



DOING BUSINESS IN AUSTRALIA

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Introduction



CAPITAL: CANBERRA



POPULATION

Total Population: 24,992,369

Natural Increase: 1.6%

Density: 3 Inhabitants/km²

Urban Population: 86.0%

Population of main urban zones: Sydney (3,908,643); Melbourne (3,707,529); Brisbane (1,874,426); Perth (1,627,576); Adelaide (1,103,979); Gold Coast (533,659); Canberra (391,473)

Ethnic Origins: Australia is a multicultural nation with more than 170 different nationalities whose diversity is continually growing. 92% of the population is of European origin (mostly English, Irish, Scottish, Italian and Greek), with 7% of Asian origin and 1% who identify as Indigenous Australian. ([Australian Bureau of Statistics - ABS](#)).

Official Language: The official language of Australia is English. English is also the common language in different sectors such as the legislature, justice, administrative services, work and correspondence.

Other Languages Spoken: In Australia minority groups use more than 200 languages including the Aborigine languages and immigrant languages (Italian, Greek, Cantonese, Lebanese, Vietnamese, Turkish, etc.)

Business Language(s): English

Religion: Protestant 30%; Catholic 25%; Unspecified 9%; Buddhist 2.5%; Muslim 2.2%.

A declining majority of people (58% according to certain surveys) say they are Christian. Most Protestant Churches, except the Anglican Church, have merged to form the Uniting Church; the Catholic Church has a large following. There are also non-Christian minorities. 20% of the population say they are non-believers. While traditional Aboriginal religions exist and are closely linked to culture and the land, many Indigenous Australians were converted to Christianity after Australia's colonisation.

National Currency: Australian Dollar (AUD)



COUNTRY OVERVIEW

Area: 7,741,220 km²

Type of State: The Commonwealth of Australia is a Federal State of 6 States and 2 Territories based on a parliamentary democracy.

Type of Economy: High-income economy, OECD member.

Services are dominant in the economy; abundant natural resources; greatest number of national parks and natural reserves in the world.

HDI*: 0.935/1

HDI (World Rank): 2/188

Note: () [The HDI](#), Human Development Index, is an Indicator Which Synthesizes Several Data Such as Life Expectancy, Level of Education, Professional Careers, Access to Culture etc.*



TELECOMMUNICATION

Telephone Code:

To call from Australia, dial 0011

To call Australia, dial +61

Internet Suffix: .au

Computers: 68.9 per 100 Inhabitants

Telephone Lines: 45.7 per 100 Inhabitants

Internet Users: 82.3 per 100 Inhabitants

Access to Electricity: 100% of the Population

Foreign Trade in Figures

Foreign Trade Indicators	2014	2015	2016	2017	2018
Imports of Goods <i>(million USD)</i>	236,933	208,419	196,150	228,580	235,386
Exports of Goods <i>(million USD)</i>	241,238	188,445	190,271	230,829	257,098
Imports of Services <i>(million USD)</i>	62,409	53,674	56,532	66,610	70,611
Exports of Services <i>(million USD)</i>	53,368	48,374	53,941	64,042	68,317

Source: WTO – World Trade Organisation, 2017

[See the latest updates in the Country Profile for Australia.](#)

Latest Update: December 2019

Economic and Political Overview

ECONOMIC OUTLINE

Economic Overview

The Australian economy experienced 26 years of uninterrupted economic growth, and it was the only country of the OECD that did not enter into recession during the financial crisis, holding one of the highest growth rates of the developed world and being the world's 13th largest economy. In 2018, Australia's GDP growth amounted to 3.2%. The economy continues to be driven by business and government spending, while households and the consumer sector struggle amid low wages growth (generally, consumer spending represents almost 60% of the economy). The country also benefits from large-scale exports of agricultural products and a vigorous financial sector. For 2019 and 2020, the Australian Treasury foresees a real GDP growth of 2.8% and 2.7%, as it expects household consumption to rebound following a continued strengthening in the country's labour market.

In 2018, the inflation rate in Australia was around 2.2%, a rate that is expected to grow to 2.3% in 2019 and 2.5% in 2020. Current government balance shows a moderate deficit (-1.2% of GDP). An increase in commodity prices helped to cushion the widening of the deficit and keep public debt levels moderate, with gross government debt reaching 40.5% of GDP in 2018. The Government is seeking to increase national appeal relative to its Asian competition in international trade. At the same time, to boost the economy, Australia is increasing its economic integration with the Asia-Pacific region - especially China - and Europe, with which it has signed trade agreements while maintaining preferential relations with the United States. Australia's economy is increasingly dependent on China - even more now that the free trade deal between the two countries came into effect. As such, despite increasing integration, Australia is keeping an eye on Chinese investments: recently, the country rejected a project aiming to entrust the entire electrical network of an Australian state to a Chinese consortium. A similar decision was taken concerning the largest ranch in the world (2.5% of the farmlands in the country). However, 2018 showed weaker capital inflows from China.

The unemployment rate is quite low, estimated at 5.3% in 2018. According to the Australian Bureau of Statistics, approximately 725,000 Australians are currently unemployed and the rate is falling. However, the ABS also reported that underemployment - defined as people who want to work more - was rising instead: Australia now has 1.1 million underemployed people, which is part of a global trend that is weighing on wage growth. On the other hand, Australia must face an ageing population and climate change impacts, such as the loss of 20% of the Great Coral Reef's coral due to a catastrophic bleaching situation and the increasing frequency and duration of droughts putting an unprecedented level of water stress on the Australian agriculture. The country is also one of the largest polluters in the world. Facing international pressure, Australia has committed to developing its nuclear energy sector in order to reduce its greenhouse gas emissions.

Main Indicators	2017	2018	2019 (e)	2020 (e)	2021 (e)
GDP (<i>billions USD</i>)	1,386.77e	1,420.05e	1,376.26	1,375.45	1,440.46
GDP (<i>Constant Prices, Annual % Change</i>)	2.4e	2.7e	1.7	2.3	2.6
GDP per Capita (<i>USD</i>)	55,974e	56,420e	53,825	52,952	54,588
General Government Balance (<i>in % of GDP</i>)	-1.5e	-0.6e	-0.4	-0.4	-0.0
General Government Gross Debt (<i>in % of GDP</i>)	41.1e	41.4e	41.8	42.3	41.3
Inflation Rate (%)	2.0	2.0e	1.6	1.8	2.0
Unemployment Rate (<i>% of the Labour Force</i>)	5.6	5.3e	5.1	5.1	5.0
Current Account (<i>billions USD</i>)	-35.57	-29.64e	-3.48	-23.89	-23.14

Main Indicators	2017	2018	2019 (e)	2020 (e)	2021 (e)
Current Account <i>(in % of GDP)</i>	-2.6	-2.1e	-0.3	-1.7	-1.6

Source: IMF – World Economic Outlook Database, Latest available data

Note: (e) Estimated Data

Main Sectors of Industry

Traditionally, Australia is an importer of finished goods. Its industrialisation is fairly recent, a fact which explains the small scale of its manufacturing sector. Nevertheless, the sector is characterised by high productivity levels, with 75% of the industries rating above the global average. The industrial sector employs about one-fifth of the workforce and contributes to almost a quarter of the GDP (23%). The manufacturing industry is built around the food industry (approximately 40% of the workforce), machinery and equipment (around 20%), metal processing and metal goods (nearly 20%) and the chemical and petrochemical industries (slightly more than 10%).

Agriculture employs 2.5% of the workforce and contributes 2.8% to the GDP. However, the agricultural and mining sectors are the most important for exports: Australia is a vast agricultural country and one of the world's main exporters of wool, meat, wheat and cotton. The country is overflowing with mineral and energy raw materials, which secure substantial revenues when exported (Australia is the world's largest producer of iron ore, gold and uranium, and will soon become the world's largest LNG exporter). In fact, iron ore exports alone account for 24% of the country's total annual exports. Australia also has the world's largest reserves of numerous strategic resources, such as uranium, of which it holds 40% of the world's confirmed reserves.

The services sector occupies a dominant position in the Australian economy, contributing almost 67% to the GDP and employing 78.3% of the workforce. The biggest growth in this sector has been the rise of business and financial services (holding the world's sixth largest pool of managed fund assets). Health care and social assistance have also given a fundamental contribution to growth. Travel services, such as education-related travel, recreational travel and business travel services have also been growing significantly.

Breakdown of Economic Activity By Sector	Agriculture	Industry	Services
Employment By Sector <i>(in % of Total Employment)</i>	2.5	19.3	78.1
Value Added <i>(in % of GDP)</i>	2.5	24.1	67.0
Value Added <i>(Annual % Change)</i>	-2.6	3.5	3.1

Source: World Bank, Latest available data.

Learn more about [Market Analyses about Australia](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Indicator of Economic Freedom

Score:	80,9/100
World Rank:	5
Regional Rank:	4

[Economic freedom in the world \(interactive map\)](#)

Source: 2019 Index of Economic Freedom, Heritage Foundation

Business environment ranking

Score: 8.29

World Rank: 5/82

Source: *The Economist - Business Environment Rankings 2014-2018*

Country Risk

See the country [risk analysis](#) provided by [Coface](#).

Sources of General Economic Information

Ministries	Department of Foreign Affairs and Trade (DFAT) Australian Government Agriculture Portal Minister for Finance and Deregulation Ministers for Innovation, Industry, Science and Research Australian Bureau of Agricultural and Resource Economics (ABARE)
Statistical Office	Australian Bureau of Statistics
Central Bank	Reserve Bank of Australia
Stock Exchange	Australian Stock Exchange
Other Useful Resources	Business Council of Australia (BCA) National Office for the Information Economy (NOIE)
Main Online Newspapers	The Australian Financial Review Business Review Weekly The Australian Sydney Morning Herald The Age The Daily Telegraph

POLITICAL OUTLINE

Type of State	The Commonwealth of Australia is a Federal State of 6 States and 2 Territories based on a parliamentary democracy.
Executive Power	Australia is an independent nation that belongs to the Commonwealth, and recognises the British Monarch as its sovereign. As such, Queen Elizabeth II is the Head of State. She is represented in Australia by a Governor General who has a symbolic function (they are appointed by her on the recommendation of the Prime Minister). The Prime Minister is the head of the Government. The Prime Minister runs state business and appoints the Cabinet. The Prime Minister is the leader of the party that wins the majority of seats in the House of Representatives at the General Election.
Legislative Power	The parliament is bicameral and composed of the Senate with 76 members and the House of Representatives with 150 members. Senators are elected for a six- or three-year term, and the members of the House of Representatives for a minimum three-year term. The Prime Minister and the Cabinet are responsible for parliament, of which they must be elected members.
Main Political Parties	Three parties dominate the political life: - The Liberal Party (conservative, centre-right, neoliberal); - The National Party of Australia (former Country Party) (conservative, mostly represents rural interests); - The Australian Labour Party (social democrat, centre-left). Also: The Greens and Independent members are other popular representatives, and

the [National Party](#) (conservative) are in a coalition with the Liberal Party.

Current Political
Leaders

Governor General: David HURLEY (since 1 July 2019)
Prime Minister: Scott MORRISON (since 24 August 2018) - Liberal Party Of Australia

Next Election Dates

Senate : 2022
House of Representatives : 2022

Indicator of Freedom of the Press

World Rank: 21/180

Source: [2019 World Press Freedom Index, Reporters Without Borders](#)

Indicator of Political Freedom

Ranking: Free

Political Freedom: 1/7

Civil Liberties: 1/7

[Political freedom in the world \(interactive map\)](#)

Source: [Freedom in the World 2019, Freedom House](#)

Latest Update: December 2019

Trade Profile

FOREIGN TRADE IN FIGURES

Australia is very open to international trade, which represents 41.9% of the GDP. It has the 5th freest economy in the world, placing its trade freedom as one of the highest worldwide. The country mainly exports iron ores and concentrates (21.1%), coal and similar solid fuels (18.8%), petroleum gas and other gaseous hydrocarbons (8.8%), gold (5.7%), and artificial corundum (2.5%). On the other hand, its main imports include motor vehicles (10.9%), petroleum oils (9.9%), transmission apparatus for radio-telephony (3.5%), automatic data processing machines and units (3.2%), vessels (2.7%), and medicaments (2.4%).

