors provide healthcare in Australia; as a result, government healthcare policies and public health influence the volume and pricing of healthcare products and services. Federal and State government spending accounts for 70% of total healthcare expenditure. The non-governmental sector

(individuals and private health insurance) funds are the remaining 30%. Approximately 45% of Australians have private health insurance.

The Therapeutic Goods Administration (TGA) regulates the medical equipment industry. Australia's regulatory framework is based on IMDRF guidelines which means that EU and Australian requirements are similar. The majority of devices in Australia are supplied under EC certification and US exporters need to appoint an Australian representative/sponsor to obtain regulatory approval from the TGA. US-manufactured medical devices require an EC Certificate from a European Union Notified Body. Alternatively, US manufacturers can apply to the TGA for a [Conformity Assessment Certificate](#).

Leading Sub-Sectors

Products that serve Australia's aging population are likely to experience growth. BMI Research forecasts that the orthopedic and prosthetic market will be the fastest growing sector within the Australian medical device market over the next five years.

The leading underlying causes of death in Australia are coronary heart disease, stroke, dementia (including Alzheimer disease), lung cancer, chronic obstructive pulmonary disease (principally emphysema and chronic bronchitis), breast cancer, prostate cancer, diabetes and colorectal cancer. Although Australians are living longer, they are also increasingly suffering from chronic disease. 50% of Australians are estimated to have at least 1 of 8 selected common chronic disease conditions: cancer, cardiovascular disease, mental health conditions, arthritis, back pain and problems, chronic obstructive pulmonary disease, asthma and diabetes.

Opportunities

The demand for medical products and healthcare services is expected to grow for all age groups with continuing advances in medical technology, the increasing burden of chronic disease, the aging population, rising incomes and changing consumer expectations. Australians have one of the longest life expectancies in the world (sixth amongst the OECD countries) and demand will continue to increase as Australia's aging population progressively relies on the health system for care.

Web Resources

[Top Market reports Medical Devices](#)

[Australian Therapeutic Goods Administration \(TGA\)](#)

[Australian Department of Health and Ageing](#)

[Medical Technology Association of Australia](#)

Information for state government tenders in the three largest states is available at:

[NSW Health](#)

[Health Purchasing Victoria](#)

[Queensland Health](#)

Smart Grid

Overview

Smart Grid is an increasingly sought-after solution to Australia's rising electricity costs, aging infrastructure, and the political pressure to close coal fired power stations. Smart Grid investments in Australia will improve the operations of utility firms and provide grid reliability. The importance of ensuring that the supply of electricity remains robust and secure cannot be overstated. Australia's economic growth and its desire to encourage innovative technology and manufacturing industries are largely dependent on it.

The current and forecasted consumer electricity demand is tapering off while the number of consumers continues to grow. Decreased forecast demand has allowed network service providers to delay capital investment. However, the requirements of maintaining and replacing elements of an aging network subject to higher risks of failure is becoming more critical. For example, in September 2016, a storm in South Australia caused widespread damage to electricity transmission infrastructure, resulting in almost the entire state losing its electricity supply.

Simultaneously, consumers have become more sensitive to prices in this utility sector. As competitive alternatives to network delivery of electricity have become more affordable (e.g. residential solar PV installations), and consumer uptake of energy efficient appliances increases, continued downward pressure on network energy is inevitable. As such, energy storage will be crucial in the transformation of the Australian electricity network. In 2017, Australia was the world leader in the installation of residential battery storage in terms of power capacity.

	2015	2016	2017	2018 (Estimated)
Total Local Production	55	57	59.4	69
Total Exports	5	5.3	5.5	6.2
Total Imports	250.0	263.3	273.9	316.2
Imports from the US	100	105.32	132	152
Total Market Size	330	347	364	381
Exchange Rates	0.74	0.77	0.77	0.77

Unit: USD millions

(total market size = (total local production + imports) - exports)

Data Sources: [I&A Report](#), Global Trade Atlas

Leading Sub-Sectors

Information Communication Technologies

Growth is anticipated across Information Communication Technologies that leverage automation and digitalization to enhance grid efficiencies. Australia will see an increase not only in smart meter hardware investment, but also in analytical, visualization and customer engagement services and tools.

Australia is a ripe market for blockchain applications in the renewable energy space. In June 2018 for example, IOT Group signed an agreement with Hunter Energy to build a blockchain center inside the Redbank coal-fired power station to provide cheap electricity for blockchain applications. The deal is the first of its kind in Australia and will put the center 'behind the grid', giving it direct access to wholesale electricity prices to avoid additional costs from the retailer, transmission, and being connected to poles and wires. The proposed two-hectare development has the potential to cut energy prices by up to 20%.

Energy Storage

Improved technologies, more complex electricity market designs, and increased penetration of renewable energy have been driving the deployment of energy storage solutions in Australia. In 2017, the number of residential battery systems installed in Australia tripled from the previous year. Almost 21,000 systems were installed in Australian homes during 2017. The appetite for storage systems has meant that Australia has

become a leader for new energy storage products. Out of a worldwide total of 1.4 gigawatts of battery storage capacity providing on average 1.6 hours of supply in 2017, Australia led the way on the installation of power capacity, with 246 megawatts for 1.7 hours

Energy storage will play a key role smoothing out the peaks and troughs of renewable energy generation. The two most mature energy storage technologies in Australia are pumped hydro and lithium-ion batteries. South Australia is home to the world's largest lithium-ion battery, supplied by Tesla and owned by Neoen, which started operating at the Hornsdale wind farm in December 2017.

It is forecasted that the industry in Australia could implement dynamic tariffs (time-of-use tariffs) to shift some peak load and flatten peaks in electricity demand, leading to a decrease in the costs of running the electricity transmission and distribution networks. As energy storage continues to grow, micro-grids will become more dependent on renewable fuels rather than fossil fuels.

Opportunities

Future smart grid investments will focus on improving smart electricity metering, battery storage, advanced storage, and grid communications. The market opportunity remains open for vendors. Northeast Group estimates investments in smart grid infrastructure reaching USD6.1 billion between 2017 and 2027 in Australia.

US firms have found success in the Australian market to date. Regional diversity will continue to determine which sub-sectors represent opportunities in different states. Near-term market considerations include:

Opportunities:

- Energy storage solutions in South Australia for grid stability
- Smart metering and associated analytics
- Behind-the-meter solar plus storage solutions
- Products and services to improve the Western Australia (WEM) and the Northern Territory (Power and Water Corporation) grids
- Renewable integration smart grid ICT solutions

Challenges:

- Reduced revenues from grid defection, affecting working capital of utilities
- Powerful lobbying against renewable energy, which could affect the overall regulatory framework
- Decreasing government renewable energy subsidies

New Government initiatives have been introduced to support the growth of the smart grid industry in Australia. The USD37.1 million (AUD50 million) competitive Smart Cities and Suburbs Program supports projects that apply innovative technology-based solutions to urban challenges. 50 projects were funded under Round One of the Program and shared USD28.5 million of Australian Government funding. Round Two was announced on May 2, 2018 and will support USD22 million of funding available through a competitive grant process. Funding flowed to all states and territories with nearly 40% of projects located in regional areas.

The program encourages eligible organizations—local governments, private companies, research organizations and not for profit bodies—to deliver collaborative smart city projects that improve the livability, productivity and sustainability of Australian cities, suburbs and towns.

Web Resources

[Smart Grid, Smart City: Shaping Australia's Energy Future, July 2014](#)

[Department of Industry, Innovation and Science - Smart Grid, Smart City Project](#)

[Smart Grid Top Markets Report](#)

<https://australianenergystorage.com.au>

<http://www.chiefscientist.gov.au/wp-content/uploads/Energy-storage-paper.pdf>

<https://cities.infrastructure.gov.au/smart-cities-program>

Travel and Tourism

Overview

	2015	2016	2017	2018 (Estimated)
Total Arrivals	1,450,000	1,346,000	1,320,000	1,372,000
%age Change	11%	-7%	2%	4%

(total market size = (total local production + imports) - exports)

Data Sources: National Travel & Tourism Office, International Trade Administration, US Department of Commerce

The United States is the most popular long-haul destination for Australians and travel to the United States remains strong. Australia ranks as the tenth-largest market for inbound visitors, and in 2016, the United States attracted 1.35 million Australians. In 2018, it is forecast that Australian travel will grow and 1.37 million Australians will visit the United States.

Air capacity between the two countries has increased with Air New Zealand, American, Delta, Hawaiian, Jetstar, Qantas, United and Virgin Australia servicing the market. There are direct flights between Sydney, Melbourne and Brisbane, and Dallas Fort Worth, Honolulu, Houston, Los Angeles and San Francisco.

Australians visiting the United States travel farther, stay longer, and spend more than many other inbound markets. Australians have a great propensity for travel and are entitled to four weeks paid annual vacation. 88% of Australian visitors travel for pleasure and 73% are repeat travelers to the United States. Australians travel to the United States throughout the year but mostly between April- October, and December-January.

Australians' relatively long periods of stay in the United States reflects the distance traveled. On average, Australians stay 22 days which is higher than the 18 day average for all overseas visitors. Australians typically visit two states and two-three cities. Factors fueling demand for travel to the United States include strong interest, increased air capacity and competitive airfares.

Most Australian travelers to the United States are FIT (Free and Independent Travelers) and over 33% rent a car. The most popular activities include shopping, sightseeing, visiting national parks & monuments, taking guided tours, visiting historical locations, experiencing fine dining, visiting small towns and the countryside, visiting art galleries & museums, visiting amusement & theme parks, and attending concerts, plays & musicals and sporting events. The top states visited are California, Hawaii, New York, Nevada, Florida and Texas.

Leading Sub-Sectors

Travel agents and tour operators are an important source of information and a key channel for making bookings. 43% of Australians book their trip to the United States trip through travel agents. Consumer media, including digital and social media, are influential in stimulating interest and major local newspapers and special interest magazines regularly publish travel articles on the United States.

Opportunities

The Visit USA Organization's annual Visit USA Expos are one of the largest events in the local travel industry's calendar and the key event for promoting tourism to the United States to the travel trade. Over 1,000 travel agents in Sydney, Melbourne, and Brisbane attend to meet with US destinations and suppliers. A travel media event and B2B session with tour operators are also organized in conjunction with the expos. A list of upcoming tourism events promoting the United States is available at <http://visitusa.org.au/>. The US Commercial Service works closely with both the Visit USA Committee and Brand USA. Travel expos targeting the consumer for example the annual Snow Travel Expos provide additional opportunities to showcase niche tourism product. Additionally, IPW attracts a large delegation of Australian travel media and tour operators annually and provides an excellent promotional opportunity.

Web Resources

National Travel & Tourism Office: <http://travel.trade.gov/>

Visit USA Australia: www.visitusa.org.au

Brand USA Australia <http://www.thebrandusa.com/australia>

IPW <https://www.ipw.com/>

Agriculture

Overview

In 2017, Australia and the United States signed a bilateral [Food Safety Recognition Agreement](#). The agreement is the third the United States has undertaken with a trading partner and allows both countries to recognize one another's food safety and regulatory systems as comparable. The agreement was signed by the USA's Food and Drug Administration and the Australian Department of Agriculture and Water Resources and will result in fewer in-country audits; with compliance being managed by the exporting country.

