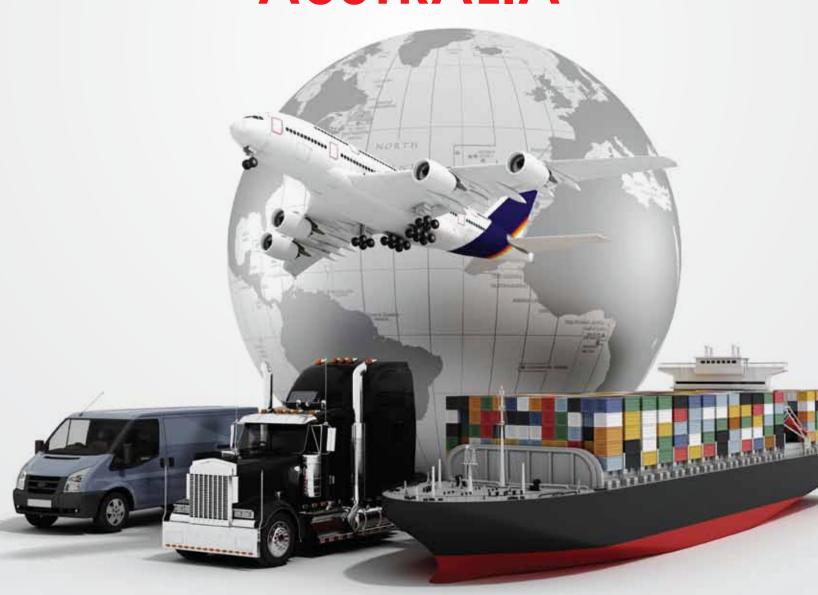


# THE EXPORTA GLOBAL GUIDE TO EXPORTING TO AUSTRALIA



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# **Overview**

Australia has one of the largest economies; raking the 5th in the Asia-Pacific area and 14th globally. Its economic growth has been continuously positive for 22 years with a high GDP per capita. The current rate makes Australians one of the top 5 richest people in the world.

Hundreds of British companies are currently running in Australia. These businesses include large companies and medium- sized ones. Examples include British Petroleum, known now as BP, HSBC Bank, Virgin, British Airways and telecommunications company BT Group. World Bank places Australia among the top 10 countries where it is easy for business to be done. Thanks to this feature, setting up a new company can be done within 2 days. Australia also has the highest population of British immigrants with 1.2 million permanently living there and 500 thousand visiting each year.

There are numerous benefits and privileges for British companies to export to **Australia** including:

- The affordability of products by the Australian consumer thanks to the high value of their currency
- Its closeness to Asia- Pacific economies
- The familiarity with products and service providers
- The linguistic and cultural similarities
- The similarities in ethical and legal practices, and technical standards

### The market in Australia is characterised by:

- A continuous growing economy for decades
- A strong base for business and consumption
- The advanced technology
- The linguistic, cultural, and ethical and legal practices
- A high GDP per capita: wealthy consumer
- The strong protection of Intellectual Property rights

# Challenges

As highlighted above, running business in Australia is almost identical to running it in the UK. That is, the products or services that are successful in the United Kingdom are likely to receive the same success in Australia. Nevertheless, there exist some challenges specific to operating business in or with Australia

### including:

- The distance between the UK and Australia is around 24 hours by plane
- The time zone difference between the UK and Australia is between 8 and 11 hours
- The large size of Australia being same as the US and covering 3 time zones
- The vast distance between capital cities (from Sydney to Perth more than 3000 kilometres)
- The exchange rate between the 2 currencies can make it more expensive to run a business in Australia causing financial problems
- The extreme weather that Australia has during winter and summer may also affect business



# Advantages and opportunities for growth

### 1. Economic growth

The economy of Australia is known for its stable and growing economy allowing it to be among the biggest economies in the world. Several factors contribute to its success, **including:** 

- A well-designed fiscal management
- High population growth
- · Availability of natural resources especially iron ore, gold and gas
- Trade with Asia

Although the Australian economy is successful when compared to other developed economies, it faced some weakening issues in 2013. Its growth in the following 5 years is estimated to be at a rate of 3% by the International Monetary Fund (IMF). Australia's economy is dominated by service business and in 2013, the main factors for growth were mining, and financial and healthcare services.