Its main partners are China, Japan, South Korea, India, Hong Kong, and Thailand. Structurally, Australian foreign trade is highly dependent on the Chinese economic situation, so the country could suffer a serious setback due to the trade war between the United States and China. As a bloc, the EU is Australia's second largest trading partner. As such, Australia and the European Union launched negotiations for a free trade agreement on 18 June 2018. The country is also negotiating trade agreements with the Gulf Cooperation Council, India, Peru, Indonesia, and Hong Kong.

The country's trade balance was characterised by a structural deficit until 2007, but since then the country has been alternating between periods of surplus and deficit. In 2017, Australia exported USD 295 billion worth of goods and services (thus exports accounted for about 21.3% of total Australian GDP). Imported goods and services amounted in USD 295 billion, a 4.7% increase compared to the previous year. According to the latest data from World Bank, Australia registered an overall trade surplus (including services) of USD 8.7 billion in 2017.

Foreign Trade Indicators	2014	2015	2016	2017	2018
Imports of Goods (<i>million USD</i>)	236,933	208,419	196,150	228,580	235,386
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Exports of Services (<i>million USD</i>)	53,368	48,374	53,941	64,042	68,317
Imports of Goods and Services (<i>Annual % Change</i>)	-2.3	1.0	-0.1	4.7	7.2
Exports of Goods and Services (<i>Annual % Change</i>)	6.0	6.8	6.8	5.5	4.1
Imports of Goods and Services (<i>in % of GDP</i>)	21.5	21.5	21.5	20.6	21.4
Exports of Goods and Services (<i>in % of GDP</i>)	21.0	20.0	19.3	21.2	21.8
Trade Balance (<i>million USD</i>)	2,190	-19,013	-5,801	10,487	21,106
Trade Balance (Including Service) (<i>million USD</i>)	-9,084	-27,770	-10,243	7,139	17,287
Foreign Trade (<i>in % of GDP</i>)	42.5	41.5	40.8	41.8	43.2

Source: World Trade Organisation (WTO) - 2017; World Bank - 2017

Main Partner Countries

Main Customers (% of Exports)	2018	Main Suppliers (% of Imports)	2018
China	34.7%	China	24.5%
Japan	16.4%	United States	10.5%
South Korea	7.0%	Japan	7.4%

Main Customers <i>(% of Exports)</i>	2018	Main Suppliers <i>(% of Imports)</i>	2018
India	4.9%	Germany	4.9%
United States	3.8%	Thailand	4.9%
Hong Kong	3.0%	South Korea	4.3%
Singapore	2.9%	Malaysia	4.2%
New Zealand	2.8%	Singapore	3.7%
Malaysia	2.2%	New Zealand	2.6%
Thailand	1.9%	United Kingdom	2.4%

Source: Comtrade, 2017

Main Products

252.8 bn USD of products exported in 2018	
Coal; briquettes, ovoids and similar solid fuels manufactured from coal	19.7%
Iron ores and concentrates, incl. roasted iron pyrites	18.7%
Gold, incl. gold plated with platinum, unwrought or not further worked than semi-manufactured or in powder form	5.6%
Petroleum oils and oils obtained from bituminous minerals, crude	2.3%
Copper ores and concentrates	1.8%
Meat of bovine animals, frozen	1.6%
Unwrought aluminium	1.3%
Wheat and meslin	1.2%
Wool, neither carded nor combed	1.2%
Meat of sheep or goats, fresh, chilled or frozen	1.1%

235.5 bn USD of products imported in 2018	
Petroleum oils and oils obtained from bituminous minerals (excl. crude); preparations containing >= 70% by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, n.e.s.; waste oils containing mainly petroleum or bituminous minerals	8.2%
Motor cars and other motor vehicles principally designed for the transport of persons, incl. station wagons and racing cars (excl. motor vehicles of heading 8702)	7.3%
Petroleum oils and oils obtained from bituminous minerals, crude	4.5%
Transmission apparatus for radio-telephony, radio-telegraphy, radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras; still image video cameras and other video camera recorders; digital cameras	3.7%
Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, n.e.s.	3.5%
Motor vehicles for the transport of goods, incl. chassis with engine and cab	3.3%
Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses incl. those in the form of transdermal administration or in forms or packings for retail sale (excl. goods of heading 3002, 3005 or 3006)	2.3%

235.5 bn USD of products imported in 2018

Gold, incl. gold plated with platinum, unwrought or not further worked than semi-manufactured or in powder form	1.9%
Instruments and appliances used in medical, surgical, dental or veterinary sciences, incl. scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments, n.e.s.	1.1%
Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera and other blood fractions and modified immunological products, whether or not obtained by means of biotechnological processes; vaccines, toxins, cultures of micro-organisms (excl. yeasts) and similar products	1.0%

Source: Comtrade, 2017

See More Products [More imports \(Intracen Data\)](#)
[More exports \(Intracen Data\)](#)

MAIN SERVICES

52.9 bn USD of services exported in 2016

Travel	61.28%
Other business services	14.34%
Transportation	8.20%
Financial services	4.96%
Computer and information services	3.50%
Communications services	2.57%
Royalties and license fees	1.55%
Government services	1.44%
Cultural and recreational services	1.17%
Insurance services	0.74%
Construction services	0.25%

55.3 bn USD of services imported in 2016

Travel	45.05%
Transportation	21.96%
Other business services	14.21%
Royalties and license fees	6.06%
Computer and information services	3.23%
Financial services	2.95%
Cultural and recreational services	2.54%
Government services	1.89%
Communications services	1.11%
Insurance services	1.00%

Source: United Nations Statistics Division, Latest Available Data

Exchange Rate System

Local Currency Australian Dollar (AUD)
 Exchange Rate Regime Consequently, there is free convertibility of currency, a right to transfer profits and capital, subject to declaration of any transaction over 5 000 AUD or the equivalent in foreign currency to the [Australian Transactions Reports and Analysis Centre \(AUSTRAC\)](#). Finally, there is an official exchange rate applicable on the day of transfer.

Level of Currency Instability Exchange control was suspended in 1983. The Australian currency is stable and strong, especially against the US dollar since 2006.

Exchange Rate on :

Monetary Indicators	2014	2015	2016	2017	2018
Australian Dollar (AUD) - Average Annual Exchange Rate For 1 USD	1.11	1.33	1.35	1.30	1.34

Source: World Bank - Latest available data.

TRADE COMPLIANCE

International Conventions Member of [World Trade Organisation](#)
 Member of [OECD](#)
 Party to the [Kyoto Protocol](#)
 Party to the [Washington Convention](#) on International Trade in Endangered Species of Wild Fauna and Flora
 Party to the [Basel Convention](#) on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal
 Party to the [Montreal Protocol](#) on Substances That Deplete the Ozone Layer
 Party to the [Wassenaar Arrangement](#) on Export Controls For Conventional Arms and Dual-Use Goods and Technologies
 Party of the [International Coffee Agreement 2007](#)

Main International Economic Cooperation Australia has signed seven [Free Trade Agreements](#) and is currently negotiating for nine new agreements.

Party of the ATA Convention on

Temporary Admissions and Use of the Carnets *As a Reminder, the ATA is a System Allowing the Free Movement of Goods Across Frontiers and Their Temporary Admission Into a Customs Territory With Relief From Duties and Taxes. The Goods Are Covered By a Single Document Known as the ATA Carnet That is Secured By an International Guarantee System.*
[Look Up the Other Member Countries And Read the Web Pages of the World Customs Organization Devoted to the ATA Carnet.](#)

Party of the TIR Convention

No.
As a Reminder, the TIR Convention and its Transit Regime Contribute to the Facilitation of International Transport, Especially International Road Transport, Not Only in Europe and the Middle East, But Also in Other Parts of the World, Such as Africa and Latin America.
The UNCTAD Website Allows You to [Read the TIR Convention](#), [See the List of Member Countries](#) And to [Find Further Information](#).

Accompanying Documents For Imports Customs Entry Form or Informal Clearance Document (ICD) filled in; documents relative to goods transport (transport contracts: Air waybill or Bill of lading) ; all invoices or documents relative to import and which must include in particular a complete description of the goods, the currency of reference, the contact details of the seller and the buyer, the name of the vessel or the flight number of the plane used, etc.

Free Zones None

For Further Information [Australian Customs website](#)

	Department of Foreign Affairs and Trade
Non Tariff Barriers	<p>Animals, plants and unprocessed derivatives are subject to complex phytosanitary legislation.</p> <p>More than 150 agricultural products are subject to import licensing, and to very restrictive quarantine regulations.</p> <p>Packaging and pallets must be accompanied by a fumigation certificate.</p> <p>Some goods, such as cheese and tobacco, are subject to quotas.</p> <p>Antibiotics may only be sold if authorized by the Secretary of the Commonwealth Department of Health and Family Services. Pharmaceutical products are subject to particular conditions.</p> <p>Restricted items include drugs, steroids, weapons/firearms, heritage items, plants and animals, food and protected wildlife. It is important to note that while some items may be imported, their use may be prohibited under individual State laws.</p> <p>For further information:</p> <p>Temporary importation of commercial goods</p> <p>Information for travellers</p> <p>Prohibited and restricted imports</p> <p>Australian Quarantine and Inspection Service (AQIS)</p> <p>Food Standards Australia New Zealand (en anglais)Restrictions on importation of agricultural products</p>
Sectors or Products For Which Commercial Disagreements Have Been Registered With the WTO	Agricultural sector (cereals)
Assessment of Commercial Policy	<p>WTO webpages devoted to Australia</p> <p>Barriers to exchanges, inventoried by the United States</p> <p>Barriers to exchanges, inventoried by the EU</p> <p>Sanitary and phytosanitary barriers, inventoried by the EU</p>

Learn more about [How to Export to Australia](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

STANDARDS

National Standards Organisations	<p>National organisation in charge of standards</p> <p>National certification organisation</p> <p>Organisation which publishes standards</p>
Integration in the International Standards Network	<p>Pacific Area Standards Congress (PASC)</p> <p>International Standard organization (ISO)</p> <p>International Electrotechnical Commission (IEC)</p>
Obligation to Use Standards	<p>Conforming to standards is mandatory for products such as machines, tools, household appliances, sports equipment, toys, clothes, etc. Goods which have complex technology or are potentially dangerous must undergo rigorous tests and approval procedures before they can be marketed in Australia.</p>
Classification of Standards	<p>AS/NZ is the national certification mark, which also covers New Zealand.</p>
Assessment of the System of Standardization	<p>Australians are receptive to standards being observed without knowing specific details. The EU norm and ISO standards are well known to companies and appreciated for their guarantee of the quality and safety of goods and services.</p>

Online Consultation of [ISO website](#)
Standards [Standards Australia website](#)
Certification [National certification organization](#)
Organisations

Latest Update: December 2019

Tax System

CORPORATE TAXES

Tax Base For Resident and Foreign Companies A company is a resident of Australia for income tax purposes if it is incorporated in Australia or if it carries on business in Australia and either (a) its central management and control are in Australia (CM&C test) or (b) its voting power is controlled by shareholders who are residents of Australia.

Tax Rate

Corporate tax	30%
Reduced corporate tax (for companies with an annual aggregated turnover below AUD 50 million)	27.5% (with a planned reduction to 26% for the 2020/21 income year, and 25% from 2021/22 onwards)

Tax Rate For Foreign Companies Companies that are residents in Australia are subject to Australian income tax on their worldwide income, while companies that are not resident are taxed only on Australian-sourced income. However, where a company is resident in a country with which Australia has concluded a double taxation agreement, Australia will generally tax only the profits attributable to a permanent establishment in the country.