The agreement is expected to greatly simplify US exports to Australia and Australian exports to the United States through greater reliance on Australian food control systems that ensure the production of safe food. Not all foods are included in this agreement, but most canned foods, seafood, dairy products, fresh fruit and vegetables, fruit juices, confectionary and baked goods are in scope. Both Australia and the United States continue to regulate foods such as meat, egg products, shellfish and dietary supplements and more stringent requirements continue to apply.

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

Australian demographics are similar to those in the United States, with a large number of two-income families and the consequent need for more processed and consumer-ready foods. Australian consumers are oriented toward the same factors that many US 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 US food products are best in areas drawing on innovative products, economies of scale, and the US position as a counter-seasonal supplier of fresh product (for information on food export restrictions into Australia, see Chapter 5). According to Global Trade Atlas data, Australian imports of US agricultural, forestry and fishery products in CY 2017 were valued at over

USD1.64 billion. The nature of agricultural products imported from the United States to Australia consists mainly of consumer-oriented (which includes fresh fruit) and intermediate food products (USD1.14 billion and USD208.5 million respectively in CY 2017). The US is the second largest supplier of agricultural products to the Australian market.

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

Australia is among the top five largest markets for American-made agricultural equipment and is considered a high-volume, low-risk market. Like Canada, Australia is heavily exposed to global commodity prices. Equipment for grain, oilseeds and other commodity crops comprise 45% of US exports. Following a period of decline, the market has picked up again and is anticipated to grow by 2.5% in 2018. Mowers and other power equipment and equipment for raising livestock have continued to do well. Demand for smart farming solutions is also anticipated to grow.

Agricultural Equipment

	2015	2016	2017	2018 (Estimated)
Total Local Production	2,073	1,806	1,707	1,748
Total Exports	311	271	256	261
Total Imports	1,710	2,021	2,196	2,251
Imports from the US	736	649	844	865
Total Market Size	3,472	3,556	3,647	3,738
Exchange Rates	0.75	0.74	0.77	0.77

(total market size = (total local production + imports) - exports)

Sources: Industry estimates and the Global Trade Atlas

Unit: USD millions

Leading Sub-Sectors

The organic, healthy and natural products market in Australia continues to grow rapidly. Although Australia is a large producer of organic raw products, it does not have the manufacturing capacity to satisfy demand for the processed segment. Prospects are excellent for organic and natural ingredients as well as consumer-ready processed foods and beverages.

Australian consumers are adopting a back-to-basics mindset, focusing on simple ingredients and fewer artificial or processed foods. The top 10 ingredients being avoided by Australian consumers are: Antibiotics/hormones in animal products; MSG; artificial preservatives; artificial flavors; artificial sweeteners; foods with BPA packaging; artificial colors; sugar; GM foods; and, sodium. These ingredients are being avoided primarily because of their perceived impact on health, rather than actual medical conditions.

Australian's want to eat healthier, but they need help to make it happen. Almost 50% of consumers indicated that they wished there were more 'all natural' food products on shelves – they also indicated that they would be willing to pay more for foods and beverages that don't contain undesirable ingredients.

The types of products consumers want to see more of are: all natural; no artificial colors; low sugar/sugar free; no artificial flavors; and low fat/fat free. US exporters who are able to incorporate ingredients and preparation methods that improve the nutritional profile of products will be strongly positioned to succeed in this market.

It should be noted that although consumers are trying to eat more healthily, they still want to treat themselves occasionally so confectionery is still on their shopping lists!

To view individual commodity reports produced by the Foreign Agricultural Service please go to the following website: [Foreign Agricultural Service](#).

In terms of equipment and technology, leading sub-sectors include combine harvesters, large horse power tractors, balers, irrigation equipment and tillage equipment.

It is estimated that 20 % of farm businesses are engaged in smart farming practices. Factors such as a relatively dry climate, large average farm size, low farm income subsidy and higher labor rates, will continue to drive demand for smart/precision farming solutions.

Opportunities

A key avenue for promoting and selling equipment is to exhibit at field days (agricultural machinery shows) events. A listing is available online at: <http://afdj.com.au/events/>

American exporters should consider attending and preferably exhibiting, where appropriate with an Australian distributor. These range in size from the largest being comparable to Big Iron in Fargo, to smaller specialized or regional events. In general terms, larger shows include events like AgQuip, Henty, Elmore and Farm World.

Northern Australia is being considered for large scale agricultural expansion, requiring major investment in infrastructure including water storage and distribution, as well as on-farm equipment needs.

Web Resources

[Best prospects report Agricultural Equipment](#)

[Association of Agricultural Field Days of Australasia](#)

[Australian Bureau of Agricultural and Resource Economics and Science \(ABARES\)](#)

[Australian Nut Industry Council](#)

[Dairy Australia](#)

[Department of Agriculture](#)

[FarmOnline \(rural news\)](#)

[Irrigation Australia \(industry association\)](#)

[National Farmers Federation \(industry association\)](#)

[Tractor and Machinery Association](#)

Automotive Parts

Overview

Australia's auto market is mature, with modest growth expected. In 2017, 1.2 million new passenger cars, SUVs and commercial vehicles were sold in the local market. An increase of 0.9% from 2016. Sales of SUVs outsold passenger cars for the first time, accounting for 39.2% of the market. Passenger cars accounted for

37.8% of the market, light commercial vehicles were 20%, and heavy commercial vehicles were 3%. New vehicles must be sold in right-hand drive format.

Top Passenger Vehicle Brands in 2017

Toyota (18.2% share)

Mazda (9.8%)

Hyundai (8.2%)

Holden (7.6%)

Mitsubishi (6.8%)

Ford (6.6%)

Volkswagen (4.9%)

Nissan (4.8%)

Kia (4.6%)

Subaru (4.4%)

Top Vehicle Models in 2017

Toyota HiLux

Ford Ranger

Toyota Corolla

Mazda3

Hyundai i30

Mazda CX-5

Hyundai Tucson

Holden Commodore

Toyota Camry

Mitsubishi Triton

Sources: Federal Chamber of Automotive Industries; Australian Bureau of Statistics

Australia is the sixth-largest destination for US auto parts exports. The market has relatively few barriers for US companies. Ford, GM Holden and Toyota have now ceased manufacturing vehicles in Australia. All vehicles are now imported.

The Australian aftermarket for replacement parts and accessories is estimated to be worth around USD8billion and is split fairly evenly between local producers and imports. Annual Australian exports of aftermarket parts are estimated by the Australian Automotive Aftermarket Association (AAAA) to be USD1.2 billion.

US auto parts exports to Australia have grown from approximately USD1.1 billion in 2010 to almost USD1.6 billion in 2016. China is the largest top source of imports of auto parts followed by the U.S, Japan, Thailand, Germany and Korea.

	2015	2016	2017	2018 (Estimated)
Total Local Production	4.98	4.97	5.12	5.14
Total Exports	1.09	1.09	1.18	1.20
Total Imports	3.35	4.01	4.03	4.33
Imports from the US	1.29	1.35	1.49	1.60
Total Market Size	7.24	7.89	7.97	8.27
Exchange Rates	.75	.74	.77	.77

Unit: USD Billions

(total market size = (total local production + imports) - exports)

Data Sources:

Total Local Production: Industry estimates

Total Exports: Industry estimates

Total Imports: Industry estimates

Imports from U.S: Industry estimates

Leading Sub-Sectors

The performance market can be divided up into a number of sub sectors with the first being performance parts for new vehicles. These vehicles include the Ford Mustang, Jeep Cherokee, Chrysler 300C, a number of European cars imported into Australia including Audi, Porsche, Jaguar, and Mercedes; as well as Japanese models from Toyota, Honda, and Mazda. There is also a large performance market supplying parts for Australian manufactured performance vehicles from Ford and GM including the Commodore, and the Falcon. The third part of the performance market is supplying parts to the very healthy local motorsport market which includes drag racing, circuit racing, off road racing and powerboat racing.

Possibly the most promising sector is the off-road market. With its vast tracks of outback and a large unfolding market as witnessed by the numbers of Hilux/Rangers sold in the local market, consumers are keen to customize their light trucks. Popular accessories include upgraded suspension components, bull bars, roof racks, carrying racks, upgraded lighting, rims, bed liners, and shock absorbers. Popular brands in the local market include Toyota Hilux, Ford Ranger, Mitsubishi Triton, Holden Colorado, Toyota Prado, Nissan Navara, Jeep Grand Cherokee, Isuzu D-Max, Mazda BT-50, and Toyota Land Cruiser 200 Series. VW is also making solid inroads with the Amarok.

Opportunities

US manufacturers have a good reputation in Australia for making high-quality, well-engineered auto aftermarket and specialty products. The best segments for US manufacturers in the local market include supplying aftermarket performance parts, off-road and light truck accessories, repair tools and consumables.

US made pickups such as the Ford 150/250, GM Silverado, Toyota Tucson and Dodge Ram are not imported into Australia by the major manufacturers. They are imported by private companies and converted locally to RHD. Due to the high cost of conversion, there are relatively few of them on Australian roads.

Currently, there are relatively few barriers to exporting automotive products to Australia. If products can be classified as automotive items of minimum 51% US content, there are no customs tariffs under the US-Australia Free Trade Agreement. Documentation stating the rules of origin should accompany the shipment of goods.

Vehicle compliance is handled by the Australian state in which the vehicle is to be registered. Compliance can sometimes be more onerous than in the United States. The Australian Design Rules (ADRs) are the guiding principles in terms of compliance in Australia and sometimes small modifications can require a construction engineer's report to ensure the vehicle complies with ADRs.

Web Resources

[Australian Automotive Aftermarket Association](#)

[Australian Customs Service](#)

[Department of Infrastructure and Transport](#)

[Federal Chamber of Automotive Industries](#)

[Federation of Automotive Parts Manufacturers](#)

Building & Construction

Overview

The Australian construction industry is valued at approximately AUD150 billion (USD112 billion) annually and accounts for around 9% of GDP. According to the AiGroup and Australian Constructors Association, after an almost 10% fall in 2015/16, the value of turnover from all major construction work in Australia in 2017 recovered by 5.2% (against a 4.6% forecast). The forecast for the 2018 calendar year is that this figure will increase by 9.3% and a further 8% in 2019. In particular, engineering construction is expected to see increased activity throughout 2018 and 2019. This includes road and rail projects as well as other civil and telecommunications infrastructure.

The Australian federal government's annual budget announcement in May 2018 confirmed its AUD75 billion (USD56 billion) ten-year national infrastructure plan, which focuses on improving road safety, tackling congestion and delivering essential rail links. Amongst the infrastructure projects currently under construction across mainland Australia are the Bruce Highway and Pacific Motorway in QLD, the NorthConnex and Bringelly Road upgrade projects in NSW, the Forrestfield Airport Link in WA and the Murray Basin and Melbourne Metro rail projects in VIC.

Commercial construction activity e.g. offices, retail buildings, warehouses, industrial facilities had contracted in 2017 but is expected to show an increase of 7.8% in 2018. In the residential sector, multi-level apartment construction continues to grow but the value of work is forecast to decrease sharply (more than 15% decline) in 2019. In line with the wind-down in mining investment over the last four-five years, resources-related engineering construction will likely continue to decline but the rate of decline is easing.

