

AUSTRALIA

*A Guide
for
Canadian Exporters*

External Affairs and
International Trade Canada

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Canada

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AUSTRALIA

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A Guide for Canadian Exporters

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I. THE COUNTRY

Area and Geography

Australia is located in the Southern Hemisphere between the Pacific and Indian Oceans. It has an area of 7 682 300 km² (2 966 368 square miles) and with an average elevation of less than 300 metres (984 ft.), it is the flattest continent. The country's interior is arid or semi-arid, while coastal areas are generally fertile. One-third of the country is uninhabited and it is the only continent occupied by a single nation.

Climate

About 40 per cent of Australia's total area lies within the tropics. The remainder is located in the temperate zone where most of the population is concentrated. Throughout the country, summer temperatures frequently exceed 37.8°C (100°F), although humidity is relatively low in many places.

From November to March, the coastal cities of Perth, Adelaide, Melbourne and Hobart and the inland city of Canberra usually have dry summer heat, while Darwin, Sydney and Brisbane have subtropical climates with damp heat from mid-December to mid-March. These cities have mild winters with no snow, while in the interior the climate is more extreme.

Local Time

There is a 14-hour time difference between Ottawa and the east coast of Australia from April to October. For example, when it is 5:00 p.m. (eastern standard time) in Ottawa, it is 7:00 a.m. the following day in Canberra, Sydney and Melbourne (standard time) and 5:00 a.m. (western standard time) in Perth, on the west coast. At other times of the year, the difference between Ottawa and Sydney/Melbourne is 15 or 16 hours depending upon the date. Except for Queensland, Western Australia and Northern Territory, the country is on daylight saving time from late October to late February. (Additional time differences are listed in the Time Conversion Chart in Appendix I.)

Population

Approximately 16 million people live in Australia, about 25 per cent of whom are younger than 15 years of age and 71 per cent are under 45. About one per cent of the total population is aboriginal. The population growth is estimated at less than two per cent per annum.

For historical, climatic and economic reasons, 70 per cent of the population is concentrated in capital cities and major towns, mainly on Australia's south and east coast. By state, the population breakdown is as follows:

State	Population (in millions)
New South Wales	5.5
Victoria	4.2
Queensland	2.6
South Australia	1.4
Western Australia	1.4
Tasmania	0.4
Northern Territory	0.1
Australian Capital Territory	0.3
Total	15.9

(Due to rounding of figures, total does not equal 16.0 million.)

Principal Cities and Towns

Australia is one of the world's most highly urbanized countries.

Major Cities	Population (in millions)
Sydney (N.S.W.)	3.4
Melbourne (Victoria)	2.9
Brisbane (Queensland)	1.2
Adelaide (South Australia)	1.0
Perth (Western Australia)	1.0
Canberra (Australian Capital Territory)	0.3
Hobart	0.2

Most of these centres are separated by great distances. For example, the distance from Sydney to Melbourne is 800 km (497 miles) and to Perth is 3 500 km (2 174 miles). Sydney to Toronto is 16 500 km (10 252 miles).

The cities of Sydney and Melbourne are comparable to Toronto and Montreal, in as much as they are the main centres of financial and industrial activity.

Transportation

Regular shipping services connect Australian ports with Europe, Asia, Africa, the Americas, New Zealand and the Pacific Islands. The major shipping company is the government-owned Australia National Line.

There are approximately 70 ports along Australia's coastline. In addition, all state capitals are situated on the coast and are readily accessible to ocean liners.

Interstate domestic air travel is provided by two airlines: Australian Airlines which is government owned, and Ansett Airlines of Australia which is privately owned. In addition, there are several regional carriers. Air service between Australia and other countries is provided by government-owned Qantas Airways Limited and 22 other world air carriers. From Canada, Canadian Airlines flies to Australia via Honolulu or Fiji.

Ground transportation is relatively well developed with more than 845 000 km (525 000 miles) of roads and 40 750 km (25 000 miles) of railway lines. An east-west mainline standard gauge railway spans the southern portion of the continent and privately owned and state-owned railway lines carry ore from major mining developments to coastal ports.

Principal Australian cities are linked by government-owned railways and highways. One of the most highly motorized countries in the world, Australia has more than 415 vehicles per 1 000 people.

Weights and Measures

Australia uses the metric system.

Electricity

The standard electricity supply is 240 volts, single-phase, 50 cycles AC and 415 volts, three-phase, 50 cycles AC.

Video Standard: PAL — Australian.

Public Holidays

Principal public holidays observed throughout Australia (unless otherwise noted) in 1989 include:

- New Year** — *January 1*
- Australia Day** — *January 26*
- Good Friday** — *Variable*
- Easter Monday** — *Variable*
- Anzac Day** — *April 25*
- Queen's Birthday** — *June 12*
- Christmas** — *December 25*
- Boxing Day** — *December 26*

Language

The principal language used in Australia is English.

Government Systems

The Commonwealth of Australia is a federal state within the British Commonwealth. It is made up of six states — New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania — and two territories — Northern Territory and Australian Capital Territory (ACT).

The Commonwealth Constitution is largely based on the forms of government of Britain and the United States and provides for a House of Representatives, a Senate and a completely independent judiciary. The Commonwealth government at Canberra has power to legislate on such matters as defence, immigration, social services, financial institutions and overseas trade (exchange controls, foreign investment and export controls). In addition, each state has its own government whose legislative powers are confined principally to matters affecting that state.

The federal Parliament is composed of a 76-member Senate and a 148-member House of Representatives. Generally, the leader of the majority party in the House of Representatives holds the office of prime minister and heads a cabinet of ministers selected from parliamentary representatives of his/her party. The three main Australian political parties are the Liberal Party, the National Party and the Australian Labour Party.

II. *ECONOMY AND FOREIGN TRADE*

General

Australia retains its position as one of the world's more affluent countries with a per capita income comparable to that of northwestern Europe. Traditionally, agriculture has been the base of the country's economy. However, after the Second World War, the industrial sector expanded rapidly; sophisticated and diverse manufacturing industries developed, particularly the heavier industries such as steel, metals and machinery, chemicals and consumer durables. Massive mineral discoveries have further broadened the economic base.

Australia's gross domestic product (GDP) in 1987-88 stood at A\$292 billion while the current account on trade balance showed a deficit of A\$11.7 billion in the same year (the merchandise trade balance on goods and services showing a A\$2.89-billion deficit). Real GDP growth in 1987-88 was 3.6 per cent, up from 2.7 per cent in 1986-87. The budget has forecasted 3.5 per cent growth in 1988-89.

The Australian economy in 1989-90 will continue to be strongly influenced by developments in the major economies. The prospect of economic activity remaining reasonably strong in the industrial nations over the year should help to support commodity prices that are vital to Australia's balance of payments performance. However, despite firm commodity prices, the current account deficit can be expected to show only marginal improvement. The government, according to economists, must maintain a firm policy stance to restrain the growth in consumer imports and hasten the restructuring process of the economy.

Agriculture

While the agricultural sector no longer dominates Australia's economy it still accounts for a significant (though declining) share of the gross national product (GNP) and total export income. Approximately 65 per cent of the total land area is composed of rural holdings, but only a small proportion is suitable for cropping. Consequently, the majority of these holdings is used for rough grazing only. The threat of drought is a continuing concern for Australian agriculture.

Principal crops are wheat and sugarcane. Other crops produced in abundant quantities include oats, barley, maize, sorghum, rice, tobacco and cotton. Many fruits and vegetables are also grown, and large proportions of the peach, pear, apricot and pineapple crops are canned for domestic and overseas consumption. Grapes are used in the production of raisins and wine.

Australia has one of the largest livestock industries and is the world's leading supplier of wool, accounting for about 50 per cent of international wool exports. The sheep industry also produces large quantities of mutton and lamb.

Beef cattle farming is another important industry. Production of beef and veal has increased substantially in recent years and meat has surpassed wool as Australia's most valuable agricultural commodity.

Another leading agricultural industry is dairy farming. Significant stocks of milk products, including whole milk, butter, cheese, milk powder and edible casein are produced both for domestic consumption and export.

Major agricultural products are marketed by Australia's Wool Corporation, Wheat Board, Dairy Produce Board, Canned Fruits Board, Apple and Pear Board, Dried Fruits Control Board, Egg Board, Honey Board and Wine Board.

Forestry

Australia has about 43 million hectares (more than 100 million acres) of forest, most of which includes various species of eucalyptus. About half the total forest area is being worked to produce lumber, plywood, pulpwood and other forest products including newsprint, fine writing paper, printing and wrapping paper.

Almost half of the country's forest resources is hardwood, although plantation radiata pine is being developed for local lumber and pulpwood markets. The domestic supply of coniferous timber remains deficient, resulting in imports of softwoods. Australia's forest product exports are moderate; however one product with promising export potential is eucalyptus wood chips for pulp and paper manufacturing.

