

# Australia

## A story of economic strength and resilience

January 2011



Australian Government



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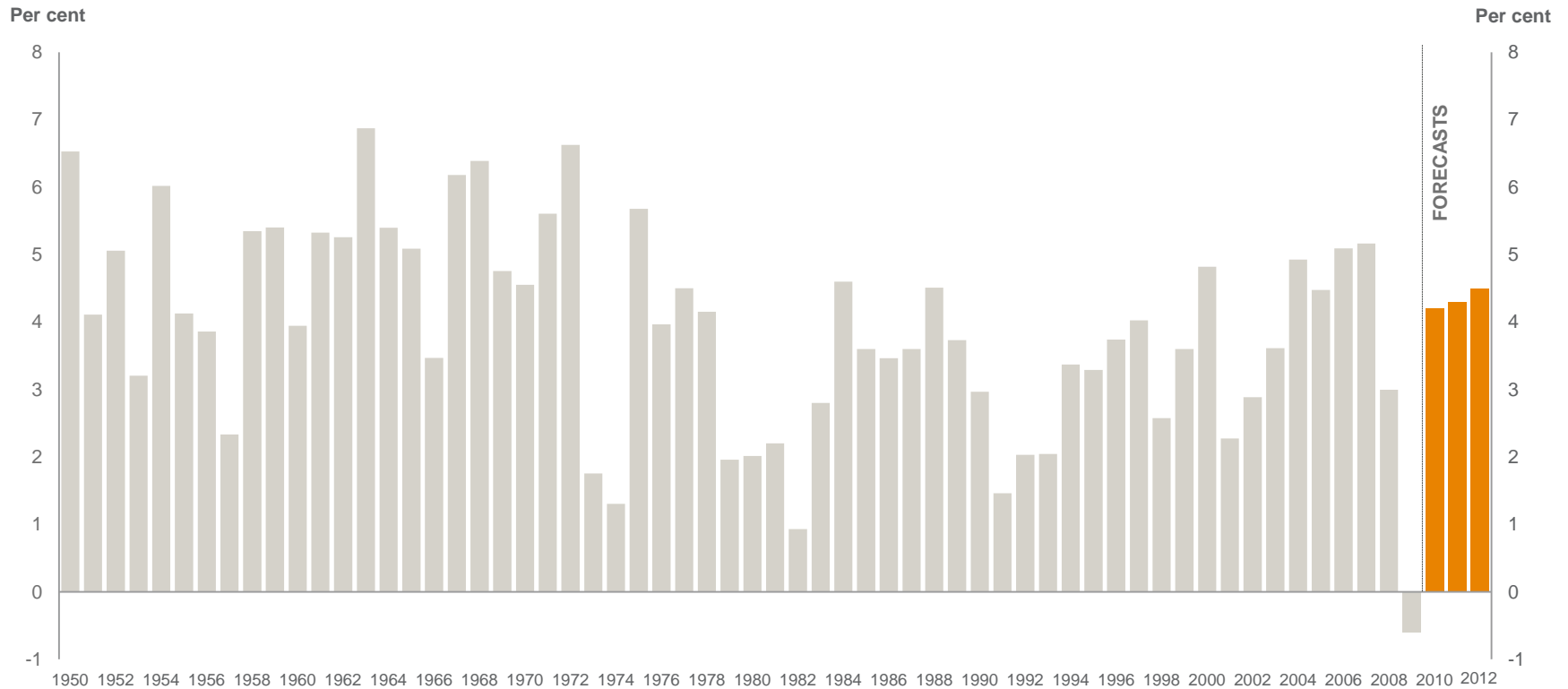


Economic strength  
and resilience



Economies around the world have been confronted with the most challenging global financial and economic conditions in 75 years.