Capital Gains Taxation Australian tax residents pay capital tax at an ordinary rate of 30% (or at a reduced rate of 27.5%) on worldwide net capital gains. Capital gains or losses on the disposal of shares by an Australian company in a foreign company in which the Australian company held at least a 10% voting interest for a specified period may be reduced by a percentage that reflects the degree to which the assets of the foreign company are used in an active business. Australian foreign tax residents only include capital gains in assessable income for "taxable Australian property". Small businesses can qualify for capital gains tax concessions if they meet one of these three conditions: the annual turnover is below AUD 2 million, assets are used in a closely connected small business, the total value of assets (excluding personal assets) does not exceed AUD 6 million.

Main Allowable Deductions and Tax Credits Exempt income includes certain dividends received from pooled development funds and income from charitable organisations. Deductible items include business expenses, charitable donations to Australian-registered charities and fringe benefits tax payments. Tax offsets are provided for Australian tax residents, such as for dependents. Deductions may be claimed for tax depreciation and previous-year tax losses. Companies can claim a deduction for interest expenses incurred in relation to offshore investments that generate non-assessable, non-exempt dividend income. Bad debts that have been written off as bad before the end of an income year may be deductible. Losses may be carried forward indefinitely, but cannot be carried back.

Foreign income tax offsets are available to avoid double taxation in respect of foreign tax paid on income that is assessable in Australia. R&D activities undertaken in Australia may qualify for tax incentive.

Other Corporate Taxes Other taxes on businesses include fringe benefits tax, payroll tax (varies between 2.5% and 6.85%), land tax (except in the Northern Territory) (up to 3.7%), stamp duty (up to 7%).
The Petroleum resource rent tax (PRRT) is a profit-based tax levied at a rate of 40% on profits generated from all onshore and offshore Australian petroleum projects, excluding the joint petroleum development area (JPDA). The profits are taxed on the sale of marketable petroleum commodities.

Other Domestic Resources [Australian Taxation Office \(ATO\)](#)
 Consult [Doing Business Website](#), to obtain a summary of the taxes and mandatory contributions.

Country Comparison For Corporate Taxation

	Australia
Number of Payments of Taxes per Year	11.0
Time Taken For Administrative Formalities (Hours)	105.0
Total Share of Taxes (% of Profit)	47.4

Source: *Doing Business - 2017*.

Note: *The Greater the Index, the More Transparent the Conditions of Transactions. **The Greater the Index, the More the Manager is Personally Responsible. *** The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action. **** The Greater the Index, the Higher the Level of Investor Protection.

ACCOUNTING RULES

Accounting System

Accounting Standards Australian accounting standards are set by the Australian Accounting Standards Board (AASB), an independent government agency. The accounting standards are broadly comparable to the requirements of IFRS, although the AASB has made modifications to certain standards and has issued additional interpretations and guidance to accommodate Australia’s specific legislative and economic environment, or to meet the specific reporting requirements of entities such as nonprofit organizations.

Accounting Regulation Bodies [AASB](#), The Australian Accounting Standards Boards (AASB) is a government body developing, issuing and maintaining Australian accounting standards and related pronouncements

Accounting Law In Australia accounting principles are defined by the Corporations Laws : [Corporation Act 2001](#) and [Corporation regulations 2001](#). Companies must refer to the principles published by the [Australian Standards Board](#) (A.A.S.B).

Difference Between National and International Standards (IAS/IFRS) All Australian entities must draw up their financial reports to [IAS/IFRS](#) standards.

Accounting News [Chartered Accountants website](#)

Accounting Practices

Tax Year The tax year begins on 1 July and ends on 30 June. An alternative tax year may be adopted with approval from the ATO.

Accounting Reports Certification of accounts concerns the following accounting reports: the Statement of Financial Performance & Position or Balance sheet, i.e. the company's statement of accounts, and the Profit and Loss Statement of the financial year certified.

Publication Requirements Reporting is carried out yearly.
 “Non-reporting entities” (for example, businesses under certain size/turnover limits),

however, have the option to prepare special purpose financial statements (SPFS) in compliance with accounting standards and interpretations considered necessary to enable the financial reports to meet the special purpose needs of the users.

Accountancy Profession

Accountants	As it is the case in most OECD countries, the accountant is in charge of the company's legal obligations at the accounting level. The Chartered Accountant certifies company accounts. The Auditor certifies the accounts carried out by the Chartered Accountant.
Professional Accountancy Bodies	CPA , Certified Public Accountant professional association ICAA , The Institute of Chartered Accountants in Australia - ICAA (the Institute) is the professional body representing Chartered Accountants in Australia. IPA , Institute of Public Accountants ASIC , Australian Securities and Investment Commission FRC , Australian Government Financial Reporting Council
Member of the International Federation of Accountants (IFAC)	Yes
Member of Other Federation of Accountants	Member of the Confederation of Asian and Pacific Accountants (CAPA)
Audit Bodies	The companies have to seek a statutory auditor to conduct an annual audit of the financial health of their organization. You can contact the Australian Auditing and Assurance Standards Board or an external auditor.

CONSUMPTION TAXES

Nature of the Tax	GST: Goods and Services tax
Standard Rate	10%
Reduced Tax Rate	Some supplies are non-taxable. These include "input taxed" supplies (e.g. financial supplies, leasing of residential premises and the sale of residential premises that are not "new"), and "GST-free" supplies (e.g. the sale of going concerns and certain exports of goods and services).
Exclusion From Taxation	GST-free supplies are not subject to GST and still give rise to input tax credits. Some examples are basic foodstuffs, water, most health, medical, and educational supplies, health insurances, sewage and drainage services, childcare, international transport and mail. Input-taxed supplies are not subject to GST but do not give rise to input tax credits. Some examples are most financial supplies, rental of residential property, life insurances, supplies of some precious metals and for charitable events.
Method of Calculation, Declaration and Settlement	GST is charged at each step of the supply chain and included in the selling price of goods and services subject to the tax. A registration threshold of AUD 75,000 or AUD 150,000 for nonprofit organisations applies. GST can be accounted for on a cash basis or an accrual basis. For entities using cash accounting, GST is payable in the tax period in which the taxable supply is received. For entities using accrual accounting, GST is payable in the tax period in which the invoice is issued, or in which the taxable supply is received, whichever is earlier.

Other Consumption Taxes Imports are subject to custom duties (maximum rate 5%). Excise duties apply on products like beer, spirits, liqueurs, tobacco, cigarettes, and petroleum products. These excise duties are generally high and are indexed bi-annually based on movements in the consumer price index. Furthermore, a "Wine equalisation tax" applies at the wholesale level to wine from grapes, fruit and certain vegetables, mead, and sake, at a rate of 29% (in addition to GST, which is calculated on the price including the WET).
The government of Australia also levies a luxury car tax at the rate of 33% of the value of the car that exceeds the luxury car tax threshold (in the 2018/19 financial year: AUD 75,526 for fuel-efficient vehicles and AUD 66,331 for other vehicles) and is payable on the GST-exclusive value above the threshold.

INDIVIDUAL TAXES

Tax Base For Residents and Non-Residents Australian tax residents are taxed on their worldwide income. Foreign tax relief is generally provided. Non-residents are taxed only on Australian-source income.
Individuals are residents of Australia if they reside in Australia, and this includes the following: individuals whose domicile is in Australia (unless they have a permanent place of abode outside Australia); individuals who have actually been in Australia for at least 183 days in the income year (unless the individual's usual place of abode is outside Australia and the individual does not intend to reside in Australia); if the individual is an 'eligible employee' for the purposes of legislation relating to the superannuation entitlements of Federal public servants.

Tax Rate

Taxable Income	Progressive Rate
For Residents/Temporary Residents	
AUD 0 - 18,200 (this tax-free base is reduced if the taxpayer spends less than 12 months in Australia)	0
AUD 18,201 - 37,000	19%
AUD 37,001 - 90,000	AUD 3,572 + 32.5% on taxable income
AUD 90,001 - 180,000	20,797 + 37% on taxable income
AUD 180,001 and over	54,097 + 45% on taxable income
For Non-Residents	
AUD 0 - 90,000	32.5%
AUD 90,001 - 180,000	AUD 29,250 + 37% on taxable income
AUD 180,001 and over	62,550 + 45% on taxable income
Working Holiday makers	
AUD 0 - 37,000	15%
AUD 37,001 and over	Taxed at standard rates

Allowable Deductions and Tax Credits Expenses may be taken as deductions if they are incurred in gaining or producing assessable income. Charitable donations to Australian-registered charities may be tax deductible. Expenses of a capital, private or domestic nature are not deductible. Australian residents are allowed some tax offsets, including for dependents, low income earners and pensioners. For more information about the family tax benefits,

consult the [website](#) of the Australian government.

Individuals can claim a deduction for contributions made to complying superannuation funds.

Special Expatriate Tax Regime Australian tax residents are taxed on their worldwide income. Foreign tax relief is generally provided. Non-residents are taxed only on Australian-source outcome. Whereas the first AUD 18,200 of taxable income is tax-free for residents, non-residents generally do not benefit from a tax-free threshold. In specific circumstances, senior foreign executives who hold a certain business visa may be exempt from superannuation contributions. Certain benefits taxed under the fringe benefit tax may be exempted for expatriates, including relocation expenses, child education costs and annual home leave travel.

A specific regime applies to working holiday makers (an individual holding a temporary working holiday visa or a work and holiday visa in Australia, generally with a duration of up to one or two years). The first AUD 37,000 of a working holiday maker income is taxed at 15%, with the balance taxed at ordinary rates.

Capital Tax Rate Capital gains are generally included in assessable income and taxed at progressive income tax rates. A 50% discount is offered to resident taxpayers if the asset has been held for more than 12 months.

DOUBLE TAXATION TREATIES

Withholding Taxes Dividends: 0% (residents, where TFN provided)/30% (unfranked dividends paid to nonresidents where no treaty relief is available);
Interest: 0% (residents, where TFN provided)/10% (nonresidents);
Royalties: 0% (residents)/30% (nonresidents)

SOURCES OF FISCAL INFORMATION

Tax Authorities [ATO](#), Australian Taxation Office
[The Treasury](#), Commonwealth of Australia Ministry of Finance

Other Domestic Resources [Government portal on tax information](#)

Learn more about [Service Providers in Australia](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Learn more about [Taxes and Accounting in Australia](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Legal Environment

BUSINESS CONTRACT

General Observation	You must define precisely the seller's obligations and the methods of quality control.
Law Applicable to the Contract	You must be vigilant about the law applicable to contracts and the methods of conflict resolution. Australia is a signatory to the Vienna Convention on international contracts . International laws, generally accepted in contracts signed with Australian firms, can be used or a system of arbitration be called on.
Advisable Incoterms	It is preferable to choose FOB or CIF . EXW is also often used if you do not want to take care of the transport in Australia.
Language of Domestic Contract	English
Other Laws Which Can Be Used in Domestic Contracts	If Australian law is not used, the law of the other contracting party must be chosen.

INTELLECTUAL PROPERTY

National Organisations	The Patent Trade Marks and Designs Office is the organisation responsible for the protection of intellectual property and any requests should be made to them (administration of patents and registration of trade marks and designs). For copyright, there is also the Australian Copyright Council .
International Membership	Member of the WIPO (World Intellectual Property Organization) Signatory to the Paris Convention For the Protection of Intellectual Property Membership to the TRIPS agreement - Trade-Related Aspects of Intellectual Property Rights (TRIPS)

National Regulation and International Agreements

Type of property and law	Validity	International Agreements Signed
Patent Patent Act 1990 & 1999	Valid for 20 years	Patent Cooperation Treaty (PCT)
Trademark Mark Act 1995	Valid for 10 years	Trademark Law Treaty Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks
Design Trademark Law 1984 & Design Act 2003	Valid for 10 years	

Type of property and law	Validity	International Agreements Signed
<p>Copyright</p> <p>Copyright Act 1968</p>	<p>Valid for 50 years</p>	<p>Berne convention For the Protection of Literary and Artistic Works</p> <p>Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms</p> <p>Rome Convention For the Protection of Performers, Producers of Phonograms and Broadcasting Organizations</p> <p>WIPO Copyright Treaty</p> <p>WIPO Performances and Phonograms Treaty</p>

LEGAL FRAMEWORK OF BUSINESS

Equity of Judgments

Equal Treatment of Nationals and Foreigners	Australia is a constitutional State. Foreign nationals can benefit from the same treatment as citizens in judicial matters (including commercial disputes). It is one of the least corrupt nations in the world, and women have the same freedoms and rights as men.
The Language of Justice	English
Recourse to an Interpreter	Possible.
Legal Similarities	The main source of the law is the constitution of 1901, based on English Common Law. The country accepts the obligatory jurisdiction of the International Court of Justice.