Minerals

Minerals play a key role in the economy. The country has rich deposits of coal, iron ore, gold, lead, zinc, copper, uranium, bauxite, silver, nickel, manganese, mineral sands, crude oil and natural gas. The main mineral deficiencies

are limited to natural sulphur, asbestos and potash. Recent diamond discoveries in Western Australia have changed the country from a net importer into a significant exporter of diamonds. Also, natural gas products (LNG and LPG) are important export commodities with increasing potential.

Large-scale investment in mineral projects since the mid-sixties has added an important new dimension to the economy. The most important Australian minerals are coal, iron ore and gold. Most iron ore is from the Pilbara region of Western Australia and it is the second largest single export mineral after coal. Coal, which is used as fuel for power stations and in the production of coke for the domestic and steel industries, has played a significant role in the country's industrial development. Currently, metal and mineral exports account for more than 28 per cent of export earnings.

Increasing production of gold has led to new capital investments despite the Australian government's intention of imposing a "Gold Tax" in 1991. Gold export earnings for 1987-88 rose by 82 per cent from the preceding year to A\$2 415 million. Growth production is anticipated to rise by a further eight per cent in 1988-89.

Australia is estimated to have more than one-third of the world's bauxite reserves. Discoveries of large deposits have led to the development of an integrated aluminum industry with facilities for the mining of bauxite ore, production of alumina, aluminum smelting and some fabricating.

Discoveries of commercial quantities of nickel in Western Australia have led to the establishment of a nickel mining and refining industry, with substantial amounts of nickel being exported. Australia is also a major world supplier of lead, zinc and silver.

Australia is approximately 67 per cent self-sufficient in crude and has a surplus of gas (although regional deficiencies exist). Most crude comes from the ESSO/BHP operation in Bass Strait. The main gas-producing areas are Bass Strait, the Cooper Basin in South Australia and the North West Shelf project area in Western Australia. Encouraged by the Commonwealth government's policy of pricing new crude relative to world parity, new oil reserves are being found in Bass Strait, Cooper Basin and Timor Sea areas. Exploration reached unprecedented levels in 1982 and, although it diminished slightly in 1983, it is still high by

Australian standards. Canadian explorers and equipment/service companies are actively engaged in exploration initiatives.

Australia has significant uranium deposits accounting for 16 per cent of the Western world's low-cost reserves. Three uranium mining projects are operating and six others are planned for development. While political and market difficulties will place limitations on further investments, uranium mining has significant potential in the medium-term.

Manufacturing

Australia's secondary industry expanded significantly over the past few decades. Growth in the manufacturing sector has been encouraged to a considerable degree by government industry support policies. Manufacturing accounts for about 17 per cent of GDP.

The steel industry is an important base for Australian manufacturing and has given rise to a significant motor vehicle industry. Subsidiaries of major Japanese, American and British automakers have developed assembly and manufacturing plants to supply the Australian market with automobiles, automotive parts and components. Canadian on-road and off-road automotive parts are also available in the Australian automotive market.

Heavy engineering industries in Australia manufacture some of the machinery required in such industries as mining, mineral processing and fabricating, petroleum, chemicals and transportation (road, rail, air and sea).

The chemicals industry has grown steadily in the past decade. From primary materials such as coal, sugar, limestone, oil, natural gas, sulphur and salt, the industry produces basic chemicals such as ammonia, chlorine, ethyl alcohol, ethylene, methanol, phenol, soda ash and sulphuric acid. From these and other chemicals a range of products are manufactured, including dyestuffs, explosives, fertilizers, pharmaceuticals, cosmetics, plastics, insecticides and soaps.

The electrical and electronics industry produces many industrial and consumer items including transformers, electric motors, wires, cables, electrical control apparatus, refrigerators, radios, TVs and miscellaneous household appliances.

Food processing and textile and clothing industries employ about one-quarter of the manufacturing work force and account for about 20 per cent of the value of secondary production. The food processing industry is generally capable of meeting domestic demand as well as providing food-stuffs for export. The textile and clothing industries produce a wide assortment of woollen, cotton and synthetic fibre items.

Although Australia is expected to continue manufacturing a diverse range of products, it is becoming apparent that greater emphasis must be given to industries which are capital intensive and natural resource oriented, requiring high technology and a skilled labour force.

Australia's building industry is highly active, responding to demands for new housing, public works and commercial and industrial construction. Much of the construction is concentrated in housing. The government has a number of programs to aid individuals in building or purchasing homes; home ownership being an important priority with Australians.

Trade and Economic Policy

The Australian government has, over a long period of time, promoted import-substitution industries to conserve foreign exchange and provide employment. Development of domestic industry has been supported by import licensing (abolished in 1960) and high-tariff protection, which insulated Australian industries from foreign competition.

These policies fostered the growth of manufacturing industries but also encouraged inefficient and uneconomic businesses. Current policies reflect a desire to reduce tariff protection — in the interest of reducing costs — for inefficient, high-cost industries, while concentrating support in lower-cost industries. At the same time, efforts are being made to encourage Australian industry to compete in international markets. Australia attempted to invoke wide acceptance of reductions in tariff protection at recent General Agreement on Tariffs and Trade (GATT) ministerial sessions in Geneva.

Foreign Trade

International trade accounts for about 28 per cent of Australia's gross domestic product. Japan, other Pacific Rim countries and Europe have assumed dominant roles over Australia's traditional trading relationship with Britain.

Japan, for example, now accounts for about 28 per cent of Australia's exports and 20.9 per cent of imports. The EEC and U.S. account for 22.4 per cent and 21 per cent respectively of Australia's imports.

On a composition of trade basis, agricultural product exports constitute 25 per cent of total export values and minerals another 24 per cent. The share of agricultural exports has decreased from 1976-77, while the minerals share has not changed significantly over the same period. Imports are comprised largely of oil, manufactured goods, machinery and transport equipment.

Overseas Trade

	1985-86 (\$ million)	1986-87 (\$ million)	1987-88 (\$ million)
Total Australian Exports	32 818	35 423	40 946
Total Australian Imports	34 691	37 159	40 591
Total Balance	(1 873)	(1 736)	(335)

Chemicals, paper, textiles, non-ferrous metals, electrical machinery and transportation equipment are vital import items.

Australian Exports by Principal Countries of Destination, 1987-88

Total Exports	40 946 (\$A million)	100.0 (per cent)
Japan	10 661	26.0
United States	4 652	11.4
New Zealand	2 182	5.3
Hong Kong	1 928	4.7
Republic of Korea	1 782	4.4
United Kingdom	1 771	4.3
Taiwan	1 375	3.4
Peoples Republic of China	1 278	3.1
Singapore	1 166	2.9
Italy	1 092	2.8
Federal Republic of Germany	1 060	2.6
Papua New Guinea	743	1.8
Canada	701	1.7

Australian Imports by Principal Countries of Origin, 1987-88

Total Imports	40 591 (\$A million)	100.0 (per cent)
United States	8 503	21.0
Japan	7 817	19.3
United Kingdom	3 012	7.4
Federal Republic of Germany	2 918	7.2
Taiwan	1 744	4.3
New Zealand	1 733	4.3
Italy	1 329	3.3
Republic of Korea	1 020	2.5
Singapore	898	2.2
France	892	2.2
Canada	863	2.1

Meat, dairy products, cereal, fruit, sugar, honey and wool are the main agricultural exports. Mineral product exports include ferrous and non-ferrous metals and ores, coal and chemicals, concentrates and mineral sands.

Exported manufactured goods such as machinery and transportation equipment represent approximately five per cent of total exports.

III. CANADA – AUSTRALIA TRADE

Trade Framework

The formal trading relationship between Canada and Australia is governed, multilaterally, by mutual membership in GATT and, bilaterally, by the Canada-Australia Trade Agreement (CATA) of 1960. The trade agreement, which provides for the exchange of preferences on a large number of items, has played a major role in developing Canadian exports to Australia, particularly by enhancing the competitiveness of Canadian manufactured products.

The Australian government completed tariff simplification and harmonization in 1982 and 1987 respectively. Canada has been successful in preserving Canadian preference margins for many products in the tariff exercise based on provisions of the CATA. It should be noted, however, that while tariff preference enjoyed by Canada under CATA has been historically very beneficial to Canadian exporters vis-à-vis other industrialized country exporters, Australian officials are currently faced with substantial pressures to reduce and eliminate many preference margins. It is not expected that these pressures will abate in the short-term.

Trade Development

Commercial exchanges with Australia date from the early years of Confederation. The first Canadian trade commissioner was appointed to Sydney in 1895; an appointment to Melbourne followed in 1903.

Canada-Australia two-way trade has increased from C\$768 million in 1978 to C\$1 503 million in 1988, when Canada had a positive trade balance of C\$172 million. Bilateral trade increased by 20 per cent in 1988 over 1987 and is projected to increase by a further 20 per cent in 1989.

