Australia: “Taking your Business Down Under”

Zoë Munro

July 10, 2019
Great Lakes St. Lawrence Governors & Premiers

• Formed in 2015, building on 30 years of collaboration through the Council of Great Lakes Governors

• Chief executives of:

- Illinois
- Indiana
- Michigan
- Minnesota
- New York
- Ohio
- Ontario
- Pennsylvania
- Québec
- Wisconsin

• Growing the region’s $6 trillion economy and protecting the world’s greatest freshwater system
Great Lakes St. Lawrence Governors & Premiers
Award-Winning Project Portfolio

Economy
- Promoting SME Exports
- Growing Strong Clusters
  - Maritime Transportation
  - Tourism
  - Cruising
- Attracting Foreign Investment

Environment
- Managing Sustainable Water Use
- Restoring and Protecting the Great Lakes St. Lawrence
GSGP Trade Missions have assisted over 500+ Great Lakes companies to export their products and services to 23 international markets:

- Abu Dhabi
- Argentina
- Australia
- Brazil
- Chile
- Czech Republic
- Colombia
- Dubai
- Germany
- India
- Indonesia
- Mexico
- New Zealand
- Peru
- Poland
- Romania
- South Africa
- Qatar
- Québec
- Tanzania
- Thailand
- Turkey
- Vietnam
- UAE
- United Kingdom
AUSTRALIA: TAKING YOUR BUSINESS DOWN UNDER
OPPORTUNITIES IN THE AUSTRALIAN MARKET
Australia

Australia is the **6th largest country** in the world (by size) after Russia, Canada, China, USA & Brazil

*The world's largest island!*

**Total Population**: ~25.2 million

The three most populous states account for ~78% of the total population:

- **New South Wales (NSW)**: ~8.0 million residents (32%)
- **Victoria (VIC)**: ~6.5 million residents (26%)
- **Queensland (QLD)**: ~5.1 million residents (20%)

*According to most current [ABS Statistics](https://www.abs.gov.au) (30 December 2018)*
28th year of consecutive annual economic growth.

Rated AAA by all three global rating agencies.

Forecast to realise average annual real GDP growth of 2.8 per cent over the next five years - the highest among major advanced economies.

5th largest economy in the Asian region (14th largest in the world.)

Nominal GDP is ~US$1.5 trillion, accounting for 1.7% of the global economy.

Source: Austrade - Why Australia: Benchmark Report, 2019
Key partner for growth in Asia

International companies can tap into Australia’s deep business and cultural ties with Asia

10 of the Australia’s top 12 export markets are within the Asian region

Export to the region account for more than two-thirds of Australia’s total goods and services export earnings

Source: Austrade - Why Australia: Benchmark Report, 2019
New South Wales (NSW) Economy

- NSW is Australia’s largest state economy: Gross State Product (GSP) of ~$410 billion in 2017-18.

- The NSW economy recorded a strong GSP growth rate of 2.6% in 2017-18, driven by inward migration, lower interest rates, a lower Australia dollar, a large state infrastructure program, and growth in Construction and its supporting service industries.

- NSW has a service driven economy: services account for ~3/4 of economic activity and 90% of employment.

- NSW is particularly strong in:
  - financial services
  - professional, scientific & technical services
  - property services
  - information media
  - telecommunications sectors.
The Victorian State economy has experienced **23 years of continuous economic growth**.

The economy generated ~**US$319 billion GSP** in 2016-17, accounting for ~**23% of national GDP**.

In 2016-17, Victoria **exported ~US$38 billion** (~12.9% of national exports) and **imported ~US$75 billion** (26.4% of national imports) in goods and services.

Exports more than 80% of Australia's **dairy exports**, 48% of Australia's **horticultural exports** and 39% of Australia's prepared food exports.

Victoria's **transport equipment industry** contributes approximately US$2.6 billion to the economy each year.
Globally successful in five key industries:

- Resources & energy
- Agribusiness
- Financial services
- Education
- Tourism

### Australian Levels of Government

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Winning Government Contracts

- 3 levels of Government: Federal, State and Local
- All have their own tender sites: Austender (Federal Government tender site)

www.tenders.gov.au

Australian Government’s procurement information system

Provides centralised publication of Australian Government business opportunities, annual procurement plans and contracts awarded.

