



Exporting to **AUSTRALIA**

—
A guide for clients



Going Global



#GlobalAmbition



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The **Covid-19 pandemic** has created a new set of challenges for the Australian market.

Enterprise Ireland is responding to the global crisis by working with Irish exporters to help them avail of business response supports announced by the Government. These supports are designed to help businesses stabilise and adapt to the evolving situation, in preparation for getting back on the road to recovery.

Visit the Covid-19 business response



Going Global



Canberra

Capital



Australian Dollar

Currency



25.5m¹

Population



\$57,071²

GDP per capita



1.9%³

GDP Growth 2019



7.5%⁴

Unemployment 2020



€279m⁵ +25%

Enterprise Ireland Client Exports (2019)



For more information: Watch video



Why Export to Australia

Australia has one of the strongest, most competitive and open economies in the world. Historically seen as suffering from its remoteness from Europe, today Australia benefits from its strategic location on the doorstep of Asia. This strategic proximity matched with world-class infrastructure and an excellent quality of life, underpin Australia's impressive economic record, making the country an attractive place to do business.

The Australian economy is mature, stable and highly developed. Its location on the doorstep of Asia has enabled it to take advantage of the region's rapid economic development. Today, the Australian economy is the 14th largest in the world at €1.2 trillion.⁶

The country has a strong tradition of international trade, supplying energy and mineral resources to the fast-growing Asian economies. The country is the world's largest producer of iron ore, gold and uranium and the second largest producer of liquefied natural gas (LNG). The country also produces a significant amount of coal.

As Australia's economy has developed, it has put a greater emphasis on professional services and technology. Telecoms, financial services, education and scientific and technical services all constitute an increasing share of the Australian economy. The country's open trade policies and skilled workforce have helped facilitate a vibrant internal economy.

Other Enterprise Ireland client companies are selling into Australia, so why aren't you?

- Until the Covid crisis, Australia enjoyed 28 years of economic growth, the only developed economy in the world to achieve this.
- The economy is estimated at €1.3 trillion in 2018, making it the world's 14th largest economy by nominal GDP.⁷
- Strategic location allows Australia to serve as a beachhead for companies looking to enter the Asia-Pacific market.
- Australia is one of the easiest places in the world to do business, ranking 14th out of 190 economies.⁸
- Negotiations are well under-way in relation to an EU-Australia FTA. Australia and the EU have also agreed to begin negotiations on an EU-Australia FTA.
- Australia is the world's 4th most economically free economy in the world⁹, making it one of the most favourable in which to do business.
- One of the world's most highly educated and multilingual economies, Australia has a high-quality workforce that can help companies do business in Asia.



Why Export to Australia

(continued)



Sectoral successes

- Australia has some of the world's largest mineral reserves and is a strategic supplier to rapidly developing Asian economies like China.
- Australia has one of the world's largest, most sophisticated financial services sectors. The country has deep and liquid financial markets, with over a trillion euro of fund assets under management.¹⁰
- Australia is the third most popular destination in the world for foreign students enrolled in higher education. Australia has the third highest number of universities in the world's top 100.¹¹

- Australia is ranked 7th on the Travel & Tourism Competitiveness Index.¹²
- Significant infrastructural investments in telecommunications and transport infrastructure are underway by state and local government.
- High-tech healthcare system with significant investment in new hospital and healthcare facilities.



Covid 19 impact on Australian economy

The Covid crisis has tipped Australia into its first recession in 28 years, with GDP forecast to drop by 6% in 2020. Globally, however, this drop compares quite favorably with other developed economies and is forecast to convert to a GDP growth of 7% in the first half of 2021. The Australian governments have adopted a very cautious approach in terms of border controls, with many internal state borders closed until at least October 2020 and international borders closed to foreign visitors until at least Quarter 1 2021.



Going Global



Get Ready to Do Business in Australia



English speaking with an international mindset, the Australian economy has long been built on trade and Australian business has shown a willingness to adopt the best of international innovations.