In 1988, Australia was Canada's fifth-largest export market for semi- and fully manufactured goods and was Canada's 13th-largest export market overall, taking some .62 per cent of our exports. On the import side, Australia, in 1988, was our 14th-largest source, accounting for some .51 per cent of total imports.

The Australian market absorbs a significant and growing amount of Canadian fabricated materials and end products such as auto engines and parts (C\$27 million), polyethylene (C\$29 million), computers and parts (C\$22 million) and chemical wood pulp (C\$68 million). At the same time, traditional resource-based products are also doing well in this market. For example, in 1988 Australia imported newsprint, cedar, fir and larch lumber worth C\$175 million; it also imported other resource products such as potash and sulphur in sizable amounts. In the case of potash, imports in 1988 were valued at C\$28 million, while sulphur imports were C\$62 million.

On the Australian side, agricultural exports such as sugar (C\$121 million) and beef (C\$108 million), along with minerals such as aluminum (C\$171 million), make up three-quarters of total Australian exports to Canada.

Trade Development

Governmental exchanges with Australia date from the early years of Confederation. The first Canadian trade commissioner was appointed to Sydney in 1855, an appointment to Melbourne followed in 1862.

Canada-Australia two-way trade has increased from C\$165 million in 1978 to C\$1.512 billion in 1988, when Canada had a positive trade balance of C\$113 million. Bilateral trade increased by 20 per cent in 1988 over 1987 and is projected to increase by a further 20 per cent in 1989.

In 1988, Australia was Canada's fifth largest export market for energy and fully manufactured goods and was Canada's fifth largest export market overall, taking some 6.5 per cent of our exports. On the import side, Australia in 1988 was our 11th largest source, accounting for some 2.1 per cent of total imports.

IV. MARKET OPPORTUNITIES IN AUSTRALIA

Overview

Australia continues to offer an attractive market for a broad range of Canadian goods and services. Australians have a high propensity to consume and a relatively modest internal capacity to satisfy demand. The goods and services produced in Canada tend to find acceptance in Australia and Canadian production costs encourage their selection from among competing suppliers. Australia continues to be Canada's fifth largest export market for manufactured goods.

The affinity between Canada and Australia makes that country one of our most accessible markets. This is enhanced in many sectors by preferential tariff rates afforded to Canada. Australia, with its population of approximately 16 million, is a highly competitive, modern and sophisticated market.

Many of Australia's manufactured goods are imported and, depending on the sector, Canadian goods are competing with goods from the United States, Japan, the United Kingdom, other EC countries and New Zealand. As in most countries, local representation will enhance export potential. In selling to government agencies, offsets or other industrial benefits may be required.

Australia has world-class port facilities, air links and communications. Terms of offer are normally quoted as f.o.b. or c.i.f. The country's currency is readily convertible and Australia trades in most of the free world's convertible currencies.

Customs harmonization, combined with action carried out by the Industries Advisory Commission, has resulted in the reduction or elimination of some preferential tariffs afforded to Canada. Many items now enter duty free from all suppliers. There continues to be a strong demand for Canadian products.

Trade Prospects

Several sectors of the Australian market display good potential for Canadian goods and services. The Australian government is implementing procurement programs for defence products such as LAVs, F-18-related equipment, airborne search radar, CRV7 rockets and sonobuoy processors.

The Australian mining industry continues to require equipment replacement, especially in the hard rock gold mining sector. Canadian companies can expect to sell products ranging from drill bits to hard rock crushing/processing equipment, along with associated services. Similarly, the Australian pulp and paper sector is planning major expansions that may see total investment exceeding A\$3 billion. Companies such as Australian Newsprint Mills will be adding to existing facilities and will require equipment for the manufacture and processing of newsprint.

The advanced technology sector, including data communications equipment and software, satellite communication equipment and software, and telephone system peripherals offers good sales potential, especially in light of Australia's plans to deregulate the telecommunications sector.

Demand for agriculture and food products continues to grow. Sales of Canadian bovine embryos from 1986 to 1989 have grown from zero to in excess of C\$1 million per annum. The food sector, particularly confectionery items, mineral waters and beer, also offers opportunity for Canadian suppliers.

Consumer commodities such as furniture, hardware items, home renovation and decorative items, carpeting and camping equipment continue to find acceptance.

The commercial divisions of Canadian posts in Canberra, Sydney and Melbourne can make an initial assessment of the Australian market for any product or service on behalf of Canadian companies.

V. *DOING BUSINESS IN AUSTRALIA*

Merchandising and Distribution

As a rule, it is better for your company to have a presence in the market but this is often not feasible. When marketing products in Australia, experienced exporters rely extensively on local agents operating on a consignment commission or purchase-resell basis. Other distribution channels include:

- imports by merchant houses for resale;
- direct imports by retailers (including department and chain stores);
- direct imports by manufacturers (these are generally raw materials, machinery and equipment to be used in industrial operations, or goods requiring further manufacturing); and
- direct imports by governments, public utilities and similar bodies.

Canadian firms have more than 2 000 agents and representatives in Australia. These agents and representatives may be appointed without difficulty and normally agencies are subject to few requirements. A letter of agreement drawn by the Australian agency and the Canadian company and properly signed and witnessed is generally the only document required. It is common practice for agents to request exclusive national representation and a large number of agents with headquarters in Sydney or Melbourne have offices in each state. Care should be taken to verify the quality of representation by the offices in other states, particularly Western Australia. No special legislation exists concerning the termination of agencies. Although the agent network is firmly established in Australia, the practice of department and chain stores bypassing the wholesaler and importing directly is widely recognized.

If a Canadian company decides to operate through an agent, the intermediary role of the agent must be fully respected and a conscientious effort should be made to keep the agent well informed and enthusiastic. The number of semi-dormant agencies and lack of trust situations between principal and agent is sad testimony to poor marketing practices.

Licensing arrangements, whereby Australian firms pay royalties for using Canadian designs and systems or joint ventures with Australian companies, have not played a major role in Canadian-Australian trade. More serious attention might be given to these forms of co-operation as a means of consolidating a position in the market.

Advertising and Promotion

Although there are strong similarities between Canadians and Australians, advertising methods successful in Canada do not necessarily work in Australia. Consideration should be given to local tastes and customs. Potential advertisers should seek the advice and expertise of the resident Canadian trade commissioners and local advertising agencies. There are approximately 200 advertising agencies in Australia, and about half are members of the Australian Association of Advertising Agencies (national). These agencies offer a wide range of services, including public relations and market research facilities.

Newspapers

Australia's national daily newspaper is the *Australian*, and several major dailies are published in the capital city of each state. In economic and business circles, *The Australian Financial Review* is widely circulated. There is also an assortment of professional trade publications and magazines.

Radio and Television

Australia has a wide network of national and commercial radio and television stations. National network programs have no advertising, but commercial stations derive their revenue mainly from this source.

Promotional methods such as illuminated signs, poster panels, trade exhibitions and fairs are also available. The Canadian trade commissioners in Sydney and Melbourne can provide detailed information on the most appropriate media.

Transportation Services to Australia

Sea Services from East Canadian Ports.

Scancarriers sail each month from Halifax and St. John, N.B. to Sydney, Melbourne and Brisbane. The Halifax agents for Scancarriers are PROTOS Shipping Ltd.

Columbus Line's container service sails every 14 days from Halifax to Sydney, Brisbane and Melbourne. Columbus Line (Canada) Ltd. has offices in Montreal and Toronto, while Warren Containership Agencies Ltd. represents Columbus in Halifax.

Pacific America Container Express (PACE) sails every 14 days from St. John, N.B. to Melbourne, Sydney and Brisbane. PACE is represented by Associated Container Transportation (Canada) Ltd. in Montreal, Toronto, and St. John and by Pickford & Black Ltd. in Halifax.

Sea Services from West Canadian Ports.

Australia and New Zealand Direct Line (ANZDL) handle container cargo from Vancouver to Sydney, Melbourne, Adelaide and Brisbane with Montreal Shipping Co. acting as the agent. Hyundai-Australia Direct Line handles break bulk and roll-on/roll-off cargo and is represented by Empire Stevedoring Co. Ltd. in Vancouver.

Columbus Line sails every 10 days from Vancouver to Sydney, Brisbane and Melbourne. Greer Shipping represents this container service in Vancouver.

EAC (formerly known as East Asiatic Lines) offers a twice-monthly service from Vancouver to Fremantle. Accommodation for general cargo, bulk liquids and containers is available. Johnson Walton Steamships Ltd. represents the line in Vancouver.

The Pacific Australia Direct Line (PAD) roll-on/roll-off service carries general cargo, bulk liquids and containers from Vancouver to Sydney, Melbourne, Adelaide and Brisbane. PAD is represented by Empire Shipping Co. Ltd.

Air Services from Canada. Canadian Airlines International Ltd. (CAIL) operates direct scheduled air services between Canada and Australia with Qantas services flying to Vancouver. There are also daily connecting flights available through the west coast of the U.S. and via Asia.