The Different Legal Codes

Accounting regulations	Corporation Act 2001 and Corporation regulations 2001 .
Contract and Property Law	Contract law , Property Laws
Customs Law	Customs Act
Consumer Law	Trade Practices Act 1974
Labour Law	Fair Work Act 2009

Checking National Laws Online	National Library of Australia Portal
Other Useful Resources	Australian Government Attorney-General's Department
Country Guides	Country Guide Lexmundi

Learn more about [Lawyers and Legal in Australia](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

The Jurisdictions

The High Court	The highest jurisdiction. Resolution of cases of particular federal importance (constitutionality of laws, resolution of appeals)
The Federal Court of Australia	Federal Court. Family, administrative, and commercial disputes, bankruptcy, copyright, discrimination, etc.
The Family Court of Australia	Jurisdiction for family affairs.
The Federal Circuit Court of Australia	Second federal chamber. This court shares jurisdiction with the Family Court of Australia and the Federal Court of Australia. Family, administrative, and commercial disputes, bankruptcy, copyright, discrimination, etc.

Court Officials

Lawyers	The profession of « lawyer » is separated into two categories in Australia (barrister and solicitor).
Judges	They decide if the law has been broken or not, as well as the penalties which ensue.
Barristers	Barristers plead.
Solicitors	Solicitors advise.
Attorneys	They are like solicitors and represent justice.
Court agents	Agents employed to facilitate the course of justice.

Learn more about [Legal and Compliance in Australia](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

INTERNATIONAL DISPUTE RESOLUTION

Arbitration	Arbitration is a way of solving disputes which arrives at a final decision. Australia is a world leader in the development and provision of non-court dispute resolution mechanisms. It is a signatory to all the major international dispute resolution conventions and has organizations that provide international dispute resolution processes.
Arbitration Law	At the State level: Commercial Arbitration Act 2011 (national uniform legislation) Victorian Commercial Arbitration Act 1984 Queensland Commercial Arbitration Act 1990 South Australian Commercial Arbitration Act 1996 Commercial Arbitration Act 2011 (national uniform legislation) Tasmanian Commercial Arbitration Act 1986 ACT Commercial Arbitration Act 1986 (en anglais) Commercial Arbitration Act 2011 (national uniform legislation) New South Wales Commercial Arbitration Act 2010 (en anglais)
Conformity to International Commercial Arbitration Rules	Party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. Party to the Geneva Protocol on Arbitration Clauses. Party to the Geneva Convention of the Execution of Foreign Arbitral Awards.
Arbitration Procedure	Any person or company facing a dispute can resort to arbitration on condition that both parties wish to resort to this procedure. The sentence decided by the arbitrators

is not binding. If the person sentenced refuses to carry it out, the other party will have to resort to a state tribunal for a ruling. The person sentenced can refer to the Court of Appeal to request the quashing of the sentence.

Permanent Arbitration Bodies [Australian centre for commercial arbitration](#) (Sectors Covered: All)

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Latest Update: December 2019

Reaching the Consumers

CONSUMER PROFILE

Consumer Profile	<p>The median age in Australia has increased by 2 years over the last two decades, rising from 35 years in 1998 to 37 in 2018. The population is ageing and growing at a growth rate of 1.6%. The proportion of the population under the age of 15 is 18.8% and decreases year by year, while the proportion of the population over 65 continues to increase to 15.7%. Households are composed of an average of 2.55 people, slightly down from 2001 where it was 2.6 people. Some 24% of households have only one person, and 37% of households are couples with or without children. The gender ratio is 98.4 men per 100 women while 85.9% of the population lives in urban areas. New South Wales has 32% of the population, Victoria has 26% and Queensland 20%. The south of the country is the most populated and the cities of Sydney, Melbourne and Brisbane have the most inhabitants. Australia is among the best countries in the OECD in terms of education where some 80% of 25- to 64-year-olds have secondary education, and 43% have higher education. The labour force consists of 23.7% professionals, 14.4% office and administrative workers, 14% technicians and skilled workers, 12.5% managers, 10.7 community and personal service workers, 9.7% workers, 8.8% of commercial and 6.6% of machine operators and drivers.</p>
Purchasing Power	<p>The GDP per capita PPP in the country is 75,500 Australian dollars, or about 53,799 US dollars. Before tax, the average annual salary is 82,400 AUD, and is up 2.6 from 2017. The purchasing power of Australians is high and has increased in 2018. Adjusted disposable income per person is 47,189 AUD per year. Consumption in the country is rising despite a slowdown in the third quarter of 2018. The Gini index is in the average of OECD countries, at 0.347. Women are more likely than men to live below the poverty line and are paid 15.3% less than men. Single parents, people over 65, people from non-English speaking countries and the unemployed have the lowest incomes in Australia.</p>
Consumer Behaviour	<p>Australia is mass consumer society. Purchase decisions in Australia are usually made with a price-performance analysis. Indeed, the price is an important determinant, but the quality, the image projected by the product its authenticity and popularity have an influence. The places where Australians shop are varied ranging from department stores or supermarkets to small retailers. On average, prices are high when purchased and tend to increase with the demand for quality products. Consumer confidence has declined in 2018, although it is recovering in early 2019. Australians often use the internet for purchases and often buy from retailer sites. The share of ecommerce is rising. Since domestic production does not cover the country's consumption, consumers are accustomed to buying foreign products. In general, the proven sources are Asia, North America and Europe.</p> <p>The factors pushing a consumer to be faithful are quality (for 45.9% of inhabitants), the price (16.1%) and the quality of the after-sales service (for 15.1%). Older people are more loyal than younger consumers and gaced with a negative shopping experience nearly half of consumers say they are ready to stop buying the brand. Social networks are useful to learn about products (thanks to consumer comments in particular), but also to discover new products and change their buying habits. Protecting their data is usually an important issue for Australians.</p> <p>The worldwide awareness of global warming and more generally the environment is present in Australia. The consumption of natural and organic products is increasing, especially for fruits and vegetables. The second-hand market is important and is estimated at 44 billion dollars and 100 million goods were traded in 2017, for</p>

economic and ecological reasons. The collaborative economy is growing in Australia, mainly for financial reasons (saves money or saves money).

Household Consumption Expenditure

Sector	Percentage
Housing, water, electricity, gas and other fuels	22.9%
Miscellaneous goods and services	15.5%
Transport	10.4%
Leisure and Culture	10.1%
Food and non-alcoholic beverages	9.4%
Restaurants and Hotels	6.7%
Health	6.4%
Education	4.8%
Furnishings, household equipment and routine house maintenance	4.6%
Alcoholic beverages, tobacco and narcotics	3.6%
Clothing and shoes	3.6%
Communication	2.1%

Source: [OECD Stats, 2016](#).

Consumer Recourse to Credit The use of credit and debit cards is common in Australia with 70.2% of adults having a credit card while young people tend to have less. Average purchases by credit card amount to 114.69 AUD\$ while average debit card purchases amount to 46.82 AUD\$. The debt level of Australians is among the highest in the world. In June 2018, outstanding household credit is up to A \$ 2,241 trillion. The majority of households (74%) use indebtedness, and 29% are considered over-indebted. Credits for personal consumption (cars, vacations, weddings, furniture, renovation) are up 17% in 2017, while mortgages are down. Some regulators in Australia are vigilant with rising debt and new regulations to limit lending have appeared. The use of credit should therefore slowdown in the coming months.
consumer_growing_sectors_new

Growing Sectors Alternative banking, cookbooks, beverages, luxury goods (handbags, perfumes, cosmetics, etc.), connected products, education, medical, health care, personal care and cyber security.

Consumers Associations [CHOICE](#) , Australian Consumer Association
[ACCC](#) , Australian Competition Authority and Consumer Commission
[CFA](#) , Australian Federation of Consumers

Population in Figures

Total Population: 24,992,369
Urban Population: 86.0%
Rural Population: 14.0%
Density of Population: 3 Inhab./km²

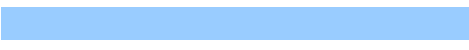

Men (in %)	49.7%
Women (in %)	50.2%
Natural increase:	1.57%
Medium Age:	37.0
Ethnic Origins:	Australia is a multicultural nation with more than 170 different nationalities whose diversity is continually growing. 92% of the population is of European origin (mostly English, Irish, Scottish, Italian and Greek), with 7% of Asian origin and 1% who identify as Indigenous Australian. (Australian Bureau of Statistics - ABS).

Population of main urban zones







Name	Population
Sydney	3,908,643
Melbourne	3,707,529
Brisbane	1,874,426
Perth	1,627,576
Adelaide	1,103,979
Gold Coast	533,659
Canberra	391,473

Source: [Citypopulation.de](#), 2011 - Latest available data.

Age of the Population

Life Expectancy in Years	
Men:	80.4 
Women:	84.7 

Source: [World Bank](#), last available data., 2009 - Latest available data.

Distribution of the Population By Age Bracket in %	
Under 5:	6.3% 
6 to 14:	12.6% 
16 to 24:	13.6% 
25 to 69:	57.9% 
Over 70:	9.7% 
Over 80:	3.9% 

Source: [United Nations, Department of Economic and Social Affairs, Population Division, Prospects 2010](#)- Latest available data.

Household Composition

Average Age of the Head of the Household	39.0 Years
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Total Number of Households (in million)	7.8
Average Size of the Households	2.6 Persons
Percent of Households of 1 Person	24.3%
Percent of Households of 2 Persons	34.0%
Percent of Households of 3 or 4 Persons	31.7%
Percent of Households of 5 Persons and More	10.0%

Source: *Australian Bureau of Statistics; UN data, 2012 - Latest available data.*

Consumption Expenditure

Purchasing Power Parity	2017	2018	2019	2020 (e)	2021 (e)
Purchasing Power Parity <i>(Local Currency Unit per USD)</i>	1.44	1.44	1.45	1.43	1.42

Source: *IMF - World Economic Outlook Database, 2015*

Definition: *Purchasing Power Parity is the Number of Units of a Country's Currency Required to Buy the Same Amounts of Goods and Services in the Domestic Market as USD Would Buy in the United States.*

Note: *(e) Estimated Data*

Household Final Consumption Expenditure	2016	2017	2018
Household Final Consumption Expenditure <i>(Million USD, Constant Price 2000)</i>	755,780	773,033	795,467
Household Final Consumption Expenditure <i>(Annual Growth, %)</i>	2.7	2.3	2.9
Household Final Consumption Expenditure per Capita <i>(USD, Constant Price 2000)</i>	31,242	31,422	31,828
Household Final Consumption Expenditure <i>(% of GDP)</i>	58.3	56.8	n/a

Source: *World Bank, 2015*

Consumption Expenditure By Product Category as % of Total Expenditure	2016
Housing, water, electricity, gas and other fuels	22.9%
Miscellaneous goods and services	15.5%
Transport	10.4%
Recreation and culture	10.1%
Food and non-alcoholic beverages	9.4%
Restaurants and hotels	6.7%
Health	6.4%
Education	4.8%
Furnishings, household equipment and routine maintenance of the house	4.6%
Alcoholic beverages, tobacco and narcotics	3.6%

Consumption Expenditure By Product Category as % of Total Expenditure	2016
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Clothing and footwear	3.6%
Communication	2.1%

Source: [OECD Stat](#), Latest available data

Information Technology and Communication Equipment, per 100 Inhabitants	2012
Telephone Subscribers	108.3
Main Telephone Lines	45.7
Cellular mobile subscribers	108.3
Internet Users	82.3
PCs	68.9

Source: [International Telecommunication Union](#), Latest available data

MARKETING OPPORTUNITIES

Media in Which to Advertise

Television

Australia is among the 10 leading advertising markets in the world. Advertising on television has a vast influence on Australian consumer behavior. Showing an advertisement during the games or popular series on TV early in the evening (prime time between 6pm and 10pm) will reach the biggest numbers of viewers. According to 2016 statistics, commercial television in Australia reached 85.1% of the population aged over 13 years old (down from 93.1% in 2008) with the number of viewers decreasing fastest in the age group under 50. The overall decline in free-to-air television audiences of recent years has been essentially attributed to a more competitive environment due to increase of VOD and streaming services offers. The free-to-air television broadcasting industry has faced various challenges over the past five years. For the next future, the industry's revenue is expected to decline at an annualised rate of 2.2% over the five year period 2017-2022, to AUD 4.7 billion. Many Australians are shifting away from watching free-to-air TV programs, instead choosing to consume media on a range of different platforms. In response, some advertising agencies have moved towards more lucrative online advertising markets, limiting their advertising timeslots on TV networks.