Travelling and geography

Australia commands a vast expanse of territory and with just over 25 million people, it is one of the least densely populated countries on earth. Yet it is also highly urbanised with most of the population living in its main cities. Sydney and Melbourne are the joint economic centres of Australia, with Brisbane, Perth and Adelaide also having significant, albeit smaller, populations.

Depending on the time of year, there is between a two and three-hour time zone difference between Perth and Sydney. With a nine hour difference in summer and 11 in winter, the vast time difference between Dublin and Sydney can make servicing the market from Ireland a challenge. Irish companies, however, have taken advantage of this time difference to employ a follow-the-sun approach to servicing their global customer bases, with an Australian office allowing for a near 24-hour service offering.



Business culture

Irish businesses should have little difficulty traversing cultural barriers in Australia. Australian companies need to see a commitment from your organisation in servicing the Australian market. Servicing Australia from abroad is not a sustainable strategy in most cases.

Avoid visits to market from mid-December to the end of January as these are prime holiday times. Be aware the Australian financial year runs from 1st July to 30th June and therefore many key decisions are made between mid-May and mid-July.

The Australian egalitarian approach to life is reflected in its business culture and can be seen in both corporate structures and communication style. Australians can be quite direct and matter of fact in their tone and prefer if this approach is reciprocated.



Servicing the market

One of the biggest challenges for Irish companies is how to service customers 15,000 km away. In most cases a local presence should be established, or partner secured, as directly servicing the market from Ireland is difficult in most industries. Companies should be prepared to invest time to come to the market to meet with possible partners before selecting a company which is the best fit.

Hiring someone with industry knowledge can be an excellent way to build a presence. Companies should take a hands-on approach to onboarding and supporting their hire as the time difference can leave them isolated from the wider organisation.

Depending on the type of market, logistics can be a challenge. Companies should confirm what areas of the country a partner will service as smaller agents tend to operate only in regional markets.

In light of global travel restrictions in 2020, we are advising all clients to regularly review the Government of Ireland advice at www.gov.ie/, travel advice from the Department of Foreign Affairs, business continuity advice from the Department of Enterprise, Trade and Employment and the World Health Organisation website.



Get Ready to Do Business in Australia

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Regulation, visas, customs

Customs

While the Australian legal system is like Ireland's in many respects, Irish business should be aware of the Australian legal requirements and regulatory controls around your product or service. Depending on the product, tariffs may also be applicable, and a license may be required to export your product. Australian import tariffs are generally low (0-5%).

Visas

To enter Australia a visa is required. An eVisitor visa may be received for visits up to three months. If an Irish company establishing operations in Australia needs to transfer employees to work in their Australian entity, their overseas employees will typically need to obtain a Temporary Skills Shortage 482 Visa to work in Australia.

Setting up a company

The World Bank rates Australia as having the fourth easiest process for setting up a business in the developed world.¹³ Irish firms should first establish themselves as a corporate entity in Australia either as a branch or as an Australian subsidiary company. A branch structure requires applying for an Australian Registered Body Number (ARBN) and a subsidiary must apply for an Australian Company Number / Australian Business Number (ACN/ABN). Commercial factors and Irish taxation issues will determine which structure or subsidiary structure you adopt in Australia.

Examples of non-tariff barriers to trade

Strict and complex regulations

Some examples of non-tariff barriers include;

Stringent Australian & NZ Specific Import, Sanitation, Biosecurity, Food Safety, Product Testing & Labelling Requirements; Costly & Bureaucratic Licences, Permits & Registrations (i.e. TGA); Laws Governing Data Retention & Cloud Computing; Decentralised State Regulations (i.e. Tenders, Taxes); etc.

Restrictions on the flow of Financial, Intellectual & Human Capital

Examples of such restrictions include; Limited sources of local investment, funding and financial capital; restricted flow of skilled human capital due to strict visa restrictions; threat of common law precedents over trade marks, designs, patents & copyright; high labour costs & higher company taxes.