Additional Information. The Transportation Service Branch of Industry, Science and Technology Canada can provide additional information on transportation services and freight rates, routing, packaging, documentation, freight forwarders and regulations, as well as providing assistance concerning individual transportation problems.

Banking

The Australian banking system is composed of the Reserve Bank of Australia (the Central Bank), trading banks and savings banks.

In general, the Reserve Bank's power and duties include management of note issue; regulation of bank lending and bank interest rates; operations in Australian government securities; acting as banker and financial agent of federal government securities; acting as banker and financial agent of the federal government; mobilization of foreign currency and administration of exchange control.

Major trading banks with a network of branches in almost all cities and towns throughout Australia provide the usual banking facilities. The head offices of the principal Australian trading banks are:

Australia and New Zealand Banking Group Limited

55 Collins Street
Melbourne, Victoria 3000
P.O. Box 537E
Melbourne 3001
Tel: (03) 658-2955
Telex: 33164/33165 (Answerback: ANZBANK)
Cable: ANZBANK MELBOURNE
Fax: (03) 658-2908

Westpac Banking Corporation

(merged Bank of NSW and Commercial Bank of Australia)
60 Martin Place
Sydney, New South Wales 2000
P.O. Box No. 1
Tel: (02) 226-3311
Telex: 22891 (Answerback: WBANK)
Cable: WBANK SYDNEY
Fax: (02) 226-3569

Australia Bank Ltd.

(merged National and Commercial Banking Company)
500 Bourke Street
Melbourne, Victoria 3000
Tel: (03) 605-3500
Telex: 3553 (Answerback: NATAUS)
Cable: NATAUS MELBOURNE
Fax: (03) 602-3459

Commonwealth Banking Group

Corner Pitt Street and Martin Place

Sydney, New South Wales 2000

G.P.O. Box 2719

Sydney 2001

Tel: (02) 227-7111

Telex: 20345/20267/24514 (Answerback: COMBANK)

Cable: COMBANCOR SYDNEY

Fax: (02) 232-6573

Canadian chartered bank offices in Australia are:

National Mutual Royal Bank Limited

303 Collins Street

Melbourne, VIC 3000

Tel: (03) 648-6000

Telex: 34510

Fax: (03) 648-6144

Capel Court Corporation Ltd.

425 Collins Street

Melbourne, VIC 3000

Tel: (03) 648-6000

Fax: (03) 648-6843

Canadian Imperial Bank of Commerce Australia Ltd.

Level 2

P & O Building

55 Hunter Street

Sydney, NSW 2000

Tel: (02) 232-3166

Telex: 176888

Fax: (02) 233-5853

Canadian Imperial Bank of Commerce

15th Floor

P & O Building

55 Hunter Street

Sydney, NSW 2000

Tel: (02) 232-3802

Fax: (02) 231-5395

Bank of Montreal

3rd Floor

33 York Street

Sydney, NSW 2000

Tel: (02) 261-2888

Telex: 25773

Fax: (02) 261-2743

Bank of Nova Scotia

17th Floor, AMP Centre
50 Bridge Street
Sydney, NSW 2000
Tel: (02) 232-5733
Telex: 121954
Fax: (02) 221-6542

Patents and Trademarks

Manufacturers and traders are advised to patent their inventions and register their trademarks in Australia. Applications should be made through a patent or trademark agent in Canada or Australia. Australia subscribes to the International Convention for the Protection of Industrial Property.

Application for a patent is made to the Commissioner of Patents in accordance with recognized practice. If granted, the patent has a term of 16 years. However, if the patent has not been "worked" after three years from date of sealing the patent, it becomes open to compulsory licensing. Trademarks are registered for seven years from the date of application and the registration may be renewed for a subsequent period of 14 years.

Direct Investment

High freight rates, increasing tariffs and mounting Asian competition make it difficult for some Canadian export products to compete in Australia. In response, a number of Canadian firms have established manufacturing facilities in Australia that not only supply the local market, but also export to third markets. Other firms have found it more efficient to set up a branch or subsidiary operation rather than export, particularly in fields where it seemed certain that a company in Australia would be capable of domestic production in the near future. In such cases, the favoured Canadian method of entering the market to manufacture locally has been through joint ventures with considerable Australian equity or direct acquisition.

The Australian government encourages foreign investment to stimulate economic development but at the same time there is a policy of selectivity. A Foreign Investment Review Board operates under specific criteria. Business people should seek advice when considering an investment. The Canadian consulates in Australia can suggest appropriate contacts.

VI. CUSTOMS AND EXCHANGE REGULATIONS

Currency and Exchange Rates

Australia has a decimal currency as follows:

- Notes: 1, 2, 5, 10, 20 and 50 dollars;
- Coins: 1, 2, 5, 10, 20 and 50 cents.

Business people should consult their bank for the current rate of exchange.

Tariff Rates

The Customs Tariff of Australia is based on the harmonized commodity description and coding system. It is a single-column tariff with provisions for general and special rates. Preferential rates exist for qualifying products of Canada, New Zealand and Papua New Guinea.

Provisions are also made for reduced rates on a number of products of the developing countries. Goods of other origin are subject to general duty rates.

Duty rates are for the most part of the ad valorem variety, although a few specific rates still exist based on a unit of quantity.

Canadian exports, to be granted preferential tariff rates, must satisfy certain conditions as well as qualifying as Category A, B or C goods, described below.

Each of the following conditions must be satisfied:

1. The goods must be shipped from Canada to Australia which must be their intended destination when they leave Canada.
2. The goods must be produced or manufactured in Canada.
3. If the goods are manufactured, the process last performed in their manufacture must have been performed in Canada.

Provided all of the above conditions are met and the goods qualify under Category A, B or C, they are accorded the preferential tariff rate.

Category A goods are those which are either unmanufactured raw products of Canada, or goods wholly manufactured in Canada from materials of one or more of the following classes:

- (i) unmanufactured raw products or produce, regardless of origin;
- (ii) materials wholly manufactured in Canada and/or Australia;
- (iii) imported (i.e. neither Canadian nor Australian) materials that have been determined by the Australian minister as being "manufactured raw materials." Appendix A in the booklet, *Facts about Preference for Exports to Australia from Canada*, issued by the Australian Department of Business and Consumer Affairs, lists materials which have been so determined. The determination is granted once the Australian minister is satisfied that the material is unavailable from Canadian or Australian production or manufacture.

An exporter wishing to use an imported manufactured material which has not been determined but which is not available from Canada or Australia, should submit an application for ministerial determination to Revenue Canada, Customs and Excise, Ottawa. Further details on the procedure for making this application are shown below under "Ministerial Determination."

There are two additional points regarding ministerial determination. First, there is no limit on the number of determined manufactured raw materials that may be included in the finished product exported to Australia. Second, this ministerial determination applies only to Category A goods, i.e. the determination may be used only if its application results in the exported product qualifying as "wholly manufactured in Canada." Australian Customs' interpretation of "wholly manufactured in Canada" means that at least 97 per cent of the factory cost of the goods must be in Canadian labour and factory overheads plus goods which meet the requirements of one or more of sub-paragraphs (i), (ii) or (iii) of Category A shown above.

Category B goods are those which have at least 75 per cent of their factory cost represented by the value of labour and/or materials of Canada or of Canada and Australia. It

should be noted in this context that the entire value of all imported materials (i.e. materials which are not Canadian or Australian) is excluded from Canadian/Australian content. For example, a Canadian raw product may be shipped to a third country where it is processed into an intermediate product which is then shipped back to Canada and incorporated in the final product for export to Australia; the raw product, in this example, loses its Canadian identity and thus the full value of the intermediate product is considered by Australian Customs authorities as imported.

Category C goods are of a class or kind not commercially manufactured in Australia (as listed in Appendix II of the *Facts* booklet referred to above) and which have at least 25 per cent of their factory cost represented by the value of labour and/or materials of Canada, or of Canada and Australia.

If the goods are of a class or kind not commercially manufactured in Australia (as listed in Appendix I of the *Facts* booklet) and have at least 50 per cent of their factory cost represented by the value of labour and/or materials of Canada, or of Canada and Australia, they also qualify for Category C.

Unmanufactured Raw Products

Unmanufactured raw products are natural and primary products that have not been subjected to industrial processes, other than an ordinary process of primary production.

Ministerial Determination

To apply for a ministerial determination on a manufactured raw material you should first obtain a statement from Customs and Excise, Revenue Canada, to the effect that the material is of a class or kind not made in Canada. You would then provide details of the factory cost breakdown of the end product showing each component's cost and origin. These details are required for demonstrating that the final product is wholly manufactured in Canada. All this information is to be provided to Australian Customs authorities, either at their Washington, D.C. office or directly to Customs in Canberra, Australia.

Tariff Concession System

To supplement the normal tariff, Australia operates a "Tariff Concession System" which provides for the duty-free entry of goods when a "suitable equivalent" is not reasonably

available from domestic production. Application for entry under this Tariff Concession System should be made by an Australian resident.