Main Televisions

[ABC \(Australian Broad. Corp.\)](#)

[Ten Network Holdings Limited](#)

[Nine Network Australia](#)

[Prime Media Group Limited](#)

[SBS Corporation](#)

Press

Advertising published in newspapers helps the consumer make his decision about buying and informs him of special offers. It is influential because the reader can assimilate it in his own time. Australians are very exposed to newspapers and magazines. The country has the world record, in relation to its population, for the number of magazines published. The agency Roy Morgan estimates that in 2017 12.6

million Australians aged 14+ (63.4%) read print magazines, up 2.4% compared with the previous year. Consult the following [link](#) for a complete list of Australians newspapers, while [here](#) you can find a list of newspapers in Australia by circulation.

Main Newspapers

[News Corp.](#)

[Fairfax](#)

[The Australian](#)

[The Daily Telegraph](#)

Mail	Even if a growing number of Australians are resistant to it, most consumers read the advertising put in their letter boxes and refer to it for their purchases, as it advertises the special offers in nearby stores, gives money-off coupons, etc..
In Transportation Venues	From billboards in the streets, on bus shelters, in metro or railway stations, advertising is appearing more and more on the means of transport themselves (taxis, buses, trains, trams and even airplanes). This type of medium has a strong impact on consumers, as transit advertising space is unavoidable to commuters and residents in major metro areas.
Radio	<p>Market Leaders: JC DECAUX Australie</p> <p>Radio advertising makes it possible to reach a very wide audience. It is broadcast above all on local radio stations and also on AM. It promotes nearby stores particularly. Its impact is widespread even if listener ratings are tending to drop noticeably. There are 262 AM stations in Australia and 345 FM stations. Due to rising competition from a range of alternative media platforms, particularly online and cloud-based, the radio broadcasting industry's performance has been fairly subdued over the past five years. The introduction of digital radio was expected to be a new growth avenue for the industry, but this medium has struggled to expand in an environment where portable computing and rising internet accessibility have been significantly influencing consumers' entertainment choices. The prevalence and accessibility of smartphones and tablets have prompted growth in podcasts that can be listened to at any time, and the rising popularity of audio streaming services has intensified competition. In the future, competition from all forms of digital media is projected to affect the industry's performance substantially.</p> <p>Main Radios ABC (Australian Broad. Corp.) Australian radio stations on-line Nova Entertainment Austereo</p>
Web	Australia has several million regular Internet users connected via broad band. Banner adverts and pop-ups appear directly on websites. Advertising by e-mail is expanding but anti-spam legislation controls this marketing practice very strictly. In 2017 the Australian online advertising market has once again delivered double-digit growth figures increasing by AUD 799 million to reach AUD 7.6 billion, a 11.7% increase over the prior financial year. Online advertising continues to achieve robust double digit growth and now accounts for close to 50% of advertising spend in Australia. Mobile advertising expenditure exceeds AUD 2.6 billion, an increase of 32.7% compared to 2016. Of this expenditure, 46% was attributed to mobile search and 54% to mobile display; 70% was attributed to smartphones and 30% to tablets. Foreign entities, such as Facebook and Google, now command an increasing share of advertising revenue in Australia.

	Market Leaders:
	Australian Information Industry Association
	JBT Studios
	Bliss Media
	BirdBrain
Main Advertising Agencies	Advertising Federation of Australia
	SAATCH & SAATCHI
	EURO RSCG
	CLEMINGER BBDO

Main Principles of Advertising Regulations

Beverages/Alcohol	Advertising alcohol in Australia is allowed. Standards for alcohol marketing in Australia are set out in the Alcoholic Beverages Advertising Code (ABAC).
Cigarettes	Advertising tobacco is prohibited. The object of the Tobacco Advertising Prohibition Act of 1992 is to limit the exposure of the public to messages and images that may persuade people to start or continue smoking or using tobacco products. The act defines tobacco advertisement to be any writing, still or moving picture, sign, symbol or other visual image that gives publicity to, or otherwise promotes or is intended to promote, smoking or the purchase or use of tobacco products. Under the abovementioned act, it is an offence for a corporation to publish or broadcast a tobacco advertisement.
Pharmaceuticals/Drugs	Advertising pharmaceutical products is allowed.
Other Rules	In Australia no specific law governs comparative advertising, although certain cases regarding this matter have occurred. Comparative advertising that is truthful and does not lead to confusion is permitted. Australian legislation makes provision for severe penalties against misleading advertising.
Use of Foreign Languages in Advertisement	Using a language other than English in advertising is extremely rare but is allowed by the law.
Organizations Regulating Advertising	National regulatory organization Australian Radio Industry National Body. The Advertising Standards Bureau

Learn more about [Sales in Australia](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Selling

MARKET ACCESS PROCEDURES

Customs Procedures

Import Procedures Australia does not require a general licence required for importing; however, Australian Customs clear all goods on import. Importers need to verify:

- what import permits, quarantine permits and treatments apply to the specific category and type of imported goods
- whether imported goods are subject to mandatory safety or information standards.

All goods whose value is over AUD 1,000 must enter the country via an "Import Declaration". These declarations can be done by Internet, via the Integrated Cargo System (ICS), or by a Customs document, form B650. The import declarations may generate fees according to whether they are filled out on-line or on paper (Schedule of Recovery). The importer must pay GST when the goods are cleared at Customs. It is advisable for new importers to use the services of a Customs broker, who will assist in filling out the Import Declaration document, and can take charge of a certain number of import processes on the importer's behalf. The broker will find the most cost-efficient tariffs for the Customs procedures, but will bill you for the services.

You can also take charge of the procedure yourself and get help from the [Customs services](#). You will find all the necessary information in the [Documentary Import Declaration Comprehensive Guide](#).

Specific Import Procedures Special restrictions could apply to certain goods while some may be prohibited. Traders involved in the import of industrial chemicals or products containing industrial chemicals (e.g. cosmetics, paint, glue, printing ink and cleaning products) need to register with the National Industrial Chemicals Notification and Assessment Scheme (NICNAS). Registration involves an annual fee.

An importing permit is required for goods that are subject to quarantine regulations. The Department of Agriculture and Water Resources will need to inspect and/or treat products for pests or diseases.

[Consult the Customs website for the list of products whose import is prohibited or restricted.](#)

Importing Samples The ATA carnet can be used for the import, export or re-export of commercial samples. It must be written on the product that it is a free sample and cannot be sold. People traveling for business and carrying goods or samples for business purposes may need special authorizations for their goods according to their nature and irrespective of their sale value.

Customs Duties and Taxes on Imports

Customs threshold USD 1,000
(from which tariffs are required)

Average Customs Duty 5%

(Excluding Agricultural Products)

Products Having a Higher Customs Tariff	Automobile, textiles and shoes (17.5% on average and up to 25%).
Preferential Rates	Yes, for certain Pacific countries and Papua New Guinea.
Customs Classification	Australia applies the Harmonized Customs System.
Method of Calculation of Duties	Customs duties are calculated Ad Valorem on the basis of the FOB value of the product.
Method of Payment of Customs Duties	The Customs tax base is usually the Customs valuation of the imported goods. Tax is payable as soon as the goods have cleared Customs. The settlement of duties is managed by a Customs broker. Duties are payable in cash (in euros, by cheque, by cash money order, by bank transfer); an extension of the time limit for payment may be granted through systems of collection credit or duty credit. To determine the rate of Customs duty applicable to your product, you can consult the APEC database of Customs duties (average rates).

Labeling and Packaging Rules

Packaging	.Packaging must conform to national legislation on the prevention of risks to consumer health and the protection of the environment, especially as regards the treatment of waste. Packaging and pallets must be accompanied by a certificate of fumigation. Packaging made of wood or plant matter is subject to phytosanitary controls.
Languages Permitted on Packaging and Labeling	All products retailed on the Australian market must be accompanied by explanations in English.
Unit of Measurement	The use of the metric system is compulsory.
Mark of Origin "Made In"	It is obligatory and controlled by Customs.
Labeling Requirements	Nutritional values, colorings and standards must be displayed.
Specific Regulations	The majority of therapeutic products, cosmetics, chemical products, foodstuffs, electronic goods, etc. are subject ot particular labeling requirements (country of origin, among others).

DISTRIBUTING A PRODUCT

Distribution Network

Types of Outlet

Supermarkets and mini-markets	Located on the outskirts of towns but also sometimes in the town center. They sell foodstuffs and non food products. Mini-markets are smaller and located in town. Woolworths Coles IGA
Specialized Hypermarkets	Hypermarkets specialized in one family of products. Rebel Sport
Department Stores	Located in the town center on several floors. They have various specialized departments.

	<p>David Jones Myer</p>
Hard discount	<p>Mainly for food. They sell products of the distributor's own brand or no brand at all. People prefer them for their discount prices. ALDI</p>
Small shops	<p>Specialized local shops: grocer's, butcher's, fishmonger's, greengrocer's, cheese shops, delicatessens, baker's, cake shops, florist's. People prefer them for the quality of their products, human contact and advice.</p>
Cash and Carry	<p>Hypermarkets reserved for professionals. Campbells</p>

Evolution of the Retail Sector

Growth and Regulation Distribution points in Australia are centralised. All major supermarket chains and warehouse/wholesale clubs operate their own network of national and regional distribution centers. Banner groups are used by a large number of independent retailers to improve the buying, advertising, and competitive power of smaller grocery and convenience stores. Under banner groups, retailers are able to negotiate better prices, coordinate marketing campaigns, and collaborate to establish new programs that benefit consumers. The value of food and liquor retailing in Australia grew by 3% in 2016 to reach US\$ 91 billion. Health, wellness, and the environment continue to be major focuses among Australian consumers.

According to Euromonitor, traditional grocery retailers accounted for a 24% share of total grocery retail sales in 2016. This channel has been shrinking and losing market share to modern grocery retailers such as supermarkets. Supermarket and grocery expenditure accounts for the major part of food retailing sales, with a share of 62%. Liquor retail establishments have propped up this sector. Current Australian regulations do not allow modern grocery retailers to sell liquor, thus, creating a significant barrier for other retailers looking to compete with specialized liquor retailers. Australians tend to choose modern grocery retailers over traditional ones due to the more comprehensive range of products than traditional retailers. Furthermore, the scale of these modern grocery retailers allows them to offer better prices, further encouraging consumers to choose this channel.

In 2016, the independent small groceries channel declined 3% as it has struggled to differentiate itself in order to compete with modern grocery retailers; with many companies closing or joining a larger banner. The other grocery retailers channel is comprised of small retail formats with a primary focus on selling food, beverages, and tobacco. They grew by 2% in 2016, largely supported by the health and wellness trend, with a number of consumers looking for healthier food options at farmers' markets and health food stores. Portion sizes are increasingly important as consumers prefer quality over quantity and they expect packaging to be informative and environmentally responsible.