To surmount many of these barriers it is advisable for companies to work closely with local experts who can best help them to navigate the intricacies of both markets.



Get Ready to Do Business in Australia

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ROUTES TO MARKET

Direct Sales

Australia's English speaking, open economy means that many Irish companies have, in their early stages of market entry, utilised a direct sales approach to win their first customers and assess the opportunity. Following a company's first significant win in the market, the learnings can then be used to build a more comprehensive market plan for partner selection or local set-up if required.

Strategic Partnership

Partnering with an Australian based company can often be a successful strategy to win sales. Partnerships can come in many forms depending on the nature of the business such as agents, joint ventures, distributors and wholesalers.

Companies should identify their criteria for their partner and perform all necessary due diligence and assessment. Australia's vast size means many potential partners will only operate in certain geographic areas. Some Irish companies have found themselves locked into exclusivity agreements with regionally based distributors, inhibiting their growth nationally. The ideal partner will have an intimate knowledge of your target market, an established network, a proven track record and will be aligned to your market strategy.

Local Office

Traditionally, Irish companies who have established a direct presence on the ground have enjoyed the fastest and most sustainable growth. International companies establishing a corporate entity must choose between a subsidiary or branch (see setting up a company, page 5). A local hire demonstrates a company's long-term commitment to the market and offers a dedicated resource to build leads, support customers and drive sales. An Australian local office can also give companies the ability to service the wider Asia-Pacific region.



Going Global



Key Growth Opportunities in Australia



Despite the uncertainties of the Covid pandemic, the Australian economy is projected to continue growing at a robust pace in the coming years.¹⁴

Recovering commodity exports and high levels of private consumption and infrastructural investment have buoyed growth, making Australia consistently one of the top performing industrialised economies. The Reserve Bank of Australia is projecting growth of -6% by end of 2020 and 5% growth by end of 2021.¹⁵

Commodity exports have long been the bedrock of the Australian economy with China's rapid industrialisation in recent years driving demand. Iron ore, the largest mineral in Australia's mineral exports, enjoyed a sharp rise in prices between 2008 and 2014. While prices have come off their peaks, exports have grown consistently year-on-year. Exports to China, which purchases over 80% of Australia's iron ore shipments,¹⁶ are expected to continue to grow over the years ahead, as are shipments of coking coal to India, another significant export market.¹⁷

Australia's domestic service sector has also performed strongly and accounts for a growing share of the country's exports.¹⁸ Education and tourism exports are expected to grow at a rate of between 6% to 7% over the next decade.¹⁹ Australia also boasts a growing start-up ecosystem.



Healthcare and Life Sciences

State and Federal Government have invested heavily in healthcare infrastructure in recent years through such projects as the Victorian Comprehensive Cancer Centre and the newly opened Royal Adelaide Hospital in South Australia. Australia's many private hospitals have been receptive to technological innovations in recent times and Information and Communications Technology (ICT) for the healthcare market is expected to grow at a compound annual rate of 12.3% between 2013 and 2020, reaching an estimated market value of \$2.21 billion by 2020.²⁰



Consumer Centered Care

Like most developed economies, Australia has an ageing population. The Federal Government has reformed its home-care support based on a consumer directed care model to give consumers control of how their funds are spent.²¹ This consumer-focused approach is also evident in the new National Disability Insurance Scheme (NDIS) which has been recently rolled out across Australia. These initiatives are causing significant upheaval in the market and offer opportunities for new entrants targeting these niche sectors.²²



Digital Health

Australia's vast geographic size has led it to be a pioneer of telehealth technologies used to deliver healthcare to remote communities, including access to specialists.²³ New technologies in ITC for healthcare such as cloud-based applications and data sharing are driving new initiatives in e-health, such as the rollout of a national electronic health record.