Australia has a number of home-grown EPC (engineering, procurement, construction) groups, which are particularly well-established in the mining-related engineering construction sector but some of whom also have considerable overseas project experience. Major UK and US EPC companies that have long had a presence in the market include Bechtel, Fluor, Balfour & Beatty, Laing O'Rourke. More recent market entrants have set up operations in-country either directly e.g. Bouygues (France), POSCO (Korea), or through acquisition e.g. ACS (Spain) now owns the CIMIC Group (formerly known as Leighton Holdings and includes CPB Contractors, John Holland, Thiess and UGL).

Leading Sub-Sectors

Key sub-sectors in this industry include road and rail construction, commercial construction.

Opportunities

The Infrastructure Priority List (IPL) is a prioritized list of nationally significant investments, detailing major proposals to boost the Australian economy. The 2018 list identifies 96 major infrastructure proposals, including six High Priority Projects, six Priority Projects, 24 High Priority Initiatives and 60 Priority Initiatives. The IPL can be viewed at <https://ia-priority-list.herokuapp.com/pdf>.

Information on major construction projects in Australia is available through the Projectory www.projectory.com.au subscription-based service which covers the resource-related, infrastructure, defense, petrochemical and utilities sectors.

Web Resources

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

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

Australian Institute of Architects (AIA): <http://www.architecture.com.au/>

Building Products Innovation Council (BPIC): <http://www.bpic.asn.au/>

Green Building Council of Australia (GBCA): <http://www.gbca.org.au/>

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

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

Franchising

Overview

Australia has more franchising outlets per capita than any other country, and three times more than the United States, but over 92 % of franchises are Australian-developed. US brands (not individual units) only represent approximately 5% of the market.

According to an official study by the Griffith University in Queensland, there are over 1,100 franchisors, 65,000 franchise units and 8,000 company-owned units. The franchise sector has been flourishing since the 1970s with most growth occurring since the 1980s and industry commentators note that it is now very mature. The growth of new Australian systems and the expansion of existing systems have not only increased competition, but have meant the pool of quality franchisees has steadily gotten smaller. Within this climate, identifying investors and potential partners with an interest in master franchise opportunities remains a major challenge. The majority of recent market entry successes has resulted from Australian entrepreneurs actively searching out the opportunity and directly approaching the international franchisor.

Leading Sub-Sectors

Sectors as diverse as home building, carpet cleaning, repair systems, waste management, and financial planning have enjoyed growth in the recent past. The most popular opportunities for franchising in Australia are in the non-food retail industry, which accounts for over 25% of franchise systems. Food retail concepts that promote health and well-being continue to do well. Opportunities also exists within administration and support services.

The Australian market is receptive to new concepts that speak to current and emerging trends. For example, Australia has an aging population and by 2020 there will be more 65 year-olds than one-year-olds. Demand for senior care services will continue to increase. It is also anticipated that older Australian generations will have an increased preference for independent living arrangements supported by community care and more affluent lifestyles.

Additionally, data shows a rise in participation rates in non-competitive activities. With fewer organized sports and less time for leisure activities, the 24-hour gym concept and personal trainers are increasingly popular.

Opportunities

Australian-developed brands dominate the market. The United States is a key international player, followed by the United Kingdom, and more generally Europe.

Australian Franchisors regularly use one or both of the top lead generation online platforms – Seek Business and Octomedia. These platforms are used extensively by local franchisors to find unit franchisees. In terms of finding master franchisees, one option for US franchisors is to approach existing large Australian franchisors that have achieved saturation of their own brands in the market.

Rather than appointing master franchisees, some US companies have also entered the market by setting up their own corporately-owned units as a way of establishing proof of concept.

Web Resources

The Franchise Council of Australia (FCA) is a peak industry (trade) association, and works closely with local and international franchises alike to help them make progress. More details on the FCA can be found at: <https://www.franchise.org.au/>

Besides the National Franchise Convention organized by the FCA there is the Franchise & Business Opportunities Expo series. The Expo is held annually in four key cities – Sydney, Perth, Brisbane and Melbourne. More details on the Expo can be found at: <http://www.franchisingexpo.com.au/>

Mining

Overview

The Australian mining industry dates back to the gold rushes of the 1850's, making it one of the country's most well-established sectors. It is a major contributor to national GDP, typically accounting for around 7% of total GDP. The industry is strongly export-oriented, with minimal processing onshore, and since 2007-2008 mining has accounted for between 50 and 60% of total national exports. Australia is a global top five producer of gold, iron ore, lead, zinc and nickel and also has the world's largest uranium and fourth largest black coal resources, respectively. As the fourth largest mining country in the world (after China, the United States and Russia), Australia will have ongoing demand for high-tech equipment, representing potential opportunities for US suppliers.

According to Geoscience Australia, in 2016 (latest available figures) there were over 370 operating mine sites across the country, of which approx. one third is located in Western Australia (WA), one quarter in Queensland (QLD) and one fifth in New South Wales (NSW), making them the three major mining states. By volume, Australia's two most important mineral commodities are iron ore (29 mines) – of which 97% is mined in WA – and coal (over 90 mines), which is largely mined on the east coast, in the states of QLD and NSW. In contrast to most global production, the majority (around 75%) of black coal in Australia is produced from open-cut mines. This ratio of 3:1 open-cut/surface to underground mines also applies to the broader (i.e. non-coal) local mining sector.

The Australian mining industry experienced an extended phase of strong growth from around 2005 to early 2013, during which there was significant investment and construction of major projects. Since 2013, there has been a clear shift in focus from construction to production and export. This coincided with falls in major international commodity prices – particularly iron ore and coal – and lead to the delay/cancellation of some projects and a strong drive to cut operating costs. With the improvement in commodity prices in the last two to three years, there have been signs of "green shoots" in the sector in terms of existing mine expansions and development of some new mines (albeit smaller operations than the large iron ore and coal mine developments of the last decade) e.g. Rio Tinto confirmed in the latter half of 2016 that it would spend over USD330 million to expand its Silvergrass iron ore operations in WA; BHP Billiton is expected to complete a USD200+ million expansion of its Caval Ridge coal mine in Central QLD; and there has been around USD370 million invested in the development of several lithium mines in WA in the last few years.

Major capital-type goods are typically imported and/or locally assembled by subsidiaries of foreign companies. An overwhelming majority of heavy/earth-moving equipment is imported. Equipment imports peaked around 2011-2012 (coinciding with a 'super-boom' in the local mining industry and a period when the AUD was particularly strong), and fell away quite sharply from 2013-2016 when commodity prices were down. Although it is unlikely to return to the highs of 2011-2012, there are however signs that demand for heavy equipment is picking up. The US is one of the largest exporters of mining equipment to Australia, with Japan, China and Germany being other important sources of imported equipment. Major players such as Caterpillar,

Komatsu, Wirtgen, Joy Global and Liebherr have a strong presence in the market. Smaller-scale local manufacturers cater to niche and specialized markets and are particularly competitive in mining-related software, fine coal cleaning and process control, and strata reinforcement technology.

Leading Sub-Sectors

One of the key opportunity areas for US exporters in the Australian mining industry is maintenance and service. Mining companies remain strongly focused on reducing operating costs so products and services that enhance or extend existing infrastructure, and improve the bottom line, are likely to be well-received. Heavy construction equipment and drilling equipment are also leading sub-sectors.

Opportunities

With the high cost of labor in Australia, there is strong interest in automation technology such as driverless vehicles (trucks and trains), drills and excavation equipment. It is worth noting that this interest is strongest in the iron ore sector, where the large scale of mine operations justifies the investment in automation. The Australian mining industry is, in many areas, an early adopter of technologies such as mobile and wearable technologies.

Historically, there have been numerous mining trade shows across Australia though some of these events have disappeared in the post-boom era. The two largest events are:

AIMEX-Australasian International Mining Exhibition <http://www.aimex.com.au> which is held biennially in Sydney (NSW), next taking place 27-29 August, 2019.

QME-Queensland Mining & Engineering Exhibition www.queenslandminingexpo.com.au which is held biennially in Mackay (QLD), next taking place 24-26 July, 2018.

Web Resources

Australian Mining publication: <https://www.australianmining.com.au/>

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

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

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

Australian Institute of Geoscientists (AIG): <http://www.aig.org.au>

Geoscience Australia: <http://www.ga.gov.au/scientific-topics/minerals/mineral-resources>

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

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

Office of the Chief Economist: <https://www.industry.gov.au/about-us/our-structure/office-of-the-chief-economist> (produces the Resources and Energy Quarterly publication)

Customs, Regulations & Standards

Trade Barriers

The Australian Department of Agriculture and Water Resources ([DAWR](#)) is the federal body responsible for enforcing Australia's quarantine regulations, including issuing permits and inspecting shipments.

Australia is a signatory to the WTO "Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures." US exporters, however, may find it difficult to comply with Australia's import quarantine requirements. Aside from issues relating to the importation of fresh food and animals, Australia's quarantine

measures cover a number of other imported products such as farm, mining and construction machinery, some packaged foods, and other products that may pose a contamination risk to Australia's agricultural industry or natural environment.

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

Machinery imports may require an import permit – especially used machinery. It is a condition of the entry that motor vehicles, motorcycles, machinery (or their parts) or tires are clean and free of contamination of biosecurity concern (internally and externally) before they arrive in Australia. Contamination of biosecurity concern includes, but is not limited to: live insects, seeds, soil, mud, clay, animal feces, animal material and plant material such as straw, twigs, leaves, roots, bark. For quarantine purposes, new field-tested equipment is classified as 'used machinery,' and will require an Import Permit. The Department has the power to re-export contaminated machinery. More detailed information relating to the import of machinery can be found on the [Department of Agriculture and Water Resources website](#).

Packaging of imported goods can present a challenge to US exporters, particularly where the packing materials include wood or other natural products. Detailed information on the compliance requirements can be found on the [Department of Agriculture and Water Resources website](#).

For complete information on products that need to comply with Australia's quarantine regulations, US exporters should check the requirements on the [Department's Biosecurity Import Conditions \(BICON\) database](#).

Import Tariff

Goods entering Australia may incur duty, GST, and/or additional charges. customs duty rates vary and depend on a number of factors, such as type of goods and country of origin. Because of the preferential tariff arrangement under the AUSFTA discussed earlier, 99% of US-origin goods enter Australia duty free. The importer is still responsible for applicable GST payments.

From July 2018, GST of 10% will apply to sales of low value imported goods to consumers. A recipient is not a consumer if they are a GST-registered business who purchases the goods for use in their business in Australia.

A US exporter only needs to be registered for GST if the value of their sales of low value goods imported into Australia by consumers (plus any other sales made that are connected with Australia) is AUD75,000 or more in a 12-month period. If the US exporter only makes sales to Australia of goods imported by GST-registered businesses, they will not be required to register for GST. More information can be found on the ATO website at [www.ato.gov.au/AusGST](#).

Import Requirements & Documentation

The Australian Customs and Border Protection Service has sole jurisdiction to clear imports. Local importers are responsible for obtaining formal customs clearance for goods.