Market share The distribution of foodstuffs is carried out mainly by large chains which share more than 80% of the market. We can quote the following, according to Euromonitor :

Woolworths, an Australian-owned company operating both as a trading company and grocery retailing through supermarkets and convenience stores throughout Australia. Woolworths is the number one player in the grocery sector with a 34% value share of the market in 2016.

Coles supermarkets are part of Wesfarmers Limited and are the second largest player in the grocery sector with a 29% value share in 2016. Coles represented one

of the fastest rates of growth for sales per outlet through revitalization of their stores, aggressive discounting, growing of their private label offering, and a strong emphasis on advertising.

Aldi Stores Supermarkets Pty Ltd, the German based international discount food retailer which began trading in Australia in 2001, is the only discounter in Australia and continues to increase its value share (9% in 2016). Since its entry into the Australian market, the company has forged relationships with local manufacturers and producers, developing an image of a contributor to the development of domestic enterprises.

Metcash Trading Limited Australasia ranks fourth in supermarkets in value terms, with a 7% share in 2016. Metcash is Australia's largest grocery wholesaler and is a leading marketing and distribution company operating in the food, and other fast moving consumer goods, under the brands IGA, Supa IGA (supermarkets) and IGA Express (convenience stores).

7-Eleven is the leading operator of convenience stores in Australia, holding 44% of value sales within the channel.

There are also many smaller retail chains for consumer goods, which operate as franchises, or shops which belong to the franchises. These are generally individuals or very small companies such as Harvey Norman, Howards Storage World, The Good Guys, Mitre 10, Retravision.

Retail Sector
Organisations

[Australian Retailers Association](#)
[Food and Beverage Importers Association](#)
[Australian Food and Grocery Council](#)

E-commerce

Internet access

The Australian Bureau of Statistics reported that there were around 13.5 million internet subscribers in 2017 – a 4.7% increase on the previous year. In addition, Sensis finds that 87% of Australians access the internet daily with averages showing that each spends 10 hours a day on an internet connected device. The average number of Internet-enabled devices owned is three. Australia remains one of the leading global users of the smartphone with 88% of the population owning at least one, the market growth currently being driven by older generations . When it comes to search engines, Google is the absolute leader with a market share of 94.8%, followed by Bing (3.7%) and Yahoo! (0.92%).

E-commerce market

According to eMarketer, Australia’s retail e-commerce market was worth US\$ 20.2 billion in 2017, representing 7.3% of the country’s total retail market. Australia’s retail commerce market is expected to expand to US\$ 28.9 billion by 2021 and to account for 9.7% of total retail sales in the country, thanks to the emergence of new online stores and the availability of easier payment methods. Marketplaces (eBay, Etsy) are the most popular channels. Amazon launched operations in Australia in December 2017. Woolworths is the leading grocery shopping website of Australia. Among the most popular specialised online stores in Australia we can also mention JB Hi-Fi and Kogan (home entertainment), The Iconic and Asos (fashion). Most e-shoppers prefer to purchase with desktop (59.6%) rather than mobile (40.4%), with mobile’s share expected to grow further in the near future. Australian online shoppers are ranked second in the world when it comes to shopping from cross border retailers, with cross border e-commerce expected to grow by 29% per year until 2020 (PowerRetail).

E-commerce sales and customers

In Australia, 25.1% of e-shoppers purchase online one or more times per week, with an average basket size value for online purchases of US\$ 132. While department & variety stores is Australia’s most popular category, the fastest growing e-commerce sectors are media and fashion. Consumers prefer retail and shopping apps over mobile

websites. Furthermore, 56% of consumers buy online to save money. Delivery costs significantly influence online purchasing and are the greatest barrier with 50% of consumers identifying cost as an issue and 92% citing free delivery as a reason to purchase online (Asendia Australia B2C eCommerce Report 2017). Consumers' generally prefer to see the product in person before buying. Though they might have different transaction costs associated with them, the use of credit cards is widespread in Australia and it remains the preferred payment method when purchasing online. Debit cards are also commonly used, together with PayPal and other similar online payment platforms. Australian banks also offer their own payment gateway services. Cheques and money orders have become increasingly rare, but are accepted by some merchants.

Social media

Almost eight in 10 Australians (79%) are now on social media, which is up 10% on last year. While usage is almost universal among people aged 18-29 (99%), the big jumps were in the 30-39 age group (+14% with a penetration of 96%) and the 40-49 age group (+16% to 86%). Facebook is the most popular social media platform, with 74% of total users. 17 million Australians are active Facebook users out of a total population of 24.4 million. Other popular social platforms are Instagram, with 5 million active users, followed by 4 million people registered on LinkedIn; the same number using Snapchat, 3 million Australians are on Twitter and YouTube has a total of 15 million unique Australian visitors (source ABS). According to a report by Sensis, 52% of small businesses, 46% of medium-sized businesses and 21% of large businesses have no social media presence. Of those that are active on social media 80% of small businesses, 73% of medium-sized businesses and 39% of large businesses are not yet using paid social media advertising.

Direct Selling

Evolution of the Sector

Australia's retail sales reached USD 1,185 in 2016, an 8% change in sales compared to 2015. The World Federation of Direct Selling Associations also estimates 641,000 independent representatives involved in this sector. Direct Selling Australia further claims 74% of the country's direct selling salesforce is female and divides its members' total sales as follows: complementary health care products (33%), cosmetics and personal care (22%), and household goods (27%). Direct selling has taken advantage of social media platforms such as Instagram, Facebook, and Twitter to create awareness and engagement with customers.

Surprisingly, Avon announced on February 15, 2018 that it would close operations in Australia (and New Zealand) by the end of the year. According to [Euromonitor International](#), Thermomix faced criticism due to malfunctioning food processors that led to second-degree burns, especially after the company took 1,201 days to submit mandatory incident reports that should have been delivered in 48 hours. In general, direct selling holds a very small percentage of total Australian sales. [Ibis World](#) goes as far as to suggest the industry is in the decline phase of its life cycle, expecting the industry to underperform the economy at a 1.7% vs 2.5% annualized rate the following 10 years.

Commercial Intermediaries

Trading Companies

Type of Organization

Being listed with the trading groups is an obligatory step for breaking into the hypermarket sales market. The cost of getting onto the listing can be substantial and promotional operations are at the supplier's expense. The distributors do not often

negotiate with foreign suppliers. That is why it is necessary to go through an Australian intermediary (a non-manufacturing importer, a manufacturer of similar products, a service company).

Main Actors	Robert Fergusson Pty Ltd (Electrical equipment) Gemcell Australia (Electrical equipment) The Buyers Independent Group of Australia (BIGA : plumbing, bathrooms)
Wholesalers	
Type of Organization	In addition to their role as a commercial intermediary, Australian wholesalers also offer services such as making up ranges, storage, repackaging, delivery, etc. Wholesalers are generally specialized in a certain type of convenience goods (food or not) or in equipment for industry and the craft industry.
Main Actors	Australia Wholesalers, wholesalers' directory

Using a Commercial Agent

The Advantages	As far as marketing strategy is concerned, using a commercial agent is important, especially for an SME. Most often these are exclusive agents for the whole of the country, and are essential intermediaries.
Where to Be Vigilant	The agent should be chosen for his motivation, his interest in the product, his references (his address book) and the range of products he is in charge of. Supplementary commercial investments will be necessary to support the agent's work: training, catalogs, samples of products, etc. Regular communication and a system of reporting should be set up.
Elements of Motivation	The system of commission and the projected amount of commission are essential elements in an agent's motivation. Supervision and close contact may be necessary for a good follow-up of the agent's activity.
The Average Amount of Commission	An agent on commission is paid according to the turnover he achieves. Percentages vary according to sectors and amounts of contracts between 0.5% and 20%. 15% is frequently the rate.
Breach of Contract	The termination of an agency contract is carried out with one to three months' notice. The agent is entitled to compensation if he is not the cause of the breach of contract.
Finding a Commercial Agent	Realcommercial (en anglais) Alibaba

Learn more about [Traders, Agents in Australia](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Setting Up a Commercial Unit

The Advantages	<p>In Australia a person can do business as an individual businessman, or in a partnership, through a trust or joint-venture or yet through a company. Most foreign companies do business within a subsidiary company, held partly or 100%, or within an Australian subsidiary.</p> <p>Setting up locally in Australia will offer the determining advantage of proximity in a context of large scale export and marked geographical distance. It will also allow you to send your Australian partners and customers a clear sign of dynamism and determination as regards your desire to set up in the long term and to do what is necessary to build a lasting relationship.</p>
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Where to Be Vigilant	You have to adapt to the local context and to your commercial objectives, so you must be vigilant about the structure you choose.
Different Possible Forms of Settlement	
A Representative Office	In the hypothesis that a foreign company does not intend to do business, it is enough for the company to set up a representative office. This type of office only allows the company to carry out promotional or representative activities. As regards taxation, a representative office is usually considered to be non-resident.
A Branch Office	A branch office can take and fill orders and carry out a marketing or advertising program, recruit the sales force and carry out promotional activities. Setting up a branch office is considered as a direct investment and must be declared to the authorities. A foreign company can be registered as an Australian branch (Registration as a foreign company). This may be preferable if one of the company's objectives is to consolidate trading results rather than set up the foreign parent company. A branch office does not require directors to be Australian residents but must have a registered office address and a statutory agent responsible to fulfill the requirements of the Corporations Law.
A Company	Foreign companies can set up an Australian subsidiary either by registering a new company or by acquiring a company which is already registered (a shelf company) but which has not yet started business operations. In Australia this is a simple, inexpensive and flexible formula. It allows companies especially to get back local VAT at 10% and, if need be, to set up advantageous transfer prices with the parent company.

Franchising

Evolution of the Sector	<p>There are more franchising outlets per capita in Australia than in any country in the world. According to the Franchising Australia Survey 2016, franchising sales reached US\$ 146 billions, and there are now estimated to be more than 79,000 business format franchise units operating in the country.</p> <p>The retail (non-food) industry dominates the Australian franchising sector, with 26% of brands operating in this segment. Behind this, 19% of franchise brands are found in accommodation and food services, 15% in administration and support services, and 10% in other services such as personal services, automotive repairs and IT. A total of 92 % of franchise systems are home grown, and, on average, Australian franchises have been operating for 21 years, and franchising for 13 years. To be successful, franchisors must be flexible to "Australianize" their systems in order to suit the local market.</p> <p>The Australian franchise industry is heavily regulated by the Australian Competition and Consumer Commission since 1998 when it enacted a Franchising Code of Conduct in the Competition and Consumer Act. On 14 September 2017, the Fair Work Amendment (Protecting Vulnerable Workers) Act 2017 (Cth) was enacted. This law amends the Fair Work Act in a number of respects, but it is the following critical amendments that impact on franchising. The new law introduces a new civil penalty liability for franchisors.</p>
Some Big Franchises	List of the biggest franchises by sector
For Further Information	Franchise Council of Australia

Finding Assistance

Export Trading Companies	Directory of trading companies
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Learn more about [Sales in Australia](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Buying

CUSTOMS PROCEDURES

Export Clearance	You must fill in a Customs declaration with a description of the goods exported. The Integrated Cargo System (ICS) analyses this information and issues an Export Declaration Number. For further details, consult the Customs website.
Necessary Declaration	Consult the Australian Customs website.
Restrictions	Importing certain arms, antibiotics, pesticides and a large number of other products from many sectors is prohibited. Consult the Customs website.
Export Taxes	There are no export taxes.