Value for Duty

The present system of determining customs value of imported goods for duty assessment purposes is based on the GATT agreement on customs valuation. It was introduced in Australia, November 30, 1981, replacing the previous Brussels definition of value (BDV) system. It provides that the primary basis for customs value is the transaction value, i.e. price actually paid or payable if certain conditions are met. When conditions are not met, alternative methods for determining customs value are specified. As with the BDV, the present system is applied on a f.o.b. basis.

Sales Tax

Sales tax is applied to certain goods, imported as well as domestic, at various rates: 10 per cent, 20 per cent and 30 per cent; 20 per cent has the largest coverage. A wide range of goods such as foodstuffs, clothing, building materials, drugs and medicines, and agricultural and industrial equipment is exempt from sales tax. Taxable value for goods imported for use or retail sale by the importer is duty-paid price (value for duty, plus duty), increased by 20 per cent.

Exchange Control

Importers may purchase foreign exchange for normal payments for imports.

Import Licensing

Most goods may be imported into Australia without an import licence. However, there are some goods for which licences are required.

Other Import Regulations

There are many regulations controlling the quality, safety and purity of a wide variety of goods, including foodstuffs, drugs and garments. It should be noted that frequently there are differences between federal and state legislation and also between the states themselves in such matters.

Imports of firearms, narcotics, undesirable publications and articles considered harmful to public health are either prohibited or subject to stringent controls. Other types of goods such as motor vehicles, electrical equipment, boilers and vessels must conform to Australian safety regulations.

When goods are shipped in wooden containers, a special certificate must accompany the invoice certifying that the lumber has been heat-treated or fumigated immediately before shipment to meet Australian quarantine requirements.

When exporting plants, plant products, animals or animal products to foreign markets, it is often necessary to have a health certificate issued by Agriculture Canada accompany the goods. If you are planning to ship such products to Australia, it is mandatory that you contact the Health of Animal Branch (animal and animal products), or the Plant Protection Division (plants and plant products) of Agriculture Canada in your vicinity, to determine the conditions that must be met.

Marking of Goods

Australian Customs regulations require many goods, including foodstuffs, textile products, jewellery, china, porcelain and earthenware, toys, floor tiles and footwear to be marked with, among other things, the country of origin.

Under metric conversion legislation, packaged goods, with a few minor exceptions, may be marked in either the:

- metric system; or
- metric and Imperial systems (i.e. dual marking).

Samples

Australia is a signatory to the Customs Convention on the ATA Carnet for the Temporary Admission of Goods. The Carnet system greatly facilitates the movement of commercial samples, professional equipment and related material.

For information on the use of the Carnet, contact the issuing authority: the Canadian Chamber of Commerce, 1080 Beaver Hall Hill, Suite 1730, Montreal, Quebec H2Z 1T2; Tel: (514) 866-4334; Fax: (514) 866-7296.

Documentation

Invoice. No special form is now prescribed; you may use your company's commercial invoice provided that all required information is included.

The actual number of copies of the invoice is determined by agreement between the exporter and the importer. Only the signed original is required for Customs clearance. Importers may, however, require additional copies for their own use.

Chamber of Commerce certification is not required.

The invoice should contain the basic information required by Australian Customs for valuation purposes, i.e.:

- names and addresses of the buyer and seller;
- full description of the goods in ordinary commercial terms;
- country of origin of the goods;
- number of packages, together with marks and numbers of each package;
- name of the ship (or airline) in which the goods are to arrive;
- quantity and unit of quantity;
- gross and net weights;
- order number and date of order;
- selling price to the buyer;
- cost of labour incurred in packing the goods;
- costs involved in the carriage of the goods from the point of sale to the nearest possible point of export from Canada (not necessarily the actual point of export);
- value of the outside packages;
- amount of royalties (if any) paid or payable in respect of the goods; and
- a certificate of value.

Certificate of Origin. Australian Customs officials require a certificate of origin of the imported goods if a preferential rate of duty is claimed. In addition, against each of the goods for which entry is claimed at preferential

tariff rates, the category letters A, B or C are inserted to indicate to which section the goods qualify.

Bill of Lading. A bill of lading is required on all freight shipments. There are no regulations specifying the form or number of bills of lading required. They usually show the name of shipper, name and address of consignee, port of destination, description of goods, listing of freight and other charges.

"To Order" bills of lading are accorded full protection under Australian law.

Information on bills of lading should correspond with that shown on invoices and packages.

Packing List. While not obligatory, a packing list facilitates customs clearance.

Note: It is essential that bills of lading, invoices and other shipping documents are dispatched promptly to ensure receipt in Australia in advance of the merchandise.

Price Quotations

Price quotations should preferably be given on a c.i.f. (cost, insurance and freight) basis in Australian currency, but f.o.b. (free on board) prices must also be stated for import duty purposes. Quotations in U.S. or Canadian dollars are usually acceptable.

Methods of Payment

Performance of the majority of established Australian importers is good. The financial status of Australian firms can be checked through your bank or the Canadian High Commission in Canberra and Canadian consulates in Sydney and Melbourne. If commercial credit reports are requested, the costs will be recovered from you. Terms of payment vary but are usually sight draft against documents. A variety of credit terms are used by experienced exporters depending on arrangements with their agents.

Debt Collection

As protection against a bad debt, export shipments should be preceded by a credit investigation of the foreign buyer. There are several well-established debt-collecting and credit enquiry agencies in each Australian state capital city.

Before turning to a collection agency, however, Canadian exporters should seek advice from their agent, their bank and the appropriate Canadian trade office in Australia.

Insurance

Serious consideration should be given to using the services of the Export Development Corporation (EDC) which is a federally owned commercial enterprise that offers export and credit insurance, financial guarantees and other services.

VII. CANADIAN GOVERNMENT SERVICES AVAILABLE TO EXPORTERS

Export Development Corporation

Of great importance to Canadian business overseas is the Export Development Corporation (EDC), a Crown Corporation that reports to Parliament through the Minister for International Trade. Its purpose is to encourage, facilitate and develop Canadian export trade by providing export and credit insurance and guarantees, export financing and other assistance to enable exporters to meet international competition.

EDC's head office is located in Ottawa (*mailing address*: P.O. Box 655, Ottawa, Ontario K1P 5T9). Regional offices are maintained in Montreal, Toronto and Vancouver, and there is a representative in Halifax. EDC is also represented by the International Trade Centres in St. John's, Charlottetown, Fredericton, Winnipeg, Regina and Edmonton. The addresses for EDC offices can be found in Chapter IX.

Program for Export Market Development (PEMD)

PEMD is a trade promotion program of External Affairs and International Trade Canada, offering assistance to Canadian businesses to participate in or undertake various types of export promotion activities. PEMD covers projects initiated by both industry and government, and is designed to assist companies regardless of size.

Further Information

If you are interested in participating in a government-planned trade mission or trade fair, contact the International Trade Centre (ITC) co-located in the regional offices of Industry, Science and Technology Canada, or the appropriate geographic trade development division at External Affairs and International Trade Canada by calling the Info Export hotline at 1-800-267-8376. A list of the ITC offices can be found in Chapter IX.

If your company is invited to participate in a trade mission or trade fair, you can indicate your acceptance by responding to the written invitation and by signing the accompanying contract. *You must ensure that you have no outstanding obligations under PEMD.*

When invited to participate in a trade fair, you should reply quickly, since space is filled on a first-come, first-served basis. Make sure that you have submitted your participation fee with the signed contract. In all cases, final approval is subject to eligibility.

Program for Export Market Development (PEMD)

PEMD is a trade promotion program of External Affairs and International Trade Canada, offering assistance to Canadian businesses to participate in or undertake various types of export promotion activities. PEMD covers projects initiated by both industry and government, and is designed to assist companies regardless of size.

Further Information

If you are interested in participating in a government-planned trade mission or trade fair, contact the International Trade Centre (ITC) co-located in the regional office of Industry, Science and Technology Canada or the appropriate geographic trade development division of External Affairs and International Trade Canada by calling the Info Export Centre at 1-800-587-8576. A list of the ITC offices can be found in Chapter IX.

VIII. YOUR BUSINESS VISIT TO AUSTRALIA

When planning a trip to Australia, please advise the Canadian Consulate General in Sydney and the Canadian Consulate in Melbourne well in advance of your departure. Inform them of the purpose of your visit and your arrival time and include several copies of product brochures. List also any contacts you may have already established with Australian business people. To assist you when informing posts of forthcoming visits, please refer to the "Exporter's Briefing Sheet" in Appendix II.

Your itinerary should include Sydney and Melbourne, the two largest cities and the principal financial and industrial centres of Australia. Depending on your marketing interests, visits to other capital cities, Perth, Brisbane and Adelaide, could be worthwhile. Canberra, unlike the state capitals, is not a commercial centre and has no manufacturing industry. Its activities are centred principally on federal government administration.