Although Australia faced certain challenges in 2013, its natural resources have been keeping the economy growing. By the end of 2013, unemployment and inflation were 5.7% and 2.2% respectively. A three-year plan for investment in resources is currently at its peak and estimated to produce 8% of Gross Domestic Product this year.

### 2. Asia

One of Australia's features is its closeness and interaction with the fast-growing Asian countries. This exposure provides large markets for British companies. Australian trade is highly tied with Asian countries and statistically they make up 70% of Australia top partners in trade.

### 3. Free trade agreements

One of the best features of doing business in Australia is that there are some free trade agreements with 7 countries making up almost a third of the country's total trade. Free trading between them means that participant countries have easy access to the market of each other. These agreements involve The United States, New Zealand, Singapore, Thailand, Chile, the Association of South East Asian Nations and Malaysia.

# **UK - Australia Trade**

Hundreds of British companies are operating business in Australia every day. British exports of products and services to Australia reached almost £11 billion in 2012 growing 6% and have now reached 79% in growth since 2007. In fact, Australia ranks the 8th in UK's top markets for investments abroad and in turn Australian direct investment makes up 20% of foreign investment in the UK being the 9th largest investor.

Below is a list of the top exported goods to Australia in 2012:

- · Land-based means of transportation and transport equipments
- Power-generating and electrical machinery, equipment and appliances
- Miscellaneous production
- · General industrial and specialised machinery
- Professional and scientific equipments
- Medicines and pharmaceuticals
- Clothing and accessories



# Opportunities for United Kingdom businesses in Australia

### 1. Rail

Australia has been interested in large scale and notable rail projects in its attempt enhance and extend its transport infrastructure. UK businessmen have been successful in this field and there is still room for other gold opportunities for British companies. If you are interested in knowing more about rail opportunities you can ask

Senior Trade Development Manager.

### 2. Road

Australia is devoting over £13 billion in the coming 8 years for highways projects like WestConnex, East West Link and the Bruce Highway in three major states; The States of Victoria, Queensland and New South Wales. These projects provide major chances for consulting, constructing, supplying, operating and maintaining projects.

You can get in touch with the **High Value Opportunities team** to discuss these opportunities.

### 3. Offshore Liquid Natural Gas (LNG)

Australia ranks the 3rd among the top exporters of liquid natural gas and it is estimated to become the 1st in 2020. This is due to the A\$200 billion worth of projects it is developing.

The offshore oil and gas projects proposed at the moment require experienced teams in employing technologies of exploring and extracting resources.

Open opportunities for businesses include construction, transportation and cleaning. Other services involve educating and training, providing services in health, safety and environment.

If you are interested in knowing more about LNG and mining opportunities, you can ask **Trade Development Manager.** 

### 4. Mining

Several UK businesses are enjoying the prosperity of Australia's mining industry considering it ranks among the top mining and natural resources producers in the world. The resource sector has been growing during the last 10 years from 5% to 10% of the economy. Mining and resources sector made it to the 5 largest exported goods of Australia in 2012.

The current peak in mining investment could be a major contributor to the growth of the mining output in the coming years since these projects would be put to work.

Open opportunities for British mining businesses are available mostly in:

- Engineering services: exploration, analysis, occupational health and safety, etc.
- Human resources: recruitment services, communications, decommissioning, etc.
- Equipments: construction equipment, remote control technology, etc.

### 5. Information and Communications Technology (ICT)

Australia's current biggest infrastructure project, the **National Broadband Network**, cost over A\$35 billion and estimated to be running until 2023- 2025 tops. This project will provide a fast network connecting 95% of Australians.

With this network expanding, it will provide opportunities for UK businesses mainly in the following fields: eHealth, eLearning, digital media and eCommerce for mobile.