INDUSTRIAL AND MANUFACTURING PROFILE

Type of Production	As a country which has traditionally imported finished goods, industrial production in Australia occurs on a modest scale with 21% of the Australian active population employed by the sector and 27% of GDP (versus the services sector which boasts 70% of the labour force and 70% of the GDP). The manufacturing industry is built up around the agri-food industry, mining, machines and equipment, processing metals and metal goods and the petrochemical industry. Sectors such as automobile, building and agri-food equipment frequently use sub-contractors and offer certain opportunities.
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Type of Manufacturers

Original Equipment Manufacturers	OEMs in Australia are generally manufacturers of spare parts for the automobile industry, the mining industry, and industrial and electronic equipment.
Original Design Manufacturers	A few subcontractors have had to adapt to the requirements of their industrial clients and take a bigger part in the industrial production process. They have gone from the simple task of making parts to that of helping with decision making or marketing. They are exceptions as in the furniture sector.
Subcontractors	Subcontracting is an extensive and dynamic sector. It is particularly well-developed in the fields of the automobile industry, the mining industry, aeronautics, industrial equipment for electronics and textiles. Australian subcontractors provide high-quality services and products as their workforce is highly qualified. Some subcontractors are also chosen for their renown. They are appreciated for their ability to innovate which, nevertheless, would deserve investment in Research and Development which they cannot always carry out because of the need to reduce production costs.
Useful Resources	AusIndustry

IDENTIFYING A SUPPLIER

Business Directories

Multi-sector Directories	All.biz - Australia - Directory of companies in Australia. Australian directory online - Directory of businesses located in Australia Australian Exporters Directory - Directory of exporters in Australia provided by Australian Exporters.
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- [Australian Planet](#) - A search engine for companies in Australia.
- [Australian Suppliers Directory](#) - Australian database provided by Austrade.
- [Auswholesalers](#) - Australian wholesalers guide.
- [Business.com](#) - Australian business online.
- [Industry Search](#) - Australia's supplier directory and information resource for manufacturing, mining, engineering, transport, construction, farming, electronics and more.
- [Industry Search](#) - Australia & New-Zealand database.
- [Nationwide](#) - Business directory of Australia.
- [Possum Pages](#) - The fastest way to find it on the Internet
- [Yellow pages](#) - Find a business in Australia.
- [Zipleaf](#) - Business directory for several countries in the world.

Marketplaces

- Domestic Marketplaces
 - [AustraliaTradeNow.com](#)
 - [Trade with Australia](#)
 - [Busytrade.com](#)

Other Useful Resources

- Trade Agencies and Their Representations Abroad
 - [Australian Chambers of Commerce](#)
 - [Offices of AUSTRADE abroad](#)
- Fairs and Trade Shows
 - [Cebit](#)
 - [FoodPro](#)
 - [Sydney Boat Show](#)
 - [National construction Exhibition](#)
 - [Exhibition and Event Association of Australasia](#)

Learn more about [Service Providers in Australia](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

CONTROLLING THE QUALITY OF THE PRODUCTS

- Quality Control Organizations
 - [Australian Quality Management](#)

ORGANIZING GOODS TRANSPORT TO AND FROM AUSTRALIA

- Main Useful Means of Transport
 - As an isolated continent and island, maritime transport is important to Australia's international trade. Air transport is used principally for perishable or fragile goods. On average each year 350 million tonnes of goods transit through Australian ports. The road network links the capitals and a number of regional centers. While road transport represents more than 70% of goods trafficked, the Australian rail network is proving to be a profitable and competitive alternative.

By Sea

Ports	Port of Melbourne Sydney ports Brisbane Ports Newcastle Port
Transport Professionals	Shipping Australia
Government Transport Organisations	Ministry of Transport

By Air

Airports	Melbourne Airport Sydney Airport Brisbane Airport Adelaide Airport Perth Airport
Transport Professionals	QANTAS Portal for freight airline companies Australian Air Express
Government Transport Organisations	Civil Aviation Safety Authority

By Road

Transport Professionals	Freight transport company
Government Transport Organisations	Department of Infrastructure, Transport, Regional Development and Local Government (Roads) The Australian Transport Safety Bureau.

By Rail

Transport Professionals	Rail Australia Pacific National
Government Transport Organisations	Ministry of infrastructure

Learn more about [Sourcing in Australia](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Operating a Business

LEGAL FORMS OF COMPANIES

Sole trader	Number of partners: 1 person. Capital (max/min): No minimum capital. Shareholders and liability: The liability of the sole trader is unlimited.
Private or Proprietary Company	Number of partners: One or more. Capital (max/min): No minimum capital. Shareholders and liability: The partners' liability is limited to the amount of capital contributed.
Public Company	Number of partners: One or more. Capital (max/min): No minimum capital. Shareholders and liability: The partners' liability is limited to the amount of capital contributed.
Partnership	Number of partners: Two or more. Capital (max/min): No minimum capital. Shareholders and liability: Liability is joint and unlimited for all partners.
Limited Partnership	Number of partners: At least one general partner and one limited partner. Capital (max/min): No minimum capital. Shareholders and liability: Unlimited for general partner, limited to capital for limited partner if they do not participate to the company management.
Enterprises Federation	State Department for Regional Development of Small Enterprises Small Enterprise Association The Council of Small Business of Australia Ltd
Find a Company or a Financial Report	ASIC , Australian Securities and Investments Commission

BUSINESS SETUP PROCEDURES

Setting Up a Company	Australia
Procedures (number)	3.00
Time (days)	2.50

Source: *Doing Business*.

For Further Information	Consult Doing Business Website , to know about procedures to start a Business in Australia. Australian Business Register
The Competent Organisation	Australian Security and Investment Commission (ASIC)

Recovery Procedures

Principle	Via Debt collectors who are paid on commission, then through the legal framework and the appeal system. Up to 40 000 AUD: recoverable by a local court. Up to 750 000 AUD, by a District Court, and above this by the High Court.
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For further information, consult [FINDLAW AUSTRALIA](#).

Minimum Debt-to-Capital Ratio Triggering Liquidation	According to Australian legislation, a company starts being in a bankruptcy situation either when a creditor files a claim with the Insolvency and Trustee Service of Australia which sends a bankruptcy notice, or when there is a creditor petition. The Federal Court determines whether the company has committed an act of bankruptcy.
Bankruptcy Laws	Bankruptcy Act 1966 (en anglais) Amendment Act 2007
Reorganization and Rehabilitation Laws	Bankruptcy Act 1966 (en anglais) Amendment Act 2007

THE ACTIVE POPULATION IN FIGURES

	2012	2013	2015
Labour Force	12,270,000	12,440,000	12,500,000

Source: CIA - The World Factbook

	2015	2016	2017
Total activity rate	64.70%	64.60%	64.49%
Men activity rate	70.44%	70.60%	70.69%
Women activity rate	58.57%	58.47%	58.37%

Source: ILO, Laborstat - Yearly Statistics

Employed Persons, by Occupation (% of Total Labour Force)	2014
Wholesale and retail trade; repair of motor vehicles and motorcycles	15.3%
Human health and social work activities	12.1%
Construction	9.0%
Manufacturing	8.7%
Education	7.9%
Accommodation and food service activities	6.7%
Professional, scientific and technical activities	6.4%
Public administration and defence; compulsory social security	6.3%
Transportation and storage	5.2%
Administrative and support service activities	3.7%
Financial and insurance activities	3.6%
Information and communication	3.3%
Agriculture, forestry and fishing	2.8%
Mining and quarrying	2.2%
Arts, entertainment and recreation	1.9%
Real estate activities	1.5%

Employed Persons, by Occupation (% of Total Labour Force)	2014
Electricity, gas, steam and air conditioning supply	0.7%
Water supply; sewerage, waste management and remediation activities	0.5%

Source: *ILO, Laborstat - Yearly Statistics*

WORKING CONDITIONS

Opening Hours

Legal Weekly Duration	38 hours
Maximum Duration	Maximum duration: 10 hours a day and 48 hours a week.
Night Hours	Between 9pm and 6am.

Working Rest Day 2 days a week, generally Saturday and Sunday.

Paid Annual Vacation 4 weeks' vacation.

Retirement Age There is no legal retirement age. Retirement is negotiated with the employer. However, employees are authorised to request a pension as follows:
 - Men: from 65
 - Women: 64.5

Child Labour and Minimum Age For Employment
 In New South Wales, Northern Territory, South Australia and in Tasmania the minimum age is 14 years for casual and part time employees.
 In Victoria the minimum age is 15 years.
 In Queensland the [Child Employment Act](#) requires employees who have not yet finished year 10, to provide parental consent to commence work. Employees under 16 may only work 12 hours during a school week (38 hours a week during school holidays), with each shift being a maximum of 4 hours Monday to Friday and 8 hours Saturday and Sunday.
 In Western Australia the employees under 15 years of age need to provide parental consent to commence work. For legislative reasons employees under 16 year of age may not work during school hours and those under 15 years of age may only work between the hours of 6am to 10pm.
 In Australian Capital Territory the recommended minimum age for full time employment is school leaving age (i.e 15 years of age). It is possible to be employed below this age for a maximum of 10 hours per week. However if you wish to be employed for more than 10 hours per week, prior approval must be obtained from the Chief Executive of the Department of Housing, Disability and Community Services.

Informal Labour Market Undeclared work is made up especially of working hours only partially declared and undeclared overtime. Moonlighting is a reality in Australia.

THE COST OF LABOUR

Pay

Minimum Wage	AUD 17 per hour (source: ILO, 2014, latest available data). According to Australian government data, the minimum wage was AUD 3 011 per month in 2017.
Average Wage	Gross average monthly wage: AUD 5,529 (source: ILO, 2014, latest available data). According to Australian government data, the average weekly wage reached AUD 1 191 in 2018.
Other Forms of Pay	
Pay For Overtime	Saturday work is 1.5 times the basic hourly rate and Sunday work twice the basic hourly rate.
Pay For Rest Days Worked	Leave loading exists in Australia: +17.5% of the hourly rate for vacation days.
Pay For Night Hours	+ 30% of the rate on a full-time basis.
Pay For Overtime at Night	Double the hourly rate.

Social Security Costs

The Areas Covered	Medicare covers an essential part of health expenses.
Contributions	Contributions Paid By the Employer: A superannuation fund or retirement savings account contribution of 9.5% of the employee's ordinary time earnings (OTE) base (up to AUD 50,810 per quarter) is paid by employers. This rate is expected to be maintained until 30 June 2021. Contributions Paid By the Employee: A Medicare levy of 2% applies to residents that qualify for the service.
Competent Organization	Australian Fair Pay Commission

MANAGEMENT OF HUMAN RESOURCES

Recruitment

Method of Recruitment	More and more applications are made by Internet. The classic method of preliminary interviews with agencies then recruitment by face to face interview is practised in Australia.
Recruitment Agencies	Michael Page , AC People and Polyglot (specialized in European profiles).
Recruitment Websites	CareerOne My Career (en anglais) SEEK Government agency

The Contract

Type of Contract	There are two main types of work contracts. These are the permanent and fixed-term contracts. A permanent contract is an individual contract in which an employee is employed on an ongoing basis until their employer ends the relationship. The fixed-term employment contract is similar in terms of employee rights, but ends after a
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specific period of time or the completion of a task. All Australian employees are entitled to contracts that, at minimum, uphold the rights stipulated in the *Fair Work Act of 2009*.

Awards are industry-specific standards that stipulate working conditions and minimum-wage rates. Enterprise agreements are tailored to suit particular enterprises. For more information, visit the [FWC](#).

Breach of Contracts

Retirement	There are no different forms of retirement in Australia and no minimum age for retirement. In the 2010-11 Federal Budget the government announced that the superannuation guarantee rate will gradually increase from 9 % to 12% between July 2013 and July 2019.
Dismissals	An employee who is dismissed has only one week's notice (none at all in the case of dismissal for professional misconduct). There is no administrative authorization for dismissal.
Labour Laws	Australian Industrial Relations Commission ParlInfo Consult Doing Business Website , to obtain a summary of the labour regulations that apply to local enterprises.

Dispute Settlement

Conciliation Process

Cases of Dispute	Unfair dismissal or unlawful termination. The number of industrial disputes is low by historical standards but has been increasing. In the year ended September 2012, 302,000 working days were lost due to strikes compared to 214,000 during the previous year. 206 industrial disputes were recorded compared to 190 during the previous year.
Legal Framework	Before going to court, there is a conciliation procedure. This is carried out within the framework of the commission (AIRC) whose very function is to settle disputes. The commission conducts hearings, etc.
Procedure	Defined in the Workplace Relations Act 1996 . A transition Act was passed by Parliament on 28 March (Transition to Forward with Fairness) Act 2008 .