Also, you should not forget that Australia is a large country, comparable in size to Canada. Travel between major cities takes time.

Currency Regulations

Residual export controls are maintained for exports of notes in excess of A\$5 000. Otherwise there are no exchange controls for day-to-day business and investment transactions.

When to Go

Apart from some consumer lines, there is no particular buying season in Australia. However, it is recommended that the summer months of December and January be avoided since this is the holiday season and many Australian business people are vacationing. Many Canadians visit Australia during the Northern Hemisphere's winter, but those who travel during the Canadian summer find they receive better attention from their agents and customers.

How to Get There

Canadian Airlines International Ltd. (CAIL) and Qantas operate flights from Vancouver, while CAIL also has direct service from Toronto. A number of other airlines offer frequent service from the west coast of the United States and from Honolulu.

Visitors should remember that air travel time from Eastern Canada to Sydney is approximately 23 hours. To avoid travel fatigue, travellers should try to break their trip with stopovers in places en route like Honolulu or Fiji, or alternatively, allow 24 hours after arrival before commencing any serious business negotiations. Travellers should consider using Perth as a port of entry or exit rather than crossing the continent twice.

Internal Travel

Domestic airlines in Australia provide excellent service and frequent flight connections between major cities.

Because of the great distances involved, business visitors generally prefer to travel interstate by air although train service between east coast capital cities is generally comfortable and frequent.

Taxi service is good and relatively inexpensive. Private cars, hire and "drive-yourself" services are also available but the latter may prove somewhat hazardous to Canadians unaccustomed to driving on the left side of the road.

Clothing

Lightweight clothes may be worn year round in the tropical regions and from October through April in the southern regions. During the Australian winter in the south, sweaters and lightweight topcoats are usually needed.

Dress in Australia is generally informal, although jackets and ties may be required in dining rooms and lounges of first-class hotels and some restaurants.

Dining and Entertainment

Australian cities are essentially cosmopolitan. This is evident in their restaurants, which offer all the favoured cuisines of Europe, Asia and the Americas. In many hotels, meals are served only at specific times. Imported wines are expensive, but Australian wines are excellent and comparatively inexpensive.

Ample facilities are available for those who are sports-minded. Golf can be played year round and public courses are open to all. Tennis can also be played on public and private courts that can be rented at low cost by the hour, or by the half or full day. Other sports that are economical and easily accessible include fishing, skiing, diving, surfing and sailing.

Performances of concerts, ballet, operas and plays are presented in the large cities.

Doing Business

The success of a business trip to Australia often rests on the not-so-obvious preparations made before leaving. The most important of these are:

- a good supply of business cards, clearly printed with your full address;
- enough business stationery to write letters of thanks or appointment confirmations;
- small notebooks for jotting down addresses, directions for reaching places, notes of interviews and requests for further information;
- pictures of your plant and copies of some of the descriptive literature that you publish in Canada;
- a portable dictating machine if you do not have too much other luggage and if you wish to keep the reports and send the tapes back to be transcribed; and
- where possible, a stock of small giveaways, preferably connected with your product or Canada.

Some Do's and Dont's

Tackle One Market Place at a Time

Many Canadian companies word process the names and addresses of all External Affairs and International Trade Canada offices around the world and send their export inquiries to all of them. This wastes time for you and the trade commissioners because it is unlikely you will be able to follow up all the leads. It is better to work on one region at a time and wait until you have a distribution process in place before tackling the next region.

Send Enough Product Literature

The trade commissioner will require a limited quantity of your product literature (five copies) for initial research of the market, and a significant number of copies to set up appointments during your visit. Therefore, it is essential to send enough product literature with your initial letter to allow distribution to all the companies that might be interested in your product.

Anticipate Barriers to Sales and Overcome Them

- Have a local price list prepared for your product. It is always easier for customers to assess their interest if you have done all the cost calculations ahead of time.
- Obtain a customs ruling on your product before you arrive.
- Include press reviews and other reliable reference information to help customers quickly assess the marketability of your product.
- Make sure your product meets local standards for power, TV, safety, etc.

Faster Communications for Faster Response

It takes up to 14 days for an airmail letter to get to Australia from Canada. If four letters are exchanged to get the necessary information, two or three months will have elapsed. This timeframe can be shortened if all the necessary information is in your first letter. It is important to include your telex and facsimile numbers, electronic mail on all letters, letterhead brochures and business cards.

Most agents/distributors/customers measure your professionalism or seriousness in servicing the market by the speed with which you reply to their response/inquiry. The use of facsimile, telex and air courier are essential to create the right impression.

Take Advantage of Free Information Available to You

The major consulting companies such as Price Waterhouse and Touche Ross, or the major Canadian banks, publish free booklets on "How to do Business in Australia." External Affairs and International Trade Canada also has many publications to assist you in understanding the market. Call the External Affairs and International Trade Canada Info Export hotline (1-800-267-8376) for copies of currently available market intelligence or contact your nearest ITC office.

Your Existing Contacts

Most people who are actively marketing internationally attend trade shows overseas and receive inquiries from a wide variety of customers and businesses. If you have already made such contacts in Australia, please include them with your request for assistance. Even if these contacts are no longer interested in your product, they can often direct the trade commissioner at the post to people who are or they can serve as a starting point to guide the commissioner to other customers.

It Takes Time

It usually takes at least six weeks to two months from your initial inquiry to when the post will have something positive to report.

Keep Us Informed of Developments

Because representatives at the posts attempt to present a professional and co-ordinated approach to local contacts, it is very helpful if you send a copy to posts of your correspondence with local agents. Also send a note when we are successful or unsuccessful in setting up distribution so we can keep our agents list up-to-date and refer any potential business to your distributor. It is also useful to know if our efforts have helped you.

Reputation

As the official representatives of Canada, the posts often have very good access to senior officials in companies and governments. This access is dependent on maintaining a professional approach to servicing the needs of these groups. When you make calls that we have arranged, keep us informed of the quality of these contacts and the results obtained. It is also appreciated if you are on time for all appointments. Please feel free to ask for our assistance in cancelling any appointments you are unable to keep.

Samples

While there are provisions within Australian Customs Law to allow the duty-free entry of commercial samples, these tend to be restrictive, and may result in delays at point of entry. Samples must be for the purpose of soliciting orders only and be of negligible value. They must be sent on the initiative of the exporter or the agent in Australia and would normally be provided free of charge. Generally, this form of sample entry is useful only where samples are of low

value such as small articles of hardware, one of each type mounted on a sample board.

Where samples are deemed to have significant value they may be allowed duty-free entry provided they are rendered valueless. For example, shoes deemed to have commercial value would be allowed entry if a hole was punched through them.

For most goods with commercial value, therefore, the only practical way of bringing samples into Australia is under an international Carnet. This is arranged through the Canadian Chamber of Commerce and requires the exporter to post a bond for the value of the goods before departure from Canada. Canadian companies failing to get an international Carnet to facilitate the entry of samples into Australia run the risk of customs delay and will have to pay duty (not refundable on re-export).

Services Offered by the Posts

Market Intelligence. Canadian posts offer a wide variety of information, reports and market intelligence. If you want specific information, ask and we may be able to help you. We also have a wide variety of contacts that can provide information on business conditions, business structures, taxation, etc.

Credit Reports. Most posts are able to obtain a credit report on a potential agent or customer. A standard report takes approximately two weeks and costs approximately A\$77. A "rush" credit report can sometimes be obtained for double this fee.

Customs. The posts will not give you any direct quote on customs rates. Customs laws and interpretations are very complex and are constantly changing. Posts do not have the staff to stay current in this field and do not want to provide incorrect information that may cause difficulties for you. However, posts can provide local customs contacts that they use on a regular basis for interpretation on customs laws. We suggest that you send your product literature to the local customs office and obtain a ruling for your specific product.

The following example illustrates the potential difficulties: A data communications multiplexer has two rates of duty depending on the speed of data it handles. If the speed is

above 19.6 MBS, it is one rate of duty and slower speeds have another.

The Canberra office is responsible for negotiating better Australian market access for Canadian firms. If you encounter any barrier to trade, excessive customs rates, etc., that prevent you from selling in Australia, call or write to the Canadian High Commission in Canberra. Such complaints help provide the information needed to negotiate open markets for you.

Library. The posts all have libraries with reference guides and business directories to assist you in conducting business in Australia, including the selection of an agent.

Local Companies and Contacts. Because of the large number of inquiries handled and the large number of Canadian exporters who provide feedback on Australian companies, we are in a good position to give you an opinion on the better agents for your product or service. We also have a wide variety of industry directories for reference to identify additional contacts.

Pricing. We suggest that you quote prices in local currency to make it as convenient as possible for people to understand the price you are actually charging for your product. American or Canadian dollar prices can cause difficulty and can present another barrier to sales.

Competitive Analysis. One of the best measures of market prospects for your product is to investigate how global competitors are doing in your target market.