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

Customs does not require companies or individuals to hold import licenses, but importers may need to obtain permits to clear the goods. Further information on permits is contained [here](#).

The minimum amount of documentation required for customs clearance comprises a completed Customs Entry or Informal Clearance Document (ICD), an air waybill (AWB) or bill of lading (BLAD), as well as invoices and other documents relating to the importation. Customs does not require the completion of a special form of invoice. Normal commercial invoices, bills of lading, and receipts are acceptable. These documents should contain the following information: invoice terms (e.g., FOB, CIF) name and address of the seller of the goods (Consignor) monetary unit referred to on invoice (e.g. AUD, USD), and country of origin.

Some authorities that issue import permits publish brochures/pamphlets that explain their areas of concern. However, these agency publications may not always reflect current customs legislation and procedures as they are often modified. It would be advisable to contact a [Customs Information Center](#) to check these issues.

Labeling/Marking Requirements

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

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

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

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

Detailed guidance on Australia's food labeling requirements is available in the Food & Agricultural Import Regulations and Standards (FAIRS) report from the Office of Agricultural Affairs, US Embassy Canberra. This report is updated each year and a copy of the latest FAIRS report is available on the following web site: [FAIRS](#) (search for FAIRS Country Report which can be found under the Exporter Assistance category). Information on the Food Standards Code (including a nutritional panel example and calculator) can also be viewed on the website of [Food Standards Australia New Zealand \(FSANZ\)](#).

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

US Export Controls

When exporting products to other countries, there are a few things that exporters must keep in mind. To determine whether or not an exporter needs to obtain an export license in order to ship their product, the exporter should look for an Export Control Classification Number (ECCN). An exporter may check the manufacturer's website to find the ECCN or do a self-classification on the [Bureau of Industry and Security's \(BIS\) website](#). The exporter can also request an online classification from BIS which will take a minimum of 14 days.

90% of products do not have an ECCN. In this case, the goods may be considered EAR99s. EAR99 refers to a basket category that covers most commercial items. Most EAR99s are low-tech goods—like clothing or art. These items can be exported to most places without an export license. However, there are exceptions to this rule:

1. If the good is going to an embargoed country

2. If the good is going to a prohibited end user
3. If the good is in support of a prohibited end use

Screening the end user to determine if they are prohibited is part of the due diligence required of the exporter. EAR99s are also subject to Export Administration Regulations. Companies, persons, and items can be found on the "Lists to Check" database, which will help exporters decide if they are allowed to export their goods and whether or not they need an export license. This list can be found on the [website](#).

For more information please view the educational videos [here](#).

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

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

Additional Information

The Defense Trade Control Act 2012 (the Act) received Royal Assent on November 13, 2012, putting in place new measures to control the transfer of defense and strategic goods technologies and bringing Australia into line with international best practice. The Act implements the Australia-United States Defense Trade Cooperation Treaty and strengthens Australia's export controls for defense and dual-use goods.

As of May 2015, individuals or organizations will need to seek permission to supply controlled technology to an entity outside Australia.

The Treaty removes the requirement for individual licenses to be obtained for each export, and allows for the license-free movement of eligible defense articles within the Approved Australian and US Communities.

The Customs Amendment (Military End-use) Act 2012 also introduced a power to prohibit the export of "non-regulated" goods that may contribute to a military end-use that may prejudice Australia's security, defense, or international relations. It is therefore recommended that the regulations mandated by the ITAR discussed above are carefully followed.

A list that consolidates eleven export screening lists of the Departments of Commerce, State, and the Treasury into a single search as an aid to industry in conducting electronic screens of potential parties to regulated transactions is available at: <https://www.export.gov/article?id=Consolidated-Screening-List>

Temporary Entry

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

The provisions cover temporary importation of goods owned by tourists and temporary residents. The

provisions also include categories such as traveler's samples and goods imported for display at trade fairs. Goods under the provisions of certain international agreements to which Australia has acceded are also eligible for admission.

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

Prohibited & Restricted Imports

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

Customs Regulations

The Australian Customs and Border Protection Service regulates the movement of goods and people across the Australian border. Customs does not scrutinize every transaction relying on clients to self-assess the correctness of transactions. Australian importers are legally responsible for the accuracy of information supplied to Customs, regardless of who prepares the documents. Cargo reporters, importers, customs brokers, freight forwarders, depot and warehouse proprietors, financial institutions, information storage facilities, bureau services, owners, stevedores, etc. may be subject to compliance checks conducted by customs. The importer is also responsible for verification of the country of origin. The US shipper should declare on the commercial invoice "the goods are of US manufacture and comply with AUSFTA."

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

Clicking on this link will take you to the Customs [website](#). The site provides extensive information and guidance, some of which was used in the preparation of this section. Clients can also contact the Customs Information and Support Center.

Standards for Trade

Overview

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

Standards

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

Standards Australia has more than 70 members, representing groups with an interest in the development and application of standards. It is Australia's representative on the International Organization for Standardization (ISO), the International Electro technical Commission (IEC), and the Pacific Area Standards Congress (PASC).

Standards Australia develops and maintains more than 7,000 Australian standards, and provides input into the development of approximately 18,000 international standards.

International Standards by ISO and IEC

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

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

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

The [DAWR](#), is responsible for enforcing the Standards Code for imported foods. Both [Standards Australia](#) and the National Institute of Standards and Technology ([NIST](#)), have current information on Australian standards.

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

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

The Australian Department of the Environment develops and implements national policy, programs and legislation to protect and conserve Australia's environment and heritage. Safety-related automotive parts and accessories on a vehicle for environmental compliance must adhere to Australian Design Rules and Australian automotive standards as well as environmental compliance. The supply of OE (Original Equipment) automotive parts must adhere to Quality System QS9000, the system adopted in the US by Ford, General Motors, and Chrysler.

The Therapeutic Goods Administration (TGA) is in charge of issuing approvals for all medical devices and health-related products.

Testing, Inspection & Certification

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

A number of voluntary and mandatory labels and marks indicating standards conformity are in use in Australia.

Information about the required labels can be found by contacting the relevant standards organization.

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

Publication of technical regulations

Members of the World Trade Organization (WTO) are required under the TBT Agreement to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. Notify US (www.nist.gov/notifyus) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country(ies) and industry sector(s) of interest, and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the US Department of Commerce.

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

Contact Information

For more information on Australian standards please contact John Kanawati, Commercial Specialist, Email: john.kanawati@trade.gov

Trade Agreements

The US- Australia Free Trade Agreement (AUSFTA)

The AUSFTA, as mentioned previously in the document, provides major benefits for both countries through removal of tariffs, and the phased opening of markets. More information can be found on the [website of the Department of Foreign Affairs and Trade](#) and the [Office of the United States Trade Representative](#).

Other Agreements

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

Australia has free trade agreements with:

- ASEAN
- Chile
- China
- Japan
- Korea
- Malaysia
- New Zealand (CER)
- Pacific Agreement on Closer Economic Relations (PACER) Plus

- Singapore
- Thailand
- The United States

Australia is an active participant in the WTO, making regular submissions to trade negotiation rounds. Australia is a key member of the Asia Pacific Economic Cooperation (APEC) forum and plays a leading role in promoting trade liberalization among the member economies. Australia exports approximately 76% of its goods and services to APEC economies. Australia is also a leading member of the Cairns Group of 19 agricultural exporting countries.

Licensing Requirements for Professional Services

The professional service sector is an important contributor to the Australian economy. This sector encompasses many industries including franchising, legal and accounting services, building and construction (eg. architecture, engineering), business (eg. human resource management, market research, advertising, PR, event management and executive recruitment).

Each industry encompasses specific certification and license requirements. It is recommended that US service providers gain familiarity with the sector to be in compliance.

Web Resources

[AUSFTA – full text](#)

[Australia Food Standards Code](#)

[Australian Customs and Border Protection Service](#)

[Australian Pesticides & Veterinary Medicines Authority \(ASPVMA\)](#)

[Australian Tax Office](#)

[Australian Treaties Library](#)

[Customs Brokers and Forwarders Council of Australia](#)

[Defence Export Control Office \(DECO\)](#)

[FAIRS reports](#)

[National Institute of Standards and Technology \(NIST\)](#)

[NICNAS](#)

[NIST Notification Service](#)

[Prohibited and Restricted Imports](#)

[Standards Australia](#)

The US- Australia Free Trade Agreement (AUSFTA):

[DFAT](#)

[USTR](#)

Legal

[Law Council of Australia](#)

[The Law Society of NSW](#)

[Queensland Law Society](#)

[The Law Society of Western Australia](#)

[The Law Society of SA](#)

[The ACT Law Society](#)

[The Law Society of NT](#)

Accountancy

[Certified Practicing Accountants \(CPA\)](#)

[Chartered Accountants Australia and New Zealand](#)

Consulting

[Institute of Management Consultants](#)

Investment Climate Statement

Executive Summary

Australia is generally welcoming to foreign investment as such investment is widely considered to be an essential contributor to Australia's economic growth and productivity. The United States is the dominant source of foreign direct investment (FDI) in Australia. According to the Australian Bureau of Statistics, the stock of US FDI totaled USD146.3 billion in January 2017.

Australia runs an annual current-account deficit and, therefore, is dependent on foreign investment, both FDI and portfolio investment. Mining and resources attract by far the largest share of FDI from the United States. Real estate investment is the second largest target of FDI from the United States, although it remains much smaller than mining investment in absolute terms.

While welcoming toward FDI, Australia does apply a "national interest" test to qualifying types of investment through its Foreign Investment Review Board (FIRB) review process. Various changes to the foreign investment rules have been made in recent years, primarily aimed at strengthening national security. Further changes to investments in electricity assets and agricultural land were announced in early 2018. Under these changes, electricity infrastructure is viewed as 'critical infrastructure' and foreign purchases will face additional scrutiny and conditions, while agricultural land is now required to be 'marketed widely' to Australian buyers before being sold to a foreign buyer. Various states also announced over 2017 that they would apply surcharges to foreign investment in real estate. Under the Australia-US Free Trade Agreement (AUSFTA), all US greenfield investments are exempt from FIRB screening. US investors require prior approval if acquiring a substantial interest in a primary production business valued above AUD1.094 billion (USD791.6 million).

In response to federal budget deficits and a perceived lack of fairness, the Australian government has tightened anti-tax avoidance legislation that mainly affects multi-national corporations with operations in multiple tax jurisdictions. While some laws have been complementary to international efforts to address tax avoidance schemes and the use of low-tax countries or tax havens, Australia has also moved in its own direction and has gone further in its efforts than the international community. This trend will continue in 2018, with a range of government inquiries underway at the time of writing.

Table 1

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2017	13 of 180	http://www.transparency.org/research/cpi/overview

**World Bank's
Doing Business
Report "Ease of
Doing Business"** 2017 14 of 190 <http://www.doingbusiness.org/rankings>

**Global
Innovation Index** 2016 23 of 128 <https://www.globalinnovationindex.org/analysis-economy>

**US FDI in
partner country
(USD Millions,
stock positions)** 2016 USD 165.3 <http://www.bea.gov/international/factsheet/>

**World Bank GNI
per capita** 2015 USD 54,230 <http://data.worldbank.org/indicator/NY.GNP.PCAP.CD>

Openness to & Restrictions upon Foreign Investment

Policies Toward Foreign Direct Investment

Australia is generally welcoming to foreign direct investment (FDI), with foreign investment widely considered to be an essential contributor to Australia's economic growth. Other than certain required review and approval procedures for certain types of foreign investment described below, there are no laws that discriminate against foreign investors.