Register to receive automatic email notification of matched business opportunities as they are published.
The Australia-United States Free Trade Agreement (AUSFTA), enacted in January 2005, has improved cooperation in bilateral trade and investment by eliminating/reducing duties and tariffs on manufactured goods, agricultural products, metals/minerals etc.

2018 Australia-US highlights:

1. Australia was the 16th principal export destination and the 34th principal import source for the USA.
2. Services totalled ~US$19 billion in 2018
3. Merchandise trade totalled ~US$32.7 billion
4. Australian investment in the USA totalled ~US$503 billion
5. USA investment in Australia totalled ~US$658 billion

Source: Australian Government Department of Foreign Affairs and Trade – United States of America Trade and Economic Fact Sheet, 2019
Australia – USA Trade Relationship

Major US imports from Australia

- Beef
- Other meat
- Aircraft, spacecraft & parts
- Pharmaceutical products (excl. medicaments)

Major US exports to Australia

- Passenger motor vehicles
- Aircraft, spacecraft & parts
- Medical instruments
- Telecom equipment
- Measuring & analyzing instruments

Source: Australian Government Department of Foreign Affairs and Trade – United States of America Trade and Economic Fact Sheet, 2018
GSGP has a long-standing and successful trade relationship with Australia, with member states exporting over US$8.2bn in goods to Australia in 2018.

GSGP’s key exports to Australia are:

- Industrial machinery;
- Transportation equipment;
- Chemicals;
- Computer & electronic products;
- Miscellaneous manufactured commodities;
- Healthcare and medical technology; and
- Scientific instruments.
Australian organisations are actively engaging with international suppliers

• Over the last several decades, Australian manufacturing of high-tech goods, electronics, industrial tools, equipment and machinery has declined to levels where it is a necessity to engage with international suppliers to meet local market demand.

• As new projects come online and gain momentum, Australian companies are increasingly looking overseas to strengthen supply networks, establish new supply pathways and collaborate on major projects.

• Australians will proactively research and reach out to companies with products/solutions that they are interested in.

• They will visit international trade shows and are open to meeting and learning about new products/solutions from visiting companies to market if it matches their business goals.
KEY DIFFERENCES/ CONSIDERATIONS

Size of the country and market

• Geographically Australia is roughly proportionate to the size of the continental U.S. However, the Australia population is closer to that of Texas.

• In addition to the vast population difference, GSGP companies are also encouraged to consider the size of Australian industry which is also much smaller in scale when compared to the US, Europe or its Asian neighbours.
Federal Government’s 10-year **National Infrastructure Plan**, ~US$57bn investment program announced as part of the 2018-19 Budget focused on building new and upgrading existing transport infrastructure across all eight Australian States and Territories.

**Key projects** prioritized in the 10-year infrastructure investment pipeline include:
- Melbourne Airport Rail Link (Victoria);
- Perth **METRONET** (Western Australia);
- Coffs Harbour Bypass (New South Wales); and
- Beerburrum to Nambour Rail Upgrade (Queensland).

**OPPORTUNITIES EXIST FOR GSGP COMPANIES IN THE FOLLOWING AREAS:**

- **INDUSTRIAL EQUIPMENT & AUTOMATED SYSTEMS**
- **CIVIL ENGINEERING & CONSTRUCTION**
- **TRANSPORT PLANNING & TRANSPORTATION EQUIPMENT**
- **ENERGY EFFICIENCY & REMOTE MONITORING SOLUTIONS**
From one city of Sydney to three “cities of Sydney” – New building plans in place

The population of the Greater Sydney region is forecast to grow from 5 million currently to 6 million within < 20 years.

The Three Cities Plan is the central and organizing principle of the Greater Sydney Commission, which was established in 2016 to lead and co-ordinate a metropolitan planning strategy aimed at maximizing economic growth whilst improving Sydney’s liveability, sustainability and productivity.

The Commission has emphasized the importance of Public Private Partnerships (PPPs) to deliver innovative solutions for major, city-shaping projects.