Knowing who your competitors will be also helps us to avoid sending your product literature to your competitors.

Please provide a list of your competitors when requesting assistance and we will try to let you know the name of their agent, and how successful they are in the local market.

Audio/Visuals. Posts often have facilities to allow you to use your North American sales aids (e.g. videotapes) in areas where the local power or television standards are different.

Please ensure promotional videotapes are converted to the local television standard. The post may be able to lend you a North American system.

A Downtown Office. Most posts are centrally located and have large boardrooms or general purpose rooms that can be put at your disposal to conduct sales presentations, meetings, press conferences, etc.

Commercial Newsletter. The Canadian posts in Australia publish a newsletter (*Canadian Commercial Newsletter*) that is delivered to 10 000 Australian business people. We are looking for Canadian news releases, interesting sales stories, and new products press releases. We also have a classified section where companies currently seeking agents/distributors can advertise. These advertisements are very effective in finding new and aggressive distributors.

Trade Shows. Posts usually have a list of all the major trade shows held in their territories. It is often wise to co-ordinate your first visit to a region with a major trade show because the show offers a convenient way to assess the competition for your product, allows you to meet many of the out-of-town contacts in your field, and can assist you in meeting key members of the trade press.

Trade Press. The post can provide the names of the key members of the trade press in your market, to whom you should send press releases and product literature for review. A product review in the local press is one of the best ways to stimulate interest in a new product for the market.

Tenders. Many posts have access to listings of tenders for major projects that may suit your equipment. If you are aware of a major tender, you may request post assistance in tracking down the tender.

Local Practices. Even in countries as similar as Canada and Australia, there are many local differences in practices that you should be aware of before going to your first meeting. Take the time to talk to the trade commissioner about these practices. Don't forget to check your visit schedule against the local holiday schedule.

Cross-Company Co-operation. The posts abroad know most of the Canadian companies operating in their regions. Ask for the names of other Canadian business people with whom you can discuss the market. It will certainly assist you in your preparation and should make your trip more effective.

Provincial Trade Missions. Many provincial governments have a department that focuses on promoting export trade. These departments run missions to this market one or two times a year. We suggest you contact them about the dates of their next mission.

Market Research Firms. The posts can put you in touch with local market research firms that can conduct specific market research for your product. Many of them will do specific market studies in advance of your visit for under A\$1 000.

Associations. The posts make extensive use of local trade associations to obtain market information. You may want to join a local association as a means of updating your market intelligence.

WIN Exports and BOSS. The posts constantly receive inquiries about business opportunities with Canada. The key reference document used to recommend potential Canadian firms is the "Business Opportunity Sourcing System" (BOSS) and the "WIN Exports Computer System," both operated by External Affairs and International Trade Canada. If you wish to be listed in these systems, please contact BOSS or WIN Exports, at External Affairs and International Trade in Ottawa. It is the simplest way to generate new business. Please also ensure that your records in BOSS and WIN are kept up-to-date.

Trade Climate. Another main duty of the posts is to represent your interests in bilateral tariff negotiations and to take up complaints about non-tariff barriers to trade with the local government. If you have a complaint, please bring it to our attention so that we may effectively represent your interests.

IX. USEFUL ADDRESSES

Canadian Trade Offices in Australia

For purposes of trade promotion, Australia is divided into three Canadian trade offices:

Canberra

Commercial Counsellor
Canadian High Commission
Commonwealth Avenue
Canberra, ACT 2600, Australia
Tel: (62) 73-3844
Telex: (71) 089-62017
(DOMCAN AA 62017)
Fax: (62) 73-3285

- for sales promotion of defence-related goods to the Australian government; and
- for trade inquiries that require liaison with federal government departments and agencies in Canberra, and for nation-wide sector-specific information on primary industry, minerals and energy.

Territory: Papua New Guinea, Solomon Islands, Nauru, Vanuatu.

Sydney

Canadian Consulate General
A.M.P. Centre, 8th Floor
50 Bridge Street
Sydney, New South Wales 2000
Tel: (02) 231-6522
Telex: (71) 20600
(CANGOVT AA 20600)
Fax: (02) 223-4230

Territory: New South Wales, Queensland, Australian Capital Territory, Northern Territory

Melbourne

Canadian Consulate
6th Floor, 1 Collins Street
Melbourne, Victoria 3000
Tel: (03) 654-1433
Telex: (71) 30501
(CANGOVT AA30501)
Fax: (03) 650-5939

Honourary Canadian Consul in Perth (Western Australia)

Miss Jeannie Lyall
11th Floor, National Mutual Centre
111 St. Georges Terrace
Perth, WA 6000
Tel: (09) 322-7930
Fax: (09) 321-1151

Honourary Canadian Commercial Representative in Brisbane (Queensland)

Mr. Peter L. Roubicek
Executive Director
State Chamber of Commerce and Industry
243 Edward Street
Brisbane, QLD 4000
Tel: (07) 221-1766
Fax: (07) 221-6872

International Trade Centres

If you have never marketed abroad, please contact the External Affairs and International Trade Canada's International Trade Centre (ITC) in your province. ITCs are co-located with the offices of Industry, Science and Technology Canada, except for the Northwest Territories and the Yukon.

Alberta

International Trade Centre
Room 540
Canada Place
9700 Jasper Avenue
Edmonton, Alberta
T5J 4C3
Tel: (403) 495-2944
Telex: 037-2762
Fax: (403) 495-4507

International Trade Centre
Suite 1100
510 - 5th Avenue Southwest
Calgary, Alberta
T2P 3J2
Tel: (403) 292-4575

British Columbia

International Trade Centre
Vancouver Centre
Scotia Tower
P.O. Box 11610, Suite 900
650 West Georgia Street
Vancouver,
British Columbia
V6B 5H8
Tel: (604) 666-1437
Telex: 045-1191
Fax: (604) 666-8330

Manitoba

International Trade Centre
330 Portage Avenue
Room 608
P.O. Box 981
Winnipeg, Manitoba
R3C 2V2
Tel: (204) 983-8036
Telex: 075-7624
Fax: (204) 983-2187

New Brunswick

International Trade Centre
Assumption Place
770 Main Street
P.O. Box 1210
Moncton, New Brunswick
E1C 8P9
Tel: (506) 857-6452
Telex: 014-2200
Fax: (506) 857-6429
Toll Free: 1-800-332-3801

Newfoundland and Labrador

International Trade Centre
90 O'Leary Avenue
P.O. Box 8950
St. John's, Newfoundland
A1B 3R9
Tel: (709) 772-5511
Telex: 016-4749
Fax: (709) 772-5093

Nova Scotia

International Trade Centre
1496 Lower Water Street
P.O. Box 940, Station M
Halifax, Nova Scotia
B3J 2V9
Tel: (902) 426-7540
Telex: 019-22525
Fax: (902) 426-2624

Ontario

International Trade Centre
Dominion Public Building
4th Floor, 1 Front Street
West
Toronto, Ontario
M5J 1A4
Tel: (416) 973-5203
Telex: 065-24378
Fax: (416) 973-8714

Prince Edward Island

International Trade Centre
Confederation Court Mall
134 Kent Street, Suite 400
P.O. Box 1115
Charlottetown,
Prince Edward Island
C1A 7M8
Tel: (902) 566-7400/7443
Telex: 014-44129
Fax: (902) 566-7450

Quebec

International Trade Centre
Stock Exchange Tower
Suite 3800
800 Place Victoria
P.O. Box 247
Montreal, Quebec
H4Z 1E8
Tel: (514) 283-8185
Telex: 055-60768
Fax: (514) 283-3302

Saskatchewan

International Trade Centre
6th Floor
105 - 21st Street East
Saskatoon, Saskatchewan
S7K 0B3
Tel: (306) 975-5315/5318
Telex: 074-2742
Fax: (306) 975-5334

Industry, Science and Technology Canada

As noted above, the offices of Industry, Science and Technology Canada are co-located with the International Trade Centres, and are also situated in the following locations.