If you are interested in knowing more about ICT opportunities, you can contact **Development Manager.** 

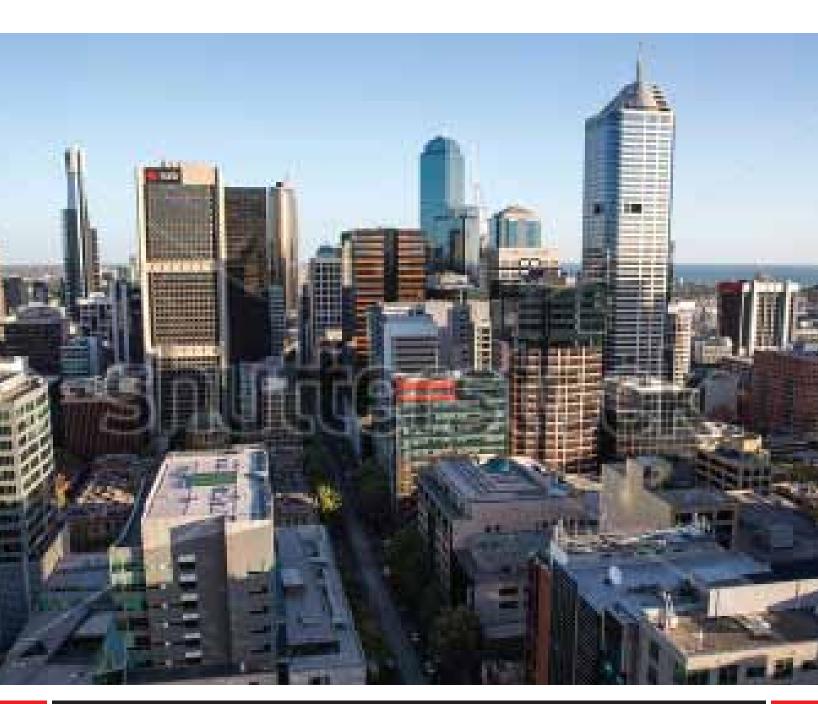
### 6. E-commerce

Australia's **e-commerce industry** has replaced bricks and mortar retailing and has witnessed a magnificent growth in the last 5 years. It is perceived as a more efficient and safer choice. UK clothing and accessories exports have grown dramatically since 2009 making £132 million in 2012 placing it among the largest exported goods to Australia. Other fields offering golden opportunities include sports equipments, outdoor goods, books, beauty products, cosmetics and fashion.

### 7. Hospitals

New South Wales has witnessed a growth in investment in hospitals and their facilities. Most notably, it invested A\$10 billion in a **project** constructing new hospitals and improving existent ones and their facilities over the coming 5 years. Ten regions of this city have witnessed magnificent improvements and will continue to do so until 2016. Other plans are under studies for new facilities in Byron Bay, Maitland and Sydney's Northern Beaches to cover the potential needs of these areas in the future.

If you are interested in knowing more about opportunities in this area, you can contact the Trade Development Officer.



# Startup in Australia

In Australia, a business can run as a whole company, a branch, a trust, a joint venture (JV), a partnership or as individual.

There are 2 popular forms of operation:

- Registering as an Australian company
- Registering as a foreign company

According to the form you choose to register your business as, taxes and laws are different. **UK Trade and Investment (UKTI) Australia** will give you more information concerning legal matters about UK companies exporting to Australia.



# Legislations in Australia

There are different things that you need to know about the industrial legal areas. The federal government is in charge of matters such as trade and commerce, banking, foreign affairs, defence and taxation while individual states are in charge of other legislations.

The regulation of companies is operated by 3 main agencies in Australia as follows:

- The Australian Securities & Investments Commission (ASIC): It is in charge of the enforcement of the 2001 Corporations Act and works to ensure the protection of the different parties; consumers well as investors and creditors (banks or individuals).
- The Australian Competition & Consumer Commission (ACCC): It is in charge of the enforcement of the 2010 Competition and Consumer Act and ensures the protection of consumers on top of promoting competition in trade and commerce.
- The Australian Prudential Regulation Authority (APRA): It is in charge of regulating the management of deposit-taking and insurance agencies, and retirement funds.