## Global GDP growth (Annual average growth)

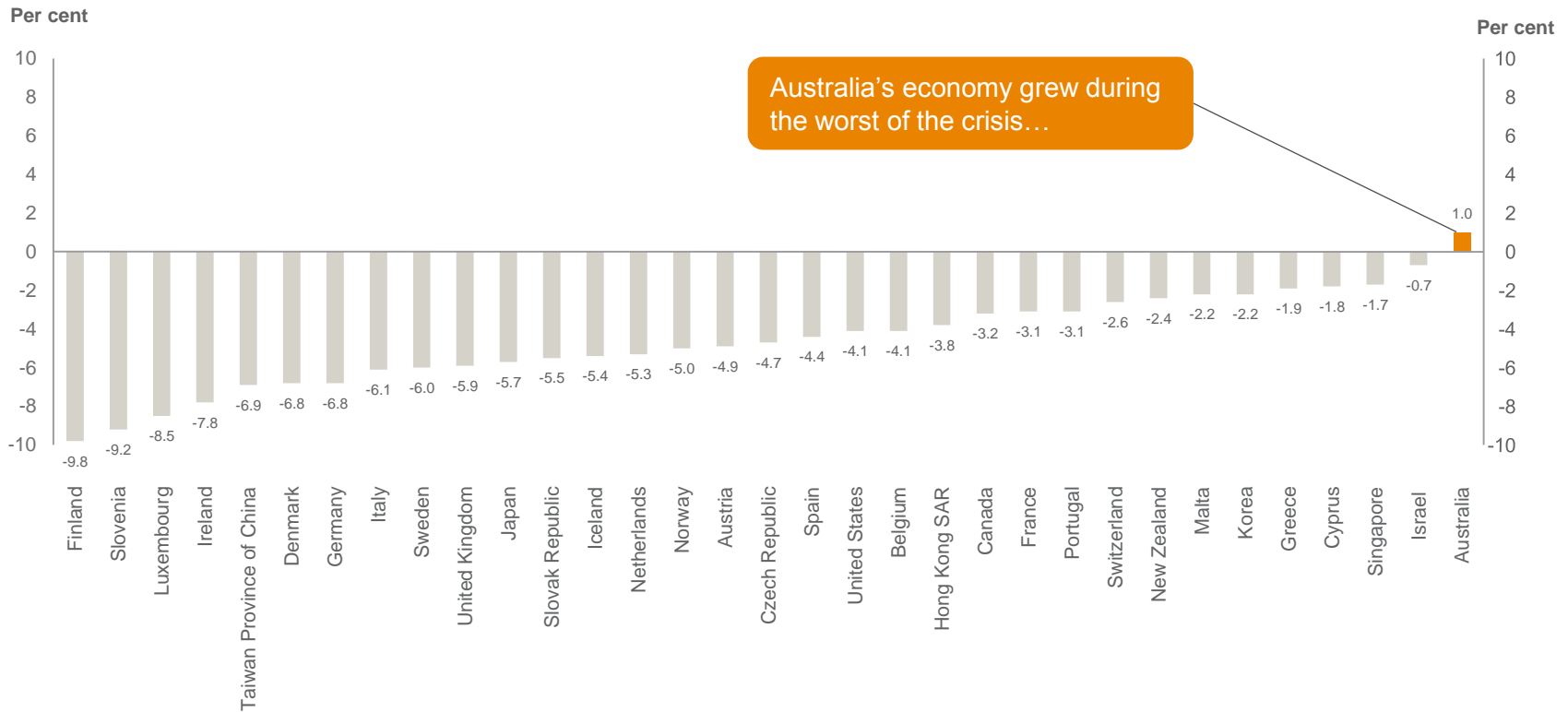


Source: International Monetary Fund (IMF). (Forecasts from World Economic Outlook (WEO), update July 2010).

# Australia maintained stronger growth through the worst of the crisis than any other advanced economy...

## GDP growth of IMF advanced economies

(Through the year GDP growth – June 2009)



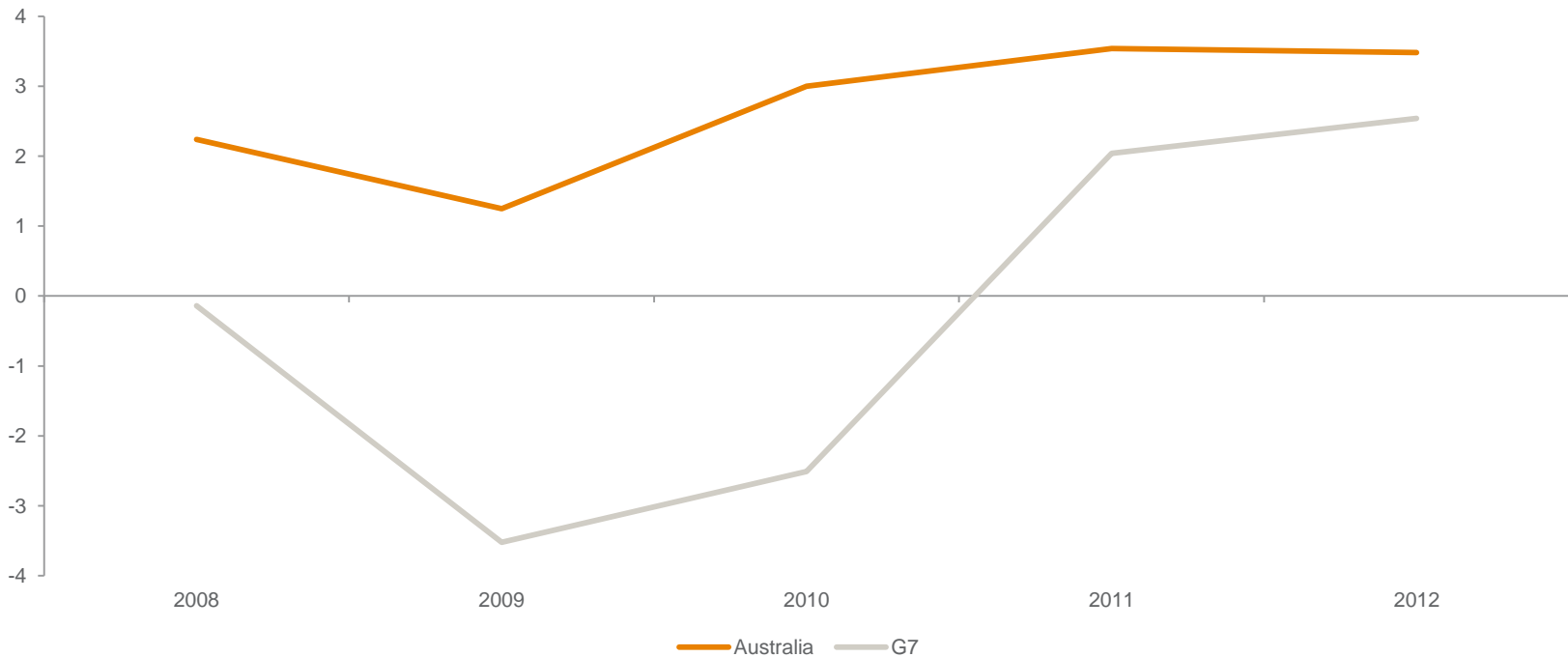
Source: National Agencies.