OPPORTUNITIES EXIST FOR GSGP COMPANIES IN THE FOLLOWING AREAS:

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- ENERGY EFFICIENCY & REMOTE MONITORING SOLUTIONS
Hot Sectors in Australia

MAJOR INFRASTRUCTURE - CITY PLANNING (SYDNEY)

Priorities:

**Connectivity**: Connecting the Western City through innovative road, trail, public transport, aviation and digital infrastructure.

**Construction & Planning**: Creation of an Aerospace Institute at the Badgerys Creek Aerotropolis, which will include a world-class STEM university; US$538m investment to plan, design and upgrade ~20 schools;

**Livability and Environment**: Supporting new community infrastructure under the A$150m (~US$115m) Western Parkland City Liveability Program.
Record investment to upgrade and expand water and wastewater services over the next three years in response to rapid urban growth in Sydney.

Sydney Water has released a Growth Servicing Plan 2017 - 2022 to ensure that critical water-related infrastructure is in place to support future growth in population and housing in rapidly developing areas of Sydney.

Combined, Sydney Water and the NSW Department of Planning have committed ~US$1.7 billion) funding from 2018 – 2020 to provide new and upgraded wastewater infrastructure in Sydney’s North West.

OPPORTUNITIES EXIST FOR GSGP COMPANIES IN THE FOLLOWING AREAS:

✓ WATER TECHNOLOGY
✓ RENEWABLE ENERGY
✓ WASTE WATER INFRASTRUCTURE
✓ WATER RECYCLING/ FILTRATION
Hot Sectors in Australia

HEALTHCARE / MEDICAL TECHNOLOGY

Total spending on health in Australia was ~US$125 billion in 2015–16. Aged care is a priority.

Health expenditure, as a proportion of GDP, is expected to double over the next 40 years.

Australia is a major importer of medicines, medical devices and equipment.

~80% of medical devices & diagnostics used in the market are imported (major suppliers are the US, the EU and Japan).

OPPORTUNITIES EXIST FOR GSGP COMPANIES IN THE FOLLOWING AREAS:

- Pharmaceuticals / Diagnostics / Medical Equipment / Preventative Healthcare Products
- IT & Software Products for Healthcare Management
- Aged Care Based Products/Services
- Clinical Trials
Hot Sectors in Australia

ICT / DIGITAL TECHNOLOGY

Australia is the **5th largest ICT market** in the Asia-Pacific region.

The Australian Government ICT spending is expected to reach ~US$4.6 billion by 2018.

The banking, finance & insurance segment remains the largest vertical in Australia with regard to ICT spending.

Government projects in sectors such as e-government, health & education will drive significant opportunities for the IT sector in Australia.

**OPPORTUNITIES EXIST FOR GSGP COMPANIES IN THE FOLLOWING AREAS:**

- **E-GOVERNMENT**
- **EDUCATION**
- **CLOUD COMPUTING & DIGITAL INFRASTRUCTURE**
- **NEW SOLUTIONS IN E-HEALTH**
- **CYBERSECURITY**
Hot Sectors in Australia

AGRICULTURE AND FOOD SECTOR

- Australia – significant **global exporter of wheat**, wool and meat. ~60% of Australia’s agricultural production is exported.

- Australia aims to respond to the increased **demand for high-quality food from Asia** (especially China), which will create the need for new technologies and manufacturing processes to increase productivity & reduce costs.

- Australia’s recent free trade agreements with Korea, Japan, and China create additional opportunities for Australian farmers to increase agricultural production and exports.

- **Australia imports ~95% of the agricultural equipment & machinery** (incl. tractors)

- Australian agriculture is worth ~US$43 billion industry today and is expected to double in value by 2030 (CEO, NSW Farmers).
Hot Sectors in Australia

MINING

• Australia is a global top five producer of gold, iron ore, lead, zinc and nickel and also has the world’s largest uranium and fourth largest black coal resources, respectively.

• 4th largest mining country in the world (after China, the United States and Russia), Australia will have ongoing demand for high-tech equipment.

• ~370 operating mine sites across the country with majority of mines in Western Australia (WA), Queensland (QLD) and New South Wales (NSW).

• Major capital-type goods including heavy earth moving equipment are typically imported and/or locally assembled by subsidiaries of foreign companies. Major players such as Caterpillar, Komatsu, Wirtgen, Joy Global and Liebherr have a strong presence in the market.