A number of investment promotion agencies operate in Australia. The Australian Trade Commission (often referred to as Austrade) is the Commonwealth Government's national 'gateway' agency to support investment into Australia. Austrade provides coordinated government assistance to promote, attract and facilitate FDI, supports Australian companies to grow their business in international markets, and delivers advice to the Australian Government on its trade, tourism, international education and training, and investment policy agendas. Austrade operates through a number of international offices, with US offices primarily focused on attracting foreign direct investment into Australia and promoting the Australian education sector in the United States. Austrade in the United States operates from offices in Boston, Chicago, Houston, New York, San Francisco, and Washington, DC.

In addition, state investment promotion agencies also support international investment at the state level and in key sectors. For example, Investment Attraction South Australia aims to drive inward investment for South Australia. Invest in New South Wales similarly seeks to promote New South Wales as an investment location.

Limits on Foreign Control and Right to Private Ownership and Establishment

Within Australia, the right exists for foreign and domestic private entities to establish and own business enterprises and engage in all forms of remunerative activity in accordance with national legislative and regulatory practices.

See Section 4: Legal Regime - Laws and Regulations on Foreign Direct Investment below for information on Australia's investment screening mechanism for inbound foreign investment.

Other than the screening process described in Section 4, there are few limits or restrictions on foreign investment in Australia. Foreign purchases of agricultural land greater than AUD15 million (USD12 million) is subject to screening. This threshold will apply to the cumulative value of agricultural land owned by the foreign investor, including the proposed purchase. However, the agricultural land screening threshold does not affect investments made under AUSFTA. The current threshold remains AUD1.094 billion (USD875 million) for US non-government investors. Future investments made by US non-government investors will be subject to inclusion on the foreign ownership register of agricultural land and are also subject to Australian Tax Office (ATO) information gathering activities on new foreign investment.

US investors do not face any restrictions when investing in Australia relative to investors from other countries. All foreign persons, including US investors, must notify the Australian government and receive prior approval to make investments of five % or more in the media sector, regardless of the value of the investment.

Other Investment Policy Reviews

Australia has not conducted an investment policy review in the last three years through either the OECD or UNCTAD system. A WTO review of the trade policies and practices of Australia did take place however, in April 2015, and can be found at https://www.wto.org/english/tratop_e/tpr_e/tp412_e.htm.

The Australian Trade Commission compiles an annual 'Why Australia Benchmark Report' that presents comparative data on investing in Australia in the areas of Growth, Innovation, Talent, Location and Business. The report also compares Australia's investment credentials with other countries and provides a general snapshot on Australia's investment climate. See <http://www.austrade.gov.au/International/Invest/Resources/Benchmark-Report>.

Business Facilitation

Business registration in Australia is relatively straightforward and is facilitated through a number of Government web sites. The Commonwealth Department of Industry, Innovation and Science's business.gov.au provides an online resource and is intended as a 'whole-of-government' service providing essential information on planning, starting and growing a business. Foreign entities intending to conduct business in Australia as a foreign company must be registered with the Australian Securities and Investments Commission (ASIC). As Australia's corporate, markets and financial services regulator, the ASIC web site provides information and guides on starting and managing a business or company.

In registering a business, individuals and entities are required to register as a company with the ASIC, which then gives the company an Australian Company Number, registers the company, and issues a Certificate of Registration. According to the World Bank 'Starting a Business' indicator, registering a business in Australia takes 2.5 days and Australia ranks seventh globally on this indicator.

The Australian Government has a range of initiatives to assist women and minority groups with establishing new businesses. At a high level, the Office for Women within the Department of Prime Minister and Cabinet promotes economic security for women, leadership for women in business, and various grants and funding for initiatives that promote women in business. Various initiatives also exist to assist indigenous Australians

engage in the economy including through business creation. Guidance on setting up new businesses is also available in a range of foreign languages through the business.gov.au website.

Outward Investment

Australia generally looks positively towards outward investment as a way to grow its economy. There are no restrictions on domestic investors. Austrade, the Australian Government's export credit agency, Efic (Export Finance and Insurance Corporation), and various other government agencies offer assistance to Australian businesses looking to invest abroad.

Bilateral Investment Agreements & Taxation Treaties

Australia is a party to bilateral investment treaties with Argentina, China, Czech Republic, Egypt, Hong Kong, Hungary, India, Indonesia, Laos, Lithuania, Mexico, Pakistan, Papua New Guinea, Peru, Philippines, Poland, Romania, Sri Lanka, Turkey, Uruguay and Vietnam.

In addition to the free trade agreement (FTA) with the United States, Australia has bilateral FTAs with Chile, China, Japan, Korea, Malaysia, Singapore, and Thailand, and a multilateral FTA with New Zealand and the countries of the Association of Southeast Asian States (ASEAN), all of which contain chapters on investment.

Australia is currently engaged in bilateral FTA negotiations with the EU, India, and Indonesia, and in the following plurilateral FTA negotiations: the Regional Comprehensive Economic Partnership (RCEP, consisting of the ASEAN + Six group of nations) and the Gulf Cooperation Council (GCC). Over 2017, Australia signed but has not yet ratified the Pacific trade and economic agreement (PACER Plus) and a bilateral FTA with Peru, and in March 2018, it signed the Comprehensive and Progressive agreement on the Trans Pacific Partnership (CPTPP).

The US – Australia Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes has been in place since 1982 with amendments made in 2001. In addition to the United States, Australia has income tax treaties with 44 other countries and Taiwan.

On April 28, 2014, Australia signed an Intergovernmental Agreement with the United States to implement the Foreign Account Tax Compliance Act (FATCA) and improve tax cooperation. Under FATCA, Australian financial institutions will be required to submit information on accounts held by US citizens. The Intergovernmental Agreement will allow financial institutions to report the information via the Australian Tax Office under the existing Australia-US tax treaty arrangements.

The Australian government has moved aggressively in efforts to fight tax avoidance schemes by multinational corporations. In some cases, it has utilized OECD Base Erosion Profit Shifting (BEPS) recommendations but has also moved further than the BEPS recommendations. Multinational anti-avoidance legislation targets companies that do business in Australia without establishing a permanent establishment, and its diverted profits tax legislation targets tax schemes that recognize income in lower tax jurisdictions. A parliamentary inquiry into multinational tax avoidance is currently underway and will report in 2018.

Legal Regime

The Australian Government utilizes transparent policies and effective laws to foster national competition and is consultative in its policy making process. The government generally allows for public comment of draft legislation and publishes legislation once it enters into force.

Regulations drafted by Australian Government agencies must be accompanied by a Regulation Impact Statement when submitted to the final decision maker (which may be the Cabinet, a Minister, or another decision maker appointed by legislation). All Regulation Impact Statements must first be approved by the Office of Best Practice Regulation (OBPR) which sits within the Department of Prime Minister and Cabinet,

prior to being provided to the relevant decision maker. They are required to demonstrate the need for regulation, the alternative options available (including non-regulatory options), feedback from stakeholders, and a full cost-benefit analysis. Regulations are subsequently required to be reviewed periodically. All Regulation Impact Statements, second reading speeches, explanatory memoranda, and associated legislation are made publicly available on Government websites. Australia's state and territory governments have similar processes when making new regulations.

The Australian Government has tended to prefer self-regulatory options where an industry can demonstrate that the size of the risks are manageable and that there are mechanisms for the industry to agree on, and comply with, self-regulatory options that will resolve the identified problem. This manifests in various ways across industries, including voluntary codes of conduct and similar agreements between industry players.

The Australian Government has recognized the impost that regulation can impose on businesses and has undertaken a range of initiatives to reduce red tape. This has included specific red tape reduction targets for government agencies, and various deregulatory groups within government agencies.

Australian accounting, legal, and regulatory procedures are transparent and consistent with international standards. Accounting standards are formulated by the Australian Accounting Standards Board, an Australian Government agency under the Australian Securities and Investments Commission Act 2001. Under that Act, the statutory functions of the AASB are to develop a conceptual framework for the purpose of evaluating proposed standards; make accounting standards under section 334 of the Corporations Act 2001, and advance and promote the main objects of Part 12 of the ASIC Act, which include reducing the cost of capital, enabling Australian entities to compete effectively overseas and maintaining investor confidence in the Australian economy. The Australian Government conducts regular reviews of proposed measures and legislative changes and holds public hearings into such matters.

International Regulatory Considerations

Australia is a member of the WTO, the Asia-Pacific Economic Cooperation (APEC) and became the first of Association of Southeast Nations' (ASEAN) ten dialogue partners in 1974. While not a regional economic block, Australia's free trade agreement with New Zealand provides for a high level of integration between the two economies with the ultimate goal of a single economic market.

Australia is a signatory to the WTO Trade Facilitation Agreement (TFA) and performs at, or close to, the frontier for all eleven OECD Trade Facilitation Indicators. For the eight indicators where it is not located at the frontier, it has significantly improved on six between 2015 and 2017. While no new legislation has been required to progress Australia's implementation of the TFA, Australia has created a National Committee on Trade Facilitation to oversee development of new trade facilitation initiatives. Two important initiatives to date have been the creation of an Authorized Economic Operator scheme to allow approved companies to streamline imports through Australian Customs, and the creation of a 'single window' portal for traders seeking information on importation and permit requirements.

Legal System and Judicial Independence

The Australian legal system is firmly grounded on the principles of equal treatment before the law, procedural fairness, judicial precedent, and the independence of the judiciary. Strong safeguards exist to ensure that people are not treated arbitrarily or unfairly by governments or officials. Property and contractual rights are enforced through the Australian court system, which is based on English Common Law.

Laws and Regulations on Foreign Direct Investment

Information regarding investing in Australia can be found in Austrade's Investor Guide at <http://www.austrade.gov.au/International/Invest/Investor-guide>. The guide is designed to help international

investors and businesses navigate investing and operating in Australia. It is an online guide to the regulations, considerations and assistance relevant to investing in, establishing, and running a business in Australia, with direct links to relevant regulators and government agencies that relate to Australian Government regulation and available assistance.

Foreign investment in Australia is regulated by the Foreign Acquisitions and Takeovers Act 1975 and Australia's Foreign Investment Policy. The Foreign Investment Review Board (FIRB), a division of Australia's Treasury, is a non-statutory body established to advise the Treasurer and the Commonwealth Government on Australia's foreign investment policy and its administration. The FIRB screens potential foreign investments in Australia above threshold values, and based on advice from the FIRB, the Treasurer may deny or place conditions on the approval of particular investments above that threshold on national interest grounds. Following a number of recent investments made by foreign companies in key sectors of Australia's economy, the laws and regulations governing foreign direct investment have been subject to a wide ranging and ongoing review.

The Australian Government has a 'national interest' consideration in reviewing foreign investment applications.