You can check **The Australian government's business website** for more information about designing and running business in Australia.

### 1. Standards and technical regulations

There are mandatory standards suppliers and manufacturers have to comply with in order not to face problems under the Trade Practices Act:

- Products need to be safe.
- Products need to include clear instructions for use
- Products need to also include warning against any potential problem

The Australian Competition & Consumer Commission (ACCC) is in charge of ensuring compliance with the standards regarding safety and information. If the product happens to not meet these standards, the commission can ban it from the market under the Trade Practices Act. Local trading offices are also in charge of ensuring safety of goods.



### 2. Intellectual property

The common law in Australia protects different **intellectual property** forms including Trademarks, designs, patents and copyrights. The common law also protects against providing identical products or services by another party, and leaking confidential information or secrets concerning trade.



# Tax and customs in Australia

### 1. Goods and Services Tax (GST)

**GST** is a 10% tax on selling products and services in Australia. The tax is usually included in the price customers pay. Companies opt for that to cover up the loss.

### 2. Company tax

The rate for **this tax** is 30% at the moment and involves resident companies in Australia. This rate is assessed based on the level of income of the company.

### 3. Individual income tax

There several kinds of individual income:

- Salary and wages
- Pensions and retirement compensation
- Interest
- Royalties
- Partnership and trust distributions
- · Company dividends

If you are an Australian resident you are usually under the obligation of pay the Australian income tax on personal income and capital gain across the world (despite some exceptions). However, if you are not an Australian resident, you need to pay your individual income tax based on your tax residency status.

### 4. Customs

The Australian Customs Service is in charge of all imported products to Australia. It might impose Customs duty and Goods and Services Tax (GST) on certain products. But, the rate depends on several factors like the type of product and country it has come from. Nevertheless, all products imported to Australia have to be cleared by the customs services regardless of the method they enter the country (air, sea or post).

# Visa requirements

All travellers to Australia must hold a valid passport and visa. For visitors with British citizenship, there are different types of electronic visas:

- eVisitor visa you can get it directly from the Australian Department of Immigration
   and Border Protection you will not be charged for application or services
- **Electronic Travel Authority** (ETA) you will not be charged for the application itself but a A\$20 fee for service may apply.

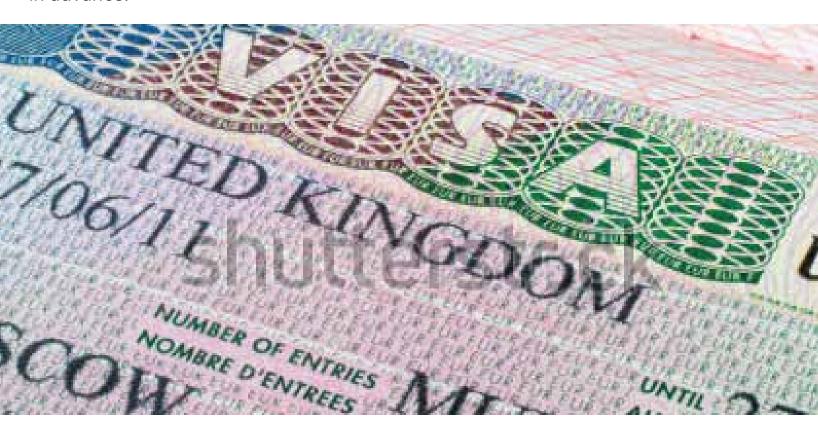
Check if you are eligible to apply as a British citizen on GOV.UK.

Individuals who would like to work in Australia need the appropriate visa to do so.

Get in contact with the Australian Department of Immigration and Border Protection to get information about the different types of visas

### ✓ Travel advice

In case you are visiting Australia to conduct business, you can explore the **travel advice** in advance.



# **Contact Us**

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