...and Australia's economic growth has continued to outperform.

## GDP growth of IMF advanced economies

(Through the year GDP growth – June 2009)

Per cent

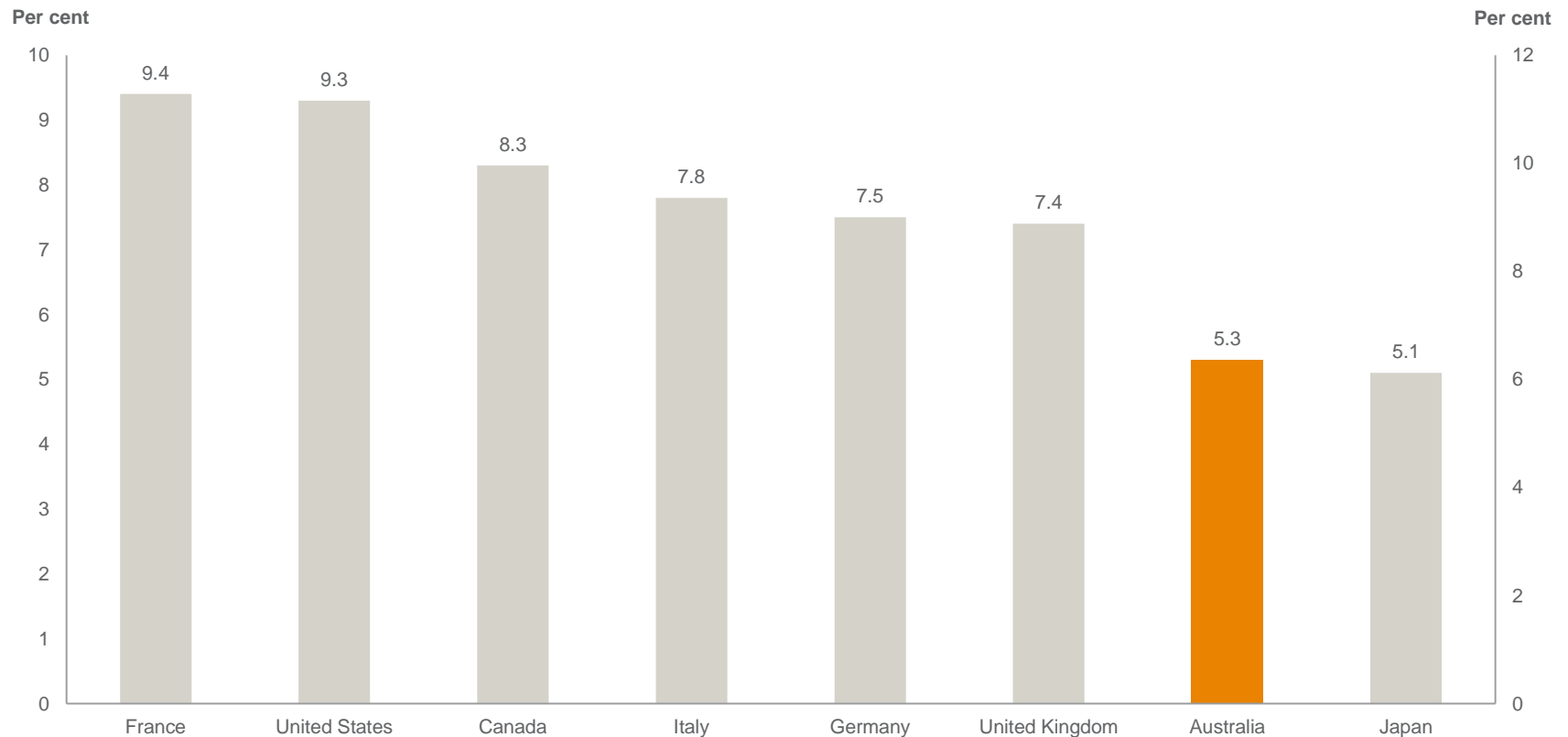


Source: IMF WEO October 2010.

# Australia's unemployment rate is lower than that of nearly all major advanced economies...

## Unemployment rates in major advanced economies and Australia