In January 2017, the Government established the Critical Infrastructure Centre (CIC) to better manage the risks to Australia's critical infrastructure assets. A key role of the CIC is to advise the FIRB on risks associated with foreign investment in infrastructure assets, particularly telecommunications, electricity, water and port assets. While the CIC's role in the foreign investment process signals the Government's focus on these assets, its role is limited to providing advice to the Government and the approval framework itself was not changed when the CIC was established. Further changes to investments in electricity assets and agricultural land were announced in early 2018. Under these changes, electricity infrastructure is formally viewed as 'critical infrastructure' and foreign purchases will face additional scrutiny and conditions, while agricultural land is now required to be 'marketed widely' to Australian buyers before being sold to a foreign buyer. Various states also announced over 2017 that they would apply surcharges to foreign investment in real estate.

Under the Australia-United States Free Trade Agreement (AUSFTA), all US greenfield investments are exempt from FIRB screening. US investors require prior approval if acquiring a substantial interest in a primary production business valued above AUD 1.094 billion (USD791.6 million).

Competition and Anti-Trust Laws

The Australian Competition and Consumer Commission (ACCC) enforces the *Competition and Consumer Act 2010* and a range of additional legislation, promotes competition, fair trading and regulates national infrastructure for the benefit of all Australians. The ACCC plays a key role in assessing mergers to determine whether they will lead to a substantial lessening of competition in any market. ACCC also engages in consumer protection enforcement and has expanded responsibilities to monitor digital industries and the "sharing economy."

Expropriation and Compensation

Private property can be expropriated for public purposes in accordance with Australia's constitution and established principles of international law. Property owners are entitled to compensation based on "just terms" for expropriated property. There is little history of expropriation in Australia although a few US investors have claimed certain commercial disputes should be considered expropriation. (See below description.)

Dispute Settlement

ICSID Convention and New York Convention

Australia is a member of the International Centre for the Settlement of Investment Disputes (ICSID Convention) and the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. The International Arbitration Act 1974 governs international arbitration and the enforcement of awards.

Investor-State Dispute Settlement

Investor-State Dispute Settlement (ISDS) is included in some but not all of Australia's 21 BITs and 9 FTAs. AUSFTA establishes a dispute settlement mechanism for investment disputes arising under the Agreement. However, AUSFTA does not contain an investor-state dispute settlement (ISDS) mechanism that would allow individual investors to bring a case against the Australian government. Regardless of the presence or absence of ISDS mechanisms, there is no history of extrajudicial action against foreign investors in Australia.

In 2010, an Australian company with approximately 30% US institutional investor ownership acquired an Australian mining company for the purpose of obtaining the latter company's primary asset, a coal exploration license. The New South Wales (NSW) government had legally approved the purchase. Subsequent to the purchase, however, the NSW Independent Commission Against Corruption (ICAC), a non-judicial anti-corruption entity with sweeping powers of investigation but no independent powers to prosecute, determined that the original Australian company had corruptly obtained the license. Based on the ICAC findings, the NSW government passed legislation cancelling the license, denying the investors the ability to seek compensation, and preventing the NSW government from having any liability for its past conduct. The result of these actions is the investors of the acquiring company, including the US investors, have lost their entire investment.

International Commercial Arbitration and Foreign Courts

Australia has an established legal and court system for the conduct or supervision of litigation and arbitration, as well as alternate dispute resolutions. Australia is a 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.

Bankruptcy Regulations

Bankruptcy is a legal status conferred under the Bankruptcy Act 1966 and operates in all of Australia's States and Territories. Only individuals can be made bankrupt and not businesses or companies. Where there is a partnership or person trading under a business name, it is the individual or individuals who make up that firm that are made bankrupt. Companies cannot become bankrupt under the Bankruptcy Act though similar provisions (called administration and winding up) exist under the Corporations Act 2001. Bankruptcy is not a criminal offense in Australia.

Creditor rights are established under the Bankruptcy Act 1966, the Corporations Act 2001, and the more recent Insolvency Law Reform Act 2016. The latter legislation commenced in two tranches over 2017 and aims to increase the efficiency of insolvency administrations, improve communications between parties, increase the corporate regulator's oversight of the insolvency market, and 'improve overall consumer confidence in the professionalism and competence of insolvency practitioners'. Under the combined legislation, creditors have the right to: request information during the administration process, give direction to a liquidator or trustee, appoint a liquidator to review the current appointee's remuneration, and remove a liquidator and appoint a replacement.

Four credit monitoring authorities operate in the Australian market: Equifax, Dun and Bradstreet, Experian, and the Tasmanian Collection Service. The information that can be provided to, and used by, these bodies is restricted by the Privacy Act 1988 and the associated Privacy (Credit Reporting) Code 2014. Current policy seeks to balance the privacy rights of individuals and the depth of information available to credit providers. Until 2018, credit reporting in Australia has consisted only of 'negative' reporting, however, in July 2018 the Government will require that credit providers also report 'positive' information on individuals' credit history.

Industrial Policies

Investment Incentives

The Commonwealth Government and state and territory governments provide a range of measures to assist investors with setting up and running a business and undertaking investment. Types of assistance available vary by location, industry, and the nature of the business activity. Austrade provides coordinated government assistance to attracting FDI and is intended to serve as the national point-of-contact for investment inquiries. State and Territory Governments similarly offer a suite of financial and non-financial incentives. Australian and State and Territory Governments provide selected grants to businesses for establishing or expanding a business, or for specific activities such as research. The Commonwealth Government also provides incentives for companies engaging in research and development (R&D), and delivers a tax offset for expenditure on eligible R&D activities undertaken during the year. R&D activities conducted overseas are also eligible under certain circumstances, and the program is jointly administered by AusIndustry (Government agency) and the Australian Taxation Office (ATO).

Foreign Trade Zones/Free Ports/Trade Facilitation

Australia does not have any free trade zones or free ports.

Performance and Data Localization Requirements

As a general rule, foreign firms establishing themselves in Australia are not subject to local employment or forced localization requirements, performance requirements and incentives, including to senior management and board of directors. Proprietary companies must have at least one director resident in Australia, while public companies are required to have a minimum of two resident directors. See Section 12 below for further information on rules pertaining to the hiring of foreign labor.

Under the Telecommunications (Interception and Access) Amendment (Data Retention) Bill 2015, telecommunications service providers are required to retain and secure, for two years, telecommunications data (not including content); to protect retained data through encryption; and to prevent unauthorized interference and access. The Bill limits the range of agencies that are able to access telecommunications data and stored communications, establishes a “journalist information warrants regime.” Australia’s Personally Controlled Electronic Health Records Act prohibits the transfer of health data out of Australia in some situations.

Australia has a strong framework for the protection of IP, including software source code. Foreign providers are not required to provide source code to the Government in exchange for operating in Australia. The Government has indicated that it will introduce legislation to Parliament over 2018 that will require encrypted messaging services to provide decrypted communications to the Government for selected national security purposes. Current government enquiries are also investigating the competition impacts of digital platforms, including the market implications of the algorithms used by these platforms.

Companies are generally not restricted in terms of how they store or transmit data within their operations. The exception to this is the Personally Controlled Electronic Health Records Act (2012) which does require that certain personal health information is stored in Australia. The Privacy Act (1988) and associated legislation places restrictions on the communication of personal information between and within entities, however, the requirements placed on international companies, and the transmission of data outside of Australia, are not treated differently under this legislation. Finally, Australia’s data retention laws require telecommunications companies and internet service providers to retain customer metadata for a period of two years. The Australian Attorney-General’s Department is the responsible agency for most legislation relating to data and storage requirements.

Protection of Property Rights

Real Property

A strong rule of law protects property rights in Australia and operates against corruption. Mortgages exist and foreigners are allowed to buy real property subject to certain registration and approval requirements. Property lending may be securitized and Australia has one of the most highly developed securitization sectors in the world. Beyond the private sector property market, securitization products are being developed to assist local and state government financing. Australia has no legislation specifically relating to securitization, although issuers are governed by a range of other financial sector legislation and disclosure requirements.

Intellectual Property Rights

Australia generally provides strong intellectual property rights (IPR) protection and enforcement through legislation that, among other things, criminalizes copyright piracy and trademark counterfeiting. Australia is not listed in USTR's Special 301 report or on USTR's notorious market report.

Enforcement of counterfeit goods is overseen by the Australian Department of Home Affairs through the Notice of Objection Scheme, which allows the Australian Border Force to seize goods suspected of being counterfeit. Penalties for sale or importation of counterfeit goods include fines and up to five years imprisonment. The Australia Border Force reported seizing 190,000 individual items of counterfeit and pirated goods, worth approximately AUD16.9 million, during the fiscal year ending June 30, 2016, the last available year for which this data is provided.

IP Australia is the responsible agency for administering Australia's responsibilities and treaties under the World Intellectual Property Organization (WIPO). Australia is a member of a range of treaties developed through WIPO. Australia does not have specific legislation relating to trade secrets, however, common law governs information protected through such means as confidentiality agreements or other means of illegally obtaining confidential or proprietary information.

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

Under the AUSFTA, Australia must notify the holder of a pharmaceutical patent of a request for marketing approval by a third party for a product claimed by that patent. US and Australian pharmaceutical companies have raised concerns that unnecessary delays in this notification process restrict their options for action against third parties that would infringe their patents if granted marketing approval by the Australian Therapeutic Goods Administration.

The Australian Parliament introduced two amendments to the Copyright Act in 2017. On June 15 2017 the Australian Parliament passed the Copyright Amendment (Disabilities and Other Measures) Bill 2017, followed in December by the introduction of the Copyright Amendment (Service Providers) Bill 2017. This latter legislation remains before the Senate. It extends safe harbor provisions in the Act to the disability, education, library, archive and cultural sectors, protecting organizations in these sectors from legal liability where they can demonstrate that they have taken reasonable steps to deal with copyright infringement by users of their online platforms. However, the legislation specifically excluded online platforms such as Google and Facebook from safe harbor provisions. The Government of Australia has indicated that it will consider further extending the safe harbor provisions to include online platforms.

For additional information about national laws and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Financial Sector

Capital Markets and Portfolio Investment

The Australian Government takes a favorable stance towards foreign portfolio investment with no restrictions on inward flows of debt or equity. Indeed, access to foreign capital markets is crucial to the Australian economy given its relatively small domestic fixed income markets. Australian capital markets are generally efficient and are able to provide financing options to businesses. While the Australian equity market is one of the largest and most liquid in the world, non-financial firms do face a number of barriers in accessing the corporate bond market. Large firms are more likely to use public equity and smaller firms more likely to use retained earnings and debt from banks and intermediaries. Australia's corporate bond market is relatively small, and Australia is one of only two countries with insufficiently large Government debt issuance to enable domestic banks to meet their requirements under the Basel III regulations. Foreign investors are able to get credit on the local market on market terms.

Money and Banking System

Australia's banking system is robust, highly evolved, and international in focus. Bank profitability is strong and has been supported by further improvements in asset performance.

Total assets of the four largest banks is USD296 billion, approximately 67 % of total financial sector assets and 21% of the market value of all listed Australian companies. According to Australia's Central Bank (the Reserve Bank of Australia or RBA), the ratio of non-performing assets to total loans was just under 1 % at the end of 2017, having remained at around that level for the last four years after falling from highs of nearly 2 % following the Global Financial Crisis. The RBA is responsible for monitoring and reporting on the stability of the financial sector, while the Australian Prudential Regulatory Authority (APRA) monitors individual institutions. Foreign banks are allowed to operate as a branch or a subsidiary in Australia. Australia has generally taken an open approach to allowing foreign companies to operate in the financial sector, largely to ensure sufficient competition in an otherwise small domestic market.