• Strong interest in automation technology such as driverless vehicles (trucks and trains), drills and excavation equipment.
Hot Sectors in Australia

WASTE MANAGEMENT

• Australia is one of the highest producers of municipal waste per person in the world (650 kilograms per person).

• Waste management is a hot topic in Australia with almost half of all waste disposed to landfill creating challenges in urban areas and across the country.

• Over the past 5 years, most state governments have introduced targets to reduce waste sent to landfill.

OPPORTUNITIES EXIST FOR GSGP COMPANIES IN THE FOLLOWING AREAS:

✓ MATERIAL HANDLING
✓ WASTE TRANSFORMATION
✓ RECYCLING TECHNOLOGY
✓ PRODUCT INNOVATION & DEVELOPMENT
Hot Sectors in Australia

According to the Space Industry Association of Australia (SIAA), Australia is one of only two OECD countries that does not currently have a national space agency.

In September 2017 the government committed to establishing a dedicated Australian Space Agency to act as an “anchor for domestic coordination and the front door for international engagement”.

The Australian Space Industry Capability Review identified some areas where Australia currently has weaknesses. These areas may present the most opportunity for GSGP exporters, and include:

- Low orbit satellites & related services;
- Design of instrumentation & sensors;
- Design, testing & manufacture of small satellites;
- On-board data processing & launch Tracking of space debris;
- Integration of space sourced data into ground-based applications;
- Robotics;
- Big data analysis; and
- Optical Communications;

OPPORTUNITIES EXIST FOR GSGP COMPANIES IN THE FOLLOWING AREAS:

- SATELLITES
- COMMUNICATIONS
- BIG DATA ANALYTICS
- ROBOTICS
Hot Sectors in Australia

SMART CITIES

The Federally Funded “Smart Cities and Suburbs Program” has grouped products and solutions that they will be looking to fund into 4 groups.

1. **Smart Infrastructure**: Improving the efficiency, reliability, delivery and maintenance of infrastructure and essential services.

2. **Smart Precincts**: Making community precincts more liveable, productive, sustainable and safe.

1. **Smart Services and Communities**: Delivering community focussed local government services.

2. **Smart Planning and Design**: Building adaptable and resilient cities through improved land use, strategic planning and governance.
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Australia Trade Mission 2019

November 18-22, 2019

• Multi-Sector Trade Mission to Sydney and Melbourne, Australia
• Optional add-on to New Zealand
• Customized one-on-one business appointments with interested buyers and other prospective business partners set up by the GSGP Australia Trade Office

Mission registration deadline: August 16, 2019

➤ Mission Participation Fee US $1,500 per person (each additional participant $500)

➤ Customized B2B Meeting Schedule
  • US $5,500 USD* ($0 in MI, OH & PA)

➤ Grant funding is available in many States to offset travel costs and mission fees.
Mission Itinerary

Friday, November 15:
• Participants depart for Sydney, Australia

Sunday, November 17:
• AM: Participants arrive in Sydney, Australia
• PM: Informal Dinner

Monday, November 18:
• AM: Country Briefing
• PM: Business meetings in greater Sydney

Tuesday, November 19:
• Business meetings in greater Sydney

Wednesday, November 20:
• AM: Depart for Melbourne
• PM: Business meetings in greater Melbourne

Thursday, November 21:
• Business meetings in greater Melbourne

Friday, November 22:
• Business meetings in greater Melbourne

Saturday, November 23
• Depart for US/Canada
Australia Trade Mission 2019

- In-country market business briefings and networking events
- In-country staff support of GSGP
- Group assistance with logistics
Trade Mission Website

Other GSGP Trade Missions in 2019-2020

Vietnam and the Philippines
March 16-20, 2020

• Multi-Sector Trade Mission to Ho Chi Minh and Manila
• Mission Participation Fee US $1,500 per person (each additional participant $500)

Vietnam US $3,000
Philippines US $3,000 USD ($0 in MI, OH & PA)

Trade Mission Registration Deadline: December 15, 2019

Grant funding is available in many States to offset travel costs and mission fees.

Japan
May, 2020

http://www.gsgp.org/projects/international-trade/trade-missions/
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