Digital Tech/HR tech and e-learning

Australia's highly-skilled workforce and business friendly policies have led to a growing tech ecosystem. Between 2014 and 2020, the contribution of digital technologies to Australia's economy is forecast to grow 75% to €87 billion.²⁴ Australia is also ranked 1st globally for technological readiness.²⁵

Education is a significant industry in Australia generating over €14 billion for the Australian economy. Australia is also the third most popular destination for international students in the world.²⁶ Australia's education market includes some 10,000 schools, 660 vocational training institutions and 43 universities²⁷. With its large size and low density of population, Australia has traditionally been a leader in distance education facilities with over 1000 online education providers²⁸. The internet has greatly facilitated the provision of education



Key Growth Opportunities in Australia

(continued)

in remote locations. There are more than 1,100 online education providers in Australia, generating approximately €3.3 billion in revenue²⁹. With student demand expected to surge further, industry revenue is forecast to increase by an annualised 4.5% over the next five years to €4.2 billion.³⁰ Today Australia is a leading pioneer of data analytics and alternative platforms and the Edtech market is expected to grow to €1.17 billion by 2021³¹.



Fintech

The Asia-Pacific region is the fastest growing region in the world for financial technology with Sydney and Melbourne acting as financial hubs for the wider Asian-Pacific region. The state mandated retirement scheme has led the growth of a significant investment funds sector and Australia has the 6th largest managed fund assets under management, valued at roughly €1.7tn.³²

Australia is currently rolling out its New Payments Platform (NPP). This will transform the way payments are made in Australia, speeding up transfers and reducing collection costs through real-time clearing and settlements. The new platform will have implications across peer-to-peer payments, e-commerce and is expected to facilitate future innovation in the Australian Fintech sector.



Telco

The telecoms sector has experienced some of the fastest growth of any industry in Australia, enjoying a compound rate of 5.2% a year between 1991 and 2016.³³ The market is dominated by Telstra, Optus and Vodafone.

The Australian Government is currently rolling out the National Broadband Network (NBN), a fibre-optic, fixed wireless and satellite infrastructure to replace the existing broadband infrastructure across the country. The NBN is the largest infrastructural project in Australian history³⁴ and will lay the foundations for greater digital innovation in the years ahead.



Construction/ Oil and Gas

The Australian construction sector navigated through a mining slowdown in recent years, while strong residential property prices have driven growth in the construction sector, although these are thought to be approaching a peak. Population growth, coupled with continued Chinese investment in the Australian property sector, will continue to drive new residential projects, particularly in Melbourne and Sydney. Despite 2018 seeing a slow down in the market there is still a shortage of housing encouraging construction.

Engineering construction will remain robust, boosted by infrastructure projects like the NBN and Badgerys Creek Airport in Sydney. Continued

Australians are rightly proud of their coffee culture, particularly in Melbourne and Sydney. While “catching up for a coffee” can often have informal connotations elsewhere, in Australia it’s commonplace to talk business in less formal surroundings than an office.



investment in public sector infrastructure by State and Federal Government will support this growth. Large infrastructure projects in the pipeline include a second international airport and a new metro rail project for Melbourne. Other planned projects include the new Canberra University Hospital and Sydney’s second north-south road tunnel for Sydney harbour.

While mining investment has fallen from the highs of 2013, when it accounted for over 8% of Australian GDP, the mineral sector remains a key component of Australian exports. LNG production is booming with Australia projected to become the world’s largest exporter of LNG by 2019.



Agribusiness

Australia has one of the most productive agricultural industries in the world with exports of AUD \$50 billion in 2018/19. The country’s vast size and diverse climates allows it to produce a wide array of agricultural commodities such as beef, wheat, wool, dairy, sugar, lamb and wine. With nine of its top 10 export destinations in Asia and the country’s reputation as a quality producer, the sector is expected to grow significantly over the coming years. Australia has a small domestic agricultural machinery market and imports around 95% of its agricultural equipment and machinery. Before product delivery, agricultural machinery may need to be thoroughly tested and modified to suit the demanding conditions of the Australian environment.