The RBA is responsible for monitoring and regulating payments systems in Australia. It has overseen the creation of the New Payments Platform that came online in early 2018, allowing fast processing of low value transactions. The Australian Government and RBA have investigated opportunities for using blockchain technologies in the financial sector. Private sector blockchain solutions are also being developed, including the announcement that the Australian Stock Exchange's clearing solution will be replaced by a distributed ledger system. Governments at both the federal and state levels have sought to encourage the development of a local fintech industry, with assistance including supporting regulatory changes and in-kind assistance. Developments in these alternative payment systems remain nascent and the vast majority of transactions continue to be carried out through existing centrally-maintained payment platforms.

Foreign Exchange and Remittances

Foreign Exchange

The Commonwealth Government formulates exchange control policies with the advice of the Reserve Bank of Australia (RBA) and the Treasury. The RBA, charged with protecting the currency, has the authority to implement exchange controls, although there are currently none in place.

The Australian dollar is a fully convertible and floating currency. The Commonwealth Government does not maintain currency controls or limit remittances. Such payments are processed through standard commercial channels, without governmental interference or delay.

Remittance Policies

Australia does not limit investment remittances.

Sovereign Wealth Funds

Australia's sovereign wealth fund, the Future Fund, is a financial asset investment fund owned by the Australian Government. The Fund's objective is to enhance the ability of future Australian Government's to discharge unfunded superannuation (pension) liabilities expected after 2020, when an ageing population is likely to place significant pressures on Government finances. As a founding member of the International Forum of Sovereign Wealth Fund (IFSWF), the Future Fund's structure, governance and investment approach is in full alignment with the Generally Accepted Principles and Practices for Sovereign Wealth Funds (the 'Santiago principles').

In addition to the Future Fund, the Australian government has a number of 'nation-building funds', a Disability Care Fund, and a Medical Research Future Fund. A Building Australia Fund enhances the Commonwealth's ability to make payments in relation to the creation or development of transport, communications, energy, and water infrastructure and in relation to eligible national broadband matters. An Education Investment Fund makes payments in relation to the creation or development of higher education infrastructure, research infrastructure, vocational education and training infrastructure, and eligible education infrastructure. A DisabilityCare Australia Fund aims to reimburse States, Territories and the Commonwealth for expenditure incurred in relation to the National Disability Insurance Scheme Act 2013 and to fund implementation of that Act in its initial period of operation. A Medical Research Future Fund provides grants of financial assistance to support medical research and medical innovation.

As of December 31, 2017, the value of the Future Fund totaled AUD138.9 billion. The value of the Education Investment Fund totaled AUD3.8 billion; the Building Australia Fund totaled AUD3.8 billion; the DisabilityCare Australia Fund totaled AUD10.4 billion, and the Medical Research Future Fund totaled AUD7.0 billion.

State-Owned Enterprises

In Australia, the term used for a Commonwealth Government State-Owned Enterprise (SOE) is government business enterprise (GBE). According to the Department of Finance, there are eight GBEs: two corporate Commonwealth entities and six Commonwealth companies. (See <https://www.finance.gov.au/resource-management/governance/gbe/>) Private enterprises are generally allowed to compete with public enterprises under the same terms and conditions with respect to markets, credit, and other business operations, such as licenses and supplies. Public enterprises are not generally accorded material advantages in Australia. Remaining GBEs do not exercise power in a manner that discriminates against or unfairly burdens foreign investors or foreign-owned enterprises.

Privatization Program

Australia does not have a formal and explicit national privatization program. Individual state and territory governments may have their own privatization programs. Foreign investors are welcome to participate in any privatization programs subject to the rules and approvals governing foreign investment.

Responsible Business Conduct

There is general business awareness and promotion of responsible business conduct in Australia. The Commonwealth Government states that companies operating in Australia and Australian companies operating overseas are expected to act in accordance with the principles set out in the OECD Guidelines for Multinational Enterprises and to perform to the standards they suggest. In seeking to promote the OECD Guidelines, the Commonwealth Government maintains a National Contact Point (NCP), the current NCP being currently the General Manager of the Foreign Investment and Trade Policy Division at the Commonwealth Treasury, who is able to draw on expertise from other government agencies through an informal inter-governmental network. An ANCP Web site links to the 'OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from

Conflict-Affected and High-Risk Areas' noting that the objective is to help companies respect human rights and avoid contributing to conflict through their mineral sourcing practices. The Commonwealth Government's export credit agency, the Export Finance and Insurance Corporation, also promotes the OECD Guidelines as the key set of recommendations on responsible business conduct addressed by governments to multinational enterprises operating in or from adhering countries.

Australia began implementing the principles of the Extractive Industries Transparency Initiative (EITI) in 2016.

RBC is still an emerging concept and practice, and building institutional awareness and support for RBC remains an ongoing process. There is no formal approach to RBC at the national level. A number of independent NGOs and associations exist to promote and monitor RBC.

Corruption

Australia maintains a comprehensive system of laws and regulations designed to counter corruption. In addition, the government procurement system is generally transparent and well regulated. Corruption has not been a factor cited by US businesses as a disincentive to investing in Australia, or to exporting goods and services to Australia.

Non-governmental organizations interested in monitoring the global development of anti-corruption measures, including Transparency International, operate freely in Australia, and Australia is perceived internationally as having low corruption levels.

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

The Attorney-General's Department plays an active role in combating corruption through developing domestic policy on anti-corruption and engagement in a range of international anti-corruption forums. These include the G20 Anti-Corruption Working Group, APEC Anti-Corruption and Transparency Working Group, and the United Nations Convention against Corruption Working Groups. Australia is a member of the OECD Working Group on Bribery and a party to the key international conventions concerned with combating foreign bribery, including the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Anti-Bribery Convention).

Under Australian law, it is an offense to bribe a foreign public official, even if a bribe may be seen to be customary, necessary or required. The maximum penalty for an individual is 10 years imprisonment and/or a fine of USD1.4 million. For a corporate entity, the maximum penalty is the greatest of: 1) USD14.4 million; 2) three times the value of the benefits obtained; or 3) 10 % of the previous 12-month turnover of the company concerned.

A number of national and state-level agencies exist to combat corruption of public officials and ensure transparency and probity in government systems. The Australian Commission for Law Enforcement Integrity (ACLEI) has the mandate to prevent, detect and investigate serious and systemic corruption issues in the Australian Crime Commission, the Australian Customs and Border Protection Service, the Australian Federal Police, the Australian Transaction Reports and Analysis Center, the CrimTrac Agency, and prescribed aspects of the Department of Agriculture.

An Independent Commission Against Corruption (ICAC) operates in New South Wales to investigate, expose and minimize corruption in the NSW public sector. Similarly, South Australia's Office for Public Integrity and

the Independent Commissioner Against Corruption (SAICAC) is tasked with identifying corruption in public administration and investigating and referring for prosecution where appropriate. SAICAC's jurisdiction extends to all South Australian public administration including state and local government agencies and officers, Members of Parliament, members of the judiciary, statutory authorities, and the police.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Australia has signed and ratified the United Nations Convention against Corruption, and is a signatory to the OECD Anti-Bribery Convention.

Resources to Report Corruption

Corruption and Crime Commission

86 St Georges Terrace
Perth, Western Australia
Tel. (08) 9215 4888
info@ccc.wa.gov.au

Independent Commission against Corruption NSW

Level 7, 255 Elizabeth Street
Sydney NSW 2000
Australia
02 8281 5999 (Australia)
icac@icac.nsw.gov.au

Political & Security Environment

Political protests (e.g., rallies, demonstrations, marches, public conflicts between competing interests) form an integral, though generally minor, part of Australian cultural life. Such protests rarely degenerate into violence.

Labor Policies & Practices

Australia's strong economy has seen unemployment fall to relatively low levels, albeit remaining above levels associated with full employment. As of April 2018 the employment rate in Australia is at 5.6%. The labor market has grown strongly in 2017 in particular, adding around 400,000 new positions, or 3.5% of the total workforce. This has been aided by growth in the participation rate, now sitting at close to record levels. Participation has been driven in large part by greater numbers of women entering the workforce, with female participation sitting at all-time highs of just under 61% (male participation remains higher at 71%). Participation in the labor force is lower for younger workers, with only 68% of those aged 15-24 in the workforce, relative to 78% for those aged 15-64. In 2016 just under 9% of youth are not in employment, education or training.

The Australian Government and its state counterparts are active in assessing and forecasting labor skills gaps across industries. Tertiary education is subsidized by both levels of governments and these subsidies are based in part on an assessment of the skills needed by industry. These assessments also inform immigration policy through the various working visas and associated skilled occupation lists.

Immigration has always been an important source for skilled labor in Australia. The Department of Home Affairs publishes an annual list of occupations with skill shortages to be used by potential applicants seeking to work in Australia. The visas available to applicants, and length of stay allowed for, differ by occupation. The main working visa is the Temporary Skills Shortage visa (subclass 482) which replaced the former subclass 457 visa in March 2018. Applicants must have a nominated occupation when they apply which is applicable to their circumstances, and applications are subject to local labor market testing rules. These rules preference

the hiring of Australian labor over foreign workers so long as local workers can be found to fill the advertised job.

In March 2018 the Government announced a one year trial of a new visa category aimed to provide companies with access to highly skilled international professionals. This visa is eligible to listed companies, companies with turnover greater than AUD4 million, or recognized startup companies, paying the foreign worker AUD180,000 or more.

Most Australian workplaces are governed by a system created by the Fair Work Act 2009. Enterprise bargaining takes place through agreements, collective agreements made at an enterprise level between employers and employees about terms and conditions of employment. Such agreements are widely used in Australia. A Fair Work Ombudsman assists employees, employers, contractors and the community to understand and comply with the system. The Fair Work Act 2009 establishes a set of clear rules and obligations about how this process is to occur, including rules about bargaining, the content of enterprise agreements, and how an agreement is made and approved. Unfair dismissal laws also exist to protect workers who have been unfairly fired from a job. Australia is a founding member of the International Labour Organization and has ratified 58 of the ILO's conventions.

Chapter 18 of the Australia-US FTA deals with labor market issues. The Chapter sets out the responsibilities of each party, including the commitment of each country to uphold its obligations as a member of the International Labor Organization (ILO) and the associated ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up (1998).

There were 154 industrial disputes in 2017, a 39% reduction from 2015.

OPIC & Other Investment Insurance Programs

The Overseas Private Investment Corporation excludes Australia, as it is not a developing country. The US Export-Import Bank (Ex-Im) can provide financing and other services for major resource sector and energy projects in Australia which support US jobs and exports.