Judicial Structures

Legal Framework	Defined in the Workplace Relations Act 1996 .
Competent Legal Body	Australian Industrial Relations Commission (AIRC)

Social Partners

Social Dialogue and Involvement of Social Partners	There are about 132 unions in Australia organised by trade associations. Because of the increase in the proportion of the workforce which is not unionised, the credibility of the unions has diminished over the last few years, but strong relations continue to exist between unions and the Labour Party. Legal provisions govern work contracts. The <i>2009 Fair Work Act</i> and other laws passed
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have insured a national standard of workplace arrangements. The new system provides a unique ensemble of simple rules, which can be applied nationally. The [Workplace Relations Act](#) which includes the new rules for WorkChoices is available for downloading. The main responsibility of the [Fair Work Ombudsman](#) (OEA) is to supervise the enforcement of agreements in the work context. The OEA also provides:

- advice and information for employers and employees who wish to draw up a contract together
- assistance for employers and employees to understand the [Australian Fair Pay and Conditions Standard](#)
- it verifies the legitimacy of agreements between employers and employees before they come into force
- it explains the content of agreements to people with specific needs (for example: young people or people from a non-English speaking background).

Unionisation Rate	In Australia it is not compulsory to join a union. Unions are represented by the Australian Council of Trade Unions (ACTU); these represent more than 2 million Australian workers, i.e. 22% of the labour force.
Unions	Australian Council of Trade Unions (ACTU)
Regulation Bodies	Department of Employment

Learn more about [Operating a Business in Australia](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Investing

FDI IN FIGURES

After an economic slowdown due to the international financial crisis, FDI flows to Australia have been strong since 2011 (with the exception of 2015), driven by the energy sector. According to the [World Investment Report 2019](#) published by UNCTAD, Australia stays the world's 8th top economy in terms of FDI inflows in 2018. In 2018, FDI inflows increased by 43%, and reached \$60 billion (a record level). This increase is mainly due to M&A sales in financial and insurance activities (\$19 billion). Investment in extractive industries remained moderate in 2018. Moreover, Australia established a new online application portal to facilitate the process of foreign investment applications. FDI stocks reached more than \$682 billion in 2018, a slight decrease (-0.9% compared to 2017). The main investing countries in Australia are the United States, the United Kingdom, Belgium, Japan, Kong Kong, Singapore, Luxembourg, the Netherlands, China, and France. These investments are mainly oriented towards the mining sector, manufacturing, finance and insurance, real estate and trade. While Australia's resources sector, which has traditionally been attractive for foreign investment, continues to receive investor interest, the services sector is now receiving greater attention.

Australia was ranked 18th out of 190 countries in the World Bank's [2019 Doing Business report](#), a slight decrease from 2018, when it ranked 14th. The country is one of the most open countries to foreign direct investment among OECD member states, with FDI representing over a third of the country's GDP. That is thanks to its economic liberalism, stability, transparency of its legal system and strong economic growth over the last 25 years, which compensate for the narrowness of its market and its geographic isolation. Australia recently introduced a series of changes to its foreign investment framework by simplifying the existing regulation. The new legislation is designed to ensure that foreign investment is appropriately assessed, and that national interest factors are properly considered. The government supports a case-by-case approach to considering foreign investment proposals, and in case proposals are found to be contrary to the national interest they can be either rejected or asked to be modified. This flexible approach is preferred to hard and fast rules, because the government believes that rigid laws that prohibit a class of investments can stop valuable investments. For that reason, they believe their approach maximises investment flows and protects Australia's interests. In 2017, GFG Alliance, acquired Arrium, an Australian steel and mining business. The acquisition included the Whyalla Steelworks, associated iron ore mines, the Port of Whyalla and the associated steel manufacturing, recycling and distribution businesses. The purchase price was not disclosed, however, it was one of the most important M&A in Australia that year.

Foreign Direct Investment	2016	2017	2018
FDI Inward Flow <i>(million USD)</i>	45,522	42,294	60,438
FDI Stock <i>(million USD)</i>	606,140	689,396	682,866
Number of Greenfield Investments***	407	412	421
FDI Inwards <i>(in % of GFCF****)</i>	15.3	n/a	n/a
FDI Stock <i>(in % of GDP)</i>	45.8	n/a	n/a

Source: UNCTAD, Latest available data.

Note: * The UNCTAD Inward FDI Performance Index is Based on a Ratio of the Country's Share in Global FDI Inflows and its Share in Global GDP. ** The UNCTAD Inward FDI Potential Index is Based on 12 Economic and Structural Variables Such as GDP, Foreign Trade, FDI, Infrastructures, Energy Use, R&D, Education, Country Risk. *** Green Field Investments Are a Form of Foreign Direct Investment Where a Parent Company Starts a New Venture in a Foreign Country By Constructing New Operational Facilities From the Ground Up. **** Gross Fixed Capital Formation (GFCF) Measures the Value of Additions to Fixed Assets Purchased By Business, Government and Households Less Disposals of Fixed Assets Sold Off or Scrapped.

FDI STOCKS BY COUNTRY AND INDUSTRY

Main Investing Countries	2018, in %	Main Invested Sectors	2018, in %
United States	26.7	Mining and quarrying	37.8
United Kingdom	16.4	Manufacturing	11.1
Belgium	9.0	Financial and insurance activities	11.1
Japan	6.5	Real estate activities	10.6
Hong Kong (SAR of China)	3.4	Wholesale and retail trade	5.9
Singapore	2.4	Information and communication	2.8
Netherlands	2.3	Construction	2.3
Luxembourg	2.2	Electricity, gas, and water	2.2
China	1.8	Transport and storage	2.0
France	1.4	Accommodation and food service activities	0.9
Germany	1.4		
Canada	1.4		
Switzerland	1.4		

Source: [Australian Department of Foreign Affairs - Statistics on who invests in Australia](#)- Latest available data.

Form of Company Preferred By Foreign Investors Proprietary Limited companies (PTY Ltd)

Form of Establishment Preferred By Foreign Investors The subsidiary company

Main Foreign Companies All the multinationals and large world groups are present in Australia, from petroleum companies such as [BP](#) or [CALTEX](#) to aeronautical companies with [BOEING](#) and [AEROSPATIAL](#), to telecommunication companies ([VODAFONE](#), [ALCATEL](#)) or services ([AXA](#), [ALLIANZ](#)). More than 900 multinationals have their regional headquarters or operational centers in Australia.

Sources of Statistics [Australian Bureau of Statistics](#)

WHAT TO CONSIDER IF YOU INVEST IN AUSTRALIA

Strong Points Economic conditions in Australia are excellent. Australia's main assets are:

- Strong growth
- Stable and judicially reassuring business environment
- Large reserves of natural resources
- Good quality business climate and infrastructure
- Strategic location close to Asia
- Low public debt
- An attractive tourism destination

Weak Points Disadvantages for FDI in Australia are:

- Reduced competition in some sectors can limit returns on scale
- Lack of investment in transport and telecommunication infrastructure sometimes

slows down growth in some sectors
 High household debt
 Australia is vulnerable to variation in commodity prices
 High dependence on Chinese demand (although the Australian economy has shown its resilience)
 Particular vulnerability to climate change
 Lack of qualified workforce

Government Measures to Motivate or Restrict FDI Foreign companies get assistance, especially for productive investment, R&D, professional training and job creation. For some years, the amount of administrative formalities for setting up foreign companies has been reduced. Foreign investors benefit from the same rights as nationals.

The Australian government has a proactive policy towards FDI. Several agencies are working to implement its affect on the regional level.

Consult the [Australian government website](#), which outline aid available to investors.

PROTECTION OF FOREIGN INVESTMENT

Bilateral Investment Conventions Signed By Australia Yes
 International Controversies Registered By UNCTAD No
 Organizations Offering Their Assistance in Case of Disagreement ICC , The International Chamber of Commerce
 ICSID , International Center for settlement of Investment Disputes
 Member of the Multilateral Investment Guarantee Agency Yes

Country Comparison For the Protection of Investors

	Australia
Index of Transaction Transparency*	8.0
Index of Manager’s Responsibility**	2.0
Index of Shareholders’ Power***	8.0

Source: Doing Business - Latest available data.

Note: *The Greater the Index, the More Transparent the Conditions of Transactions. **The Greater the Index, the More the Manager is Personally Responsible. *** The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action. **** The Greater the Index, the Higher the Level of Investor Protection.

PROCEDURES RELATIVE TO FOREIGN INVESTMENT

Freedom of Establishment Yes
 Acquisition of Holdings There is a mixed regime that has been made more flexible since it was set up in 1975.

However, the purchase of a local firm by a foreign company can always be refused by the controlling authority, on the grounds that it would be contrary to national interests. [Consult the FIRB \(Foreign Investment Review Board\) website.](#)

Obligation to Declare [The agency for the promotion of foreign investment](#) in the country gives information about the authorisations necessary for setting up business in Australia. Some investments must be declared to the [FIRB](#). These include acquisitions, substantial acquisitions of holdings, and taking control of Australian companies whose assets are valued at more than AUD 50 million; the creation or setting up of a new business when it goes over AUD 10 million (over AUD 100 million of investment the FIRB will make a detailed study) and direct investments carried out by foreign governments.

Competent Organisation For the Declaration [FIRB](#)

Requests For Specific Authorisations The media, the banking sector, air transport and mining concessions are subject to restrictions; the FIRB can provide details.

Learn more about [Foreign Investment in Australia](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

OFFICE REAL ESTATE AND LAND OWNERSHIP

Possible Temporary Solutions There are several temporary solutions: domiciliation of the company at the private address of the director, domiciliation in a business center, lodging in relay-workshops , company incubators and renting professional premises.

The Possibility of Buying Land and Industrial and Commercial Buildings Production sites can be built with the help of [INVEST Australia](#) and administrations of the different Australian States such as the [DSRD](#). The Australian Government announced in early 2015 new fees for foreign property investors, to be paid to the Foreign Investment Review Board (FIRB). The Government has also established a foreign ownership register of agricultural land, which is extended to residential land and water entitlements.

Risk of Expropriation According to Australian law, foreign investors are entitled to compensation if they are victims of expropriation.

INVESTMENT AID

Forms of Aid Subsidies, discounts and reductions of costs, tax exemptions, loan guarantees, payment of expenses for personnel training

Privileged Domains The Australian government encourages investment essentially in Research and Development and in the creation of new industries. The Department of Industry, Science and Tourism ([DIST](#)) plays a vital role in these incentive policies. Allowances are granted to investors who take part in certain Research and Development activities in high technology sectors.

Privileged Geographical Zones None

Free Zones There are some free zones in Australia, such as the Northern Territory Trade Development Zone, which have been established to attract multinationals.

Organizations Which Finance Invest Australia is the agency for the promotion of investment in Australia. It finances aid to investment and publishes an investor's guide.

INVESTMENT OPPORTUNITIES

The Key Sectors of the National Economy	Agri-food, the mining and agricultural sectors, logistics, agrarian machines.
High Potential Sectors	Biotechnologies, environment, infrastructure
Privatization Programmes	Electricity production
Tenders, Projects and Public Procurement	AusTender , Annual Procurement Plan List SA Tenders and Contracts , Public Procurement opportunities within Australia Tenders Info , Tenders in Australia DgMarket , Tenders Worldwide

SECTORS WHERE INVESTMENT OPPORTUNITIES ARE FEWER

Monopolistic Sectors	The Australian government still maintains legal monopolies in public service companies: the postal service (Australia Post) and the rail network.
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FINDING ASSISTANCE FOR FURTHER INFORMATION

Investment Aid Agency	Invest in Australia (Australian Trade and Investment Commission) Invest Victoria Invest in New South Wales Invest in South Australia
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