Business Centre

Industry, Science and
Technology Canada
235 Queen Street
Ottawa, Ontario
K1A 0H5
Tel: (613) 995-5771

Northwest Territories

Industry, Science and
Technology Canada
10th Floor
Precambrian Building
P.O. Bag 6100
Yellowknife
Northwest Territories
X1A 2R3
Tel: (403) 920-8578
Fax: (403) 873-6228
AES: (403) 920-2618

Yukon

Industry, Science and
Technology Canada
108 Lambert Street
Suite 301
Whitehorse, Yukon
Y1A 1Z2
Tel: (403) 668-4655
Fax: (403) 668-5003

Export Development Corporation

Head Office

151 O'Connor Street
Ottawa, Ontario
Mailing Address:
Export Development
Corporation
P.O. Box 655
Ottawa, Ontario K1P 5T9
Tel: (613) 596-2500
Cable: EXCREDCORP
Telex: 053-4136
Fax: (613) 237-2690

Ontario Region

Export Development
Corporation
Suite 810
National Bank Building
P.O. Box 810
150 York Street
Toronto, Ontario
M5H 3S5
Tel: (416) 364-0135
Fax: (416) 862-1267

Ottawa District Office

151 O'Connor Street
Ottawa, Ontario
Mailing Address:
Export Development
Corporation
P.O. Box 655
Ottawa, Ontario K1P 5T9
Tel: (613) 598-2992
Cable: EXCREDCORP
Telex: 053-4136
Fax: (613) 237-2690

London District Office

Export Development
Corporation
451 Talbot Street
Suite 303
London, Ontario
N6A 5C9
Tel: (519) 645-5828
Fax: (519) 645-4483

British Columbia and Yukon Region

Export Development
Corporation
Suite 1030,
One Bentall Centre
505 Burrard Street
Vancouver
British Columbia
V7X 1M5
Tel: (604) 688-8658
Fax: (604) 688-3710

Prairie and Northern Region

Export Development
Corporation
Bow Valley Square III
Suite 2140
255 - 5th Avenue S.W.
Calgary, Alberta
T2P 3G6
Tel: (403) 294-0928
Fax: (403) 294-1133

**Manitoba/Saskatchewan
District Office**

Export Development
Corporation
330 Portage Avenue
Suite 707
Winnipeg, Manitoba
R3C 0C4
Tel: (204) 942-0226
Fax: (204) 983-2187
Toll Free: 1-800-665-7871

Quebec Region

Export Development
Corporation
Suite 2724
800 Victoria Square
P.O. Box 124
Tour de la Bourse
Postal Station
Montreal, Quebec
H4Z 1C3
Tel: (514) 878-1881
Fax: (514) 878-9891

Atlantic Region

Export Development
Corporation
Toronto-Dominion Bank
Building
Suite 1003
1791 Barrington Street
Halifax, Nova Scotia
B3J 3L1
Tel: (902) 429-0426
Fax: (902) 423-0881

APPENDIX I

Last Sunday in Oct. to First Saturday in Mar.		First Sunday in Mar. to Last Saturday in Apr.		Last Sunday in Apr. to Last Sunday in Oct.	
Ottawa	Canberra Sydney Melbourne	Ottawa	Canberra Melbourne	Ottawa	Canberra Sydney Melbourne
00:00	16:00	00:00	15:00	00:00	14:00
01:00	17:00	01:00	16:00	01:00	15:00
02:00	18:00	02:00	17:00	02:00	16:00
03:00	19:00	03:00	18:00	03:00	17:00
04:00	20:00	04:00	19:00	04:00	18:00
05:00	21:00	05:00	20:00	05:00	19:00
06:00	22:00	06:00	21:00	06:00	20:00
07:00	23:00	07:00	22:00	07:00	21:00
08:00	00:00	08:00	23:00	08:00	22:00
09:00	01:00	09:00	00:00	09:00	23:00
10:00	02:00	10:00	01:00	10:00	00:00
11:00	03:00	11:00	02:00	11:00	01:00
12:00	04:00	12:00	03:00	12:00	02:00
13:00	05:00	13:00	04:00	13:00	03:00
14:00	06:00	14:00	05:00	14:00	04:00
15:00	07:00	15:00	06:00	15:00	05:00
16:00	08:00	16:00	07:00	16:00	06:00
17:00	09:00	17:00	08:00	17:00	07:00
18:00	10:00	18:00	09:00	18:00	08:00
19:00	11:00	19:00	10:00	19:00	09:00
20:00	12:00	20:00	11:00	20:00	10:00
21:00	13:00	21:00	12:00	21:00	11:00
22:00	14:00	22:00	13:00	22:00	12:00
23:00	15:00	23:00	14:00	23:00	13:00

APPENDIX II

Exporter's Briefing Sheet for Posts

Note: This is a sample of a form designed to summarize the points listed above in a type of briefing document to be completed and sent to each consulate you intend to visit.

The thorough completion of this sheet will greatly assist the post in providing the information you require to export successfully.

Company:

Street:

City:

Province:

Zip:

Area:

Telephone:

Telex No:

Answer Back:

Fax No:

Electronic Mail:

Company President:

Export Contact:

Company Profile

Date Established:

No. of Employees:

Sales (Optional):

Export Sales:

Sample of Key Canadian Customers:

Products

(Please describe the product you wish to sell and list two or three key selling points of your product relevant to our market place that would convince a prospective agent or customer to meet with you during your visit.)

Company Export Experience

(Please list countries you currently export to and comment on your successes. Also indicate the type of agent you have in each country. List key foreign reference accounts.)

Method of Distribution

(Please describe how you would like to distribute your product e.g. Agents/Distributors/Direct, etc. Please also describe typical methods of distribution/distributor used in other countries.)

Characteristics of an Effective Agent

(Please describe in detail the characteristics/experience/background that a good agent for your product would have — e.g. “medium-size firm selling hardware and software to the financial community.” Be as specific as possible because your previous success in selecting an agent is our best guide to assisting you in Australia.)

Notes

Notes

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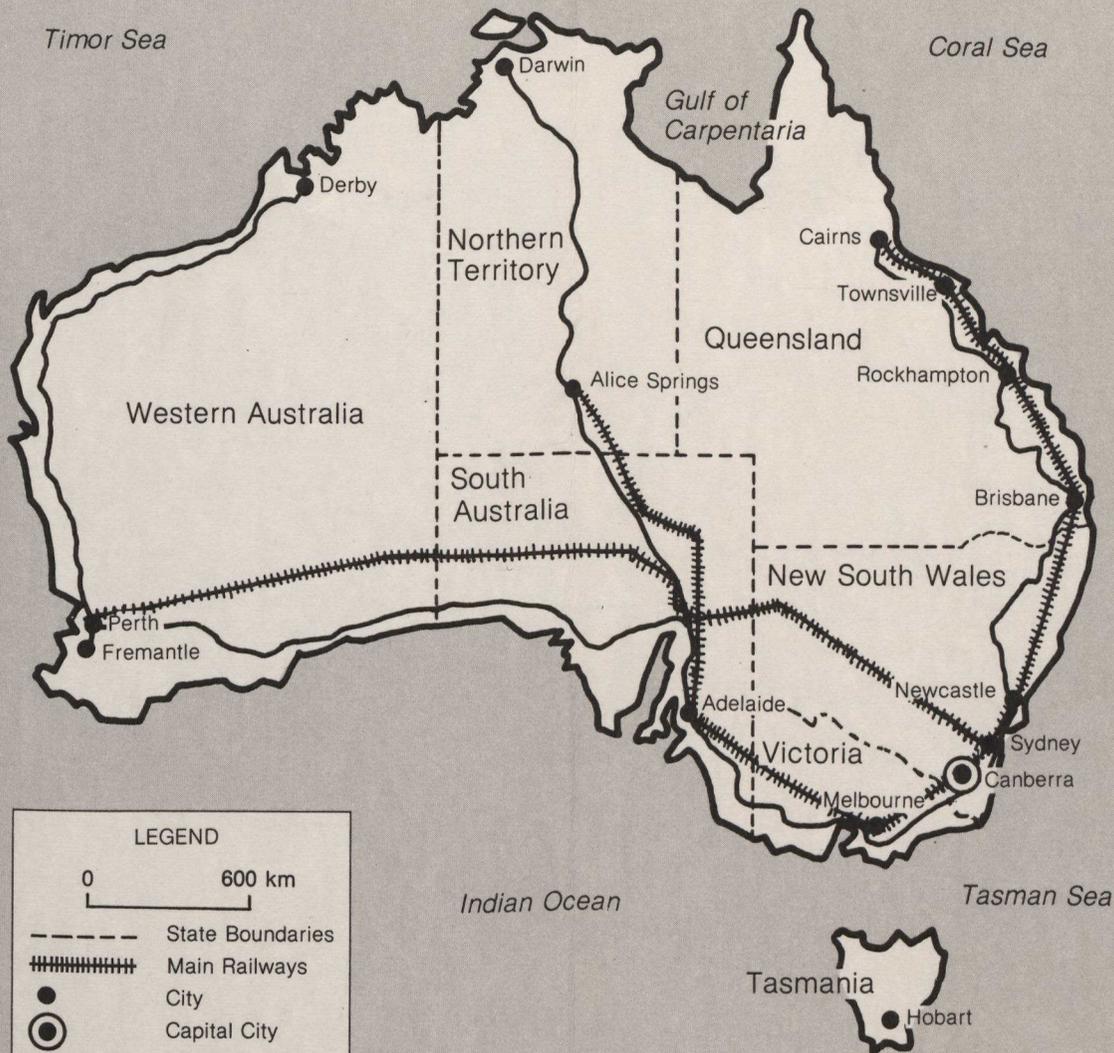
Storage

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Australia





External Affairs and
International Trade Canada

Affaires extérieures et
Commerce extérieur Canada