Foreign Direct Investment & Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, US FDI in Host Country/Economy

Economic Data	Year	Amount	Host Country Statistical source*	USG or international statistical source	USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Host Country Gross Domestic Product (GDP) (\$M USD)	2016	\$1.26 trillion	2014	\$1.21 trillion	www.worldbank.org/en/country

Foreign Direct Investment	Host Country Statistical source*	USG or international statistical source	USG or international statistical source	Source of data: BEA; IMF; Eurostat; UNCTAD, Other
US FDI in partner country (\$M USD, stock positions)	2016 \$146.26 billion	2015 \$165.3 billion	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm	
Host country's FDI in the United States (\$M USD, stock positions)	2016 \$89.18 billion	2015 \$46.9 billion	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm	
Total inbound stock of FDI as % host GDP	2016 12%			

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data

From Top Five Sources/To Top Five Destinations (*US Dollars, Billions*)

Inward Direct Investment			Outward Direct Investment		
Total Inward	576.0	100%	Total Outward	401.5	100%
USA	141.1	24.5%	USA	86.0	21.4%
Japan	65.8	11.4%	UK	52.9	13.2%
UK	49.1	8.5%	New Zealand	48.2	12.0%
Netherlands	36.4	6.3%	Singapore	14.3	3.6%
China	30.3	5.3%	Papua New Guinea	11.4	2.8%

"0" reflects amounts rounded to +/- USD500,000.

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets

Top Five Partners (Millions, US Dollars)

Total			Equity Securities			Total Debt Securities		
All Countries	629,400	100%	All Countries	400,624	100%	All Countries	228,776	100%
United States	274,074	43.5%	United States	189,082	47.2%	United States	84,991	37.2%
United Kingdom	48,636	7.7%	United Kingdom	35,541	8.9%	Germany	22,513	9.8%
Japan	31,356	5.0%	Cayman Islands	22,041	5.5%	United Kingdom	13,095	5.7%
Germany	30,469	4.8%	Japan	19,358	4.8%	Japan	11,999	5.2%
Cayman Islands	27,302	4.3%	Switzerland	10,351	2.6%	France	11,779	5.1%

Contact for More Information on the Investment Climate Statement

US Embassy
 Moonah Place, Yarralumla, ACT
 61 2 6214 5874
 usrsaustralia@state.gov

Trade & Project Financing

Methods of Payment

Australia has a wide range of export financing options available. A few basic tools are described below. US companies should choose the option that is favorable to both transacting parties. We recommend consulting the international services division of a US or Australian financial institution for a more complete description and recommendations regarding the best option for a given transaction.

Cash in Advance

The exporter demands cash in advance before exporting. From the buyer's perspective, this is the least popular method. A US exporter requiring cash in advance lowers his risk but potentially reduces his competitive position. Modified forms of this method (e.g. deposit with progress payments) are normally used for custom-built equipment or other unique products.

Letters of Credit

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

Commercial Bills of Exchange

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

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

The majority of Australian imports from the US allow payment terms from 30-180 days from the date of the shipping documents. This method carries the greatest risk to the exporter but is the most attractive to the importer.

Banking Systems

The four largest retail banks in Australia are Westpac Banking Corporation, Commonwealth Bank of Australia, Australia and New Zealand Banking Group (ANZ), and National Australia Bank (NAB). They all have AA – ratings. Nevertheless, trade finance liquidity is an issue here as in the rest of the world.

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

The Australian banking system is undergoing progressive deregulation and privatization. Foreign banks are allowed to enter the financial market. Retail banks, in general, now provide a wider range of financial services, including: life and general insurance, stock brokering, and security underwriting to retail customers, in

addition to making corporate and consumer loans. This places them in competition with brokerage houses and merchant banks.

The Australian Government permits non-Australian banks to operate as branches to serve the wholesale market. However, banking regulations only allow retail banking activities through a locally-incorporated subsidiary.

The Reserve Bank of Australia (RBA) sets monetary policy and regulates the payment system. The Australian Prudential Regulation Authority (APRA) oversees banks, credit unions, building societies, general insurance and reinsurance companies, life insurance, private health insurance, friendly societies (co-ops), and most members of the superannuation industry. APRA currently supervises institutions holding approximately USD3.7 trillion in assets for almost 24 million Australian depositors, policyholders, and superannuation fund members (APRA).

Foreign Exchange Controls

Australia does not restrict the flow of currency into or out of the country. There are, however, cash reporting obligations under the Cash Transaction Reports Act (CTRA). To control tax evasion and money laundering the Australian Transaction Reports and Analysis Center (AUSTRAC) must receive reports of international currency transfers of AUD10,000 or more. AUSTRAC does not inhibit normal currency transfers associated with international trade.

The Australian dollar is freely convertible. International supply and demand determines exchange rates. Official policy is not to defend any particular exchange rate level. Reserve Bank intervention is minimal and occurs only to curb extreme foreign exchange market volatility. Only authorized foreign exchange dealers, including trading banks and most merchant banks, make foreign exchange transactions. There are no specific restrictions regarding the remittance of profits, dividends, or capital.

US Banks & Local Correspondent Banks

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

Project Financing

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

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

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

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

The major trading banks have dominant ownership of the major finance companies, which control about 75% of the total assets of the industry. Commercial banks are the major source of medium-term loans. A wide range of merchant banks operate in Australia, many of which are associated with some of the world's largest financial institutions. They also provide short to medium-term funding.

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

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

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

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

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

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

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

Financing Web Resources

[Trade Finance Guide: A Quick Reference for US Exporters, published by the International Trade Administration's Industry & Analysis team](#)
[Export-Import Bank of the United States](#)
[Country Limitation Schedule](#)
[OPIC](#)
[US Trade and Development Agency](#)
[SBA's Office of International Trade](#)
[USDA Commodity Credit Corporation](#)

Banks and Financial Institutions

[Adelaide Bank Ltd](#)
[AMP](#)
[Australia and New Zealand Banking Group Limited \(ANZ\)](#)
[Australian Prudential Regulation Authority](#)
[Australian Transaction Reports and Analysis Center](#)
[Bank of America NA](#)
[Bank of Queensland Ltd](#)
[Bank West](#)
[Bendigo Bank Ltd](#)
[BT Financial Group](#)
[Citibank Australia](#)
[Commonwealth Bank of Australia](#)
[Country Limitation Schedule](#)
[Export-Import Bank of the United States](#)
[JP Morgan Australia Pty Ltd](#)
[Macquarie Bank Ltd](#)
[Merrill Lynch Australasia](#)
[Morgan Stanley Australia Limited](#)
[National Australia Bank Limited](#)
[OPIC](#)
[SBA's Office of International Trade](#)
[State Street Bank and Trust Company](#)
[St. George Ltd](#)

[Suncorp Group](#)

[US Trade and Development Agency](#)

[USDA Commodity Credit Corporation](#)

[Westpac Banking Corporation](#)

Business Travel

Business Customs

Conducting business in Australia is relatively easy for American companies due to the similarities in language, cultural environment, business practices, and customer expectations. Australians pay attention to advance planning, promptness, follow-up, and are generally direct in their business dealings. They typically conduct business on a first-name basis and exchange business cards for information purposes, but without any special ceremony. Token gift exchange is not common; however, luncheon and breakfast meetings are common. Australians do not typically schedule business functions on weekends. Business attire is the norm for the cities, and rural areas are slightly more informal.

Travel Advisory

For State Department travel warnings, please visit the [website](#).

For additional State Department information on Australia, please visit the [website](#).

Visa Requirements

Americans traveling to Australia for business and/or leisure must hold a valid US passport and either a visa or an Electronic Travel Authority (ETA). ETA's are available via the Internet [here](#) or [here](#) and from participating US travel agents and airlines when making travel arrangements. There is an AUD20 service fee for each ETA application. Americans can apply to Australian Embassies, High Commissions, and Consulates for a visa. For the location of the nearest Australian diplomatic facility, please refer to the [Department of Immigration and Border Protection website](#).

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

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

[State Department Visa website](#)

[US Embassy in Australia](#)

The Australian Customs and Border Protection Service has extended the use of SmartGate to US citizens on arrival in Australia. SmartGate is a simple way for eligible travelers arriving into Australia's international airports to self-process through passport control. Further information is available [here](#).

Currency

Australia's local currency is the Australian Dollar. Further information on Australia's currency is available on the [website](#).

Telecommunications/Electronics

Australia's telecommunications infrastructure is well developed. Australian telecommunications providers include: Telstra, Optus, Vodafone, and Virgin. All the cell phone carriers run 4G networks. 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. Power voltage is 240 volts/50Hz.

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

Internet access is widely available at airports, hotels, and internet cafés. There are many Wi-Fi hotspots in the central business districts (CBDs) of the biggest cities.

For more information on telecommunications in Australia see the [Australian Communications and Media Authority](#) website.

Transportation

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

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

Frequent interstate flights connect the five major Australian cities. The major airlines servicing domestic routes include Qantas Airways, Virgin Australia, and Jetstar Airways. Discounts may be available on domestic airfares when purchased in conjunction with international tickets. Australia has an extensive and efficient domestic transportation system, including air, rail, coach, and sea services.

Australians drive on the left side of the road. Major US and Australian car rental agencies operate throughout the country. Reservations are available through airports, hotels, travel agents, or directly, using a credit card and a US or international driver's license.

Public transportation is well developed throughout urban areas. Convenient bus, rail, and air services are available between cities and country towns.

International Air Travel Times

Los Angeles to Sydney - 14 hours

New York to Sydney (via Los Angeles or San Francisco) - 21 hours

Dallas/Fort Worth to Sydney – 16 hours

Honolulu to Sydney - nine hours

Tokyo to Sydney - nine hours

Hong Kong to Sydney - nine hours

Singapore to Sydney - eight hours

Air Travel Times Within Australia

Sydney to Melbourne - one hour

Sydney to Brisbane - one hour

Sydney to Perth - four hours

Sydney to Canberra - 35 minutes

Melbourne to Brisbane - two hours

Melbourne to Perth - four hours

Brisbane to Perth - six hours

Language

Australia is an English-speaking country.

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

Local Time, Business Hours & Holidays

Australia has three time zones: Eastern, Central, and Western. Not all Australian states observe daylight savings time and the dates for the switch to and from daylight savings time varies. To check the current time in Australia, refer to the [website](#).

Office business hours are generally between 9:00am-5:00pm, Monday through Friday. Most shops in major city centers are open on Saturday and Sunday and at least one night a week for evening trading. Banks are open to the public from 9:00am-4:00pm, Monday through Friday, with 24/7 ATM service. Restaurants and convenience stores are typically open for extended hours.

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

A list of Public Holidays in Australia can be found on the [Australian Government website](#).

Temporary Entry of Materials or Personal Belongings

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

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

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

For further information, please visit the [Department of Immigration and Border Protection website](#).

Travel Related Web Resources

[Australian Communications Authority](#)

[Australian Department of Immigration and Border Protection](#)

[Australian Department of Immigration and Border Protection office in the US](#)

[Australian Embassy Website](#)

[Australian Embassy US Visas Website](#)

[Australian Visa information](#)

[Public Holidays in Australia](#)

[Time conversion](#)

[US State Dept. Visa Website](#)

[US State Dept. Travel Warnings](#)

[US State Dept. Visa Website](#)

Australian Tourist Office

[Australian Tourist Commission](#)

Australian State Tourist Offices

[Australian Capital Territory](#)

[New South Wales Tourist Commission](#)

[Victorian Tourist Commission](#)