Things to Consider

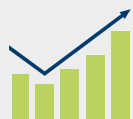
Unlike many of Ireland's main export destinations, the Australian economy is anchored to the rapidly growing Asian market which allowed it to avoid most of the fallout from the global financial crisis. The country's strategic location has allowed Irish companies to gain a foothold in the fastest growing region in the world. Similar legal systems and business cultures have allowed many Irish companies to enter and scale quickly. David Eccles, Director of Enterprise Ireland Australia has remarked that "The ANZ region remains highly receptive to Irish technologies, particularly where there is already an embedded track record of success and recognition of the calibre of solutions available".

Before you go...



Market Landscape

What is the size of your target market? Is it dominated by a few strong players or fragmented with many small competitors?



Market trends

What are the current market trends for the sectors you will be targeting? If there is an obvious gap in the market, find out why: it may exist for a reason.



Target market

How does your target market make buying decisions? Who are the relevant decision makers – what are their job title and responsibilities?

Australia's cultural, legal and regulatory similarities matched with a multi-lingual population and free trading mindset make it the ideal launchpad for Irish businesses looking to enter the Asia-Pacific region. Speak to our Australia team to find the route to growth for your business down under.



Market Segmentation

Who are your most probable customers, where are they located, how and what else do they currently buy, who are their influencers and what "need" are you fulfilling?



Market Competition

Who are your rivals in the market and how do their offerings compare with and differ from yours?



Market Research Resources

Being abreast of local market trends, especially in your sector, will help enormously when it comes to building your knowledge of the Australian market.

Enterprise Ireland's Market Research Centre offers client companies access to market intelligence in the form of company, sector, market, and country information to explore opportunities and compete in international markets.

See www.enterprise-ireland.com/en/Export-Assistance/Market-Research-Centre/ for more information on the market research facilities available.



Helping You Win in Australia



After you get there...

As a first-time entrant to the Australian market, your brand may be totally unknown. To build market presence as efficiently as possible, take an integrated approach to marketing including:

- Company website should be updated to accommodate international enquiries and sales, as well as being an online brochure. Having significant customer endorsement by an Australian customer or by an internationally recognised brand would be beneficial.
- Where possible set up a .com.au domain and use localised search optimisation and search engine marketing techniques.

Enterprise Ireland assists clients entering new markets with:

Pre-Visit Support

- Sector overview
- Validation of the opportunity for your product or service
- Evaluation of your market entry strategy
- Suggested channels to market
- Competitor analysis
- Relevant contacts/suggested itinerary

In-Market Supports

- Introductions to buyers and decision makers
- Identification of potential partners
- Facilitating buyer visits to Ireland
- Assistance with product launches and workshops
- Securing reference sites

International Trade Events Programme

- Inward buyers' missions to Ireland
- Group stands at international trade fairs
- Overseas trade missions

- Market study visits
- Client knowledge seminars
- Networking events with market contacts

Additional Supports

Introductions to specialists in all areas, including legal, recruitment, PR and taxation.

Access to mentors

Enterprise Ireland has built up an excellent network of individuals in these markets who are available to work with Irish client companies looking to develop their business. This includes market and sector specialists, business accelerators and members of Irish business associations.

Connections into key organisations

- Embassy of Ireland, Australia (www.dfa.ie/irish-embassy/australia)
- Irish Australian Chamber of Commerce (www.irishchamber.com.au)
- The Lansdowne Club (www.lansdowneclub.com.au)
- Ireland Western Australia Forum (www.irelandwaforum.org)



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Rialtas na hÉireann
Government of Ireland



**Ireland's EU Structural and
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2014 - 2020**

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European Union
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Ireland's European Structural and Investment Funds Programmes 2014-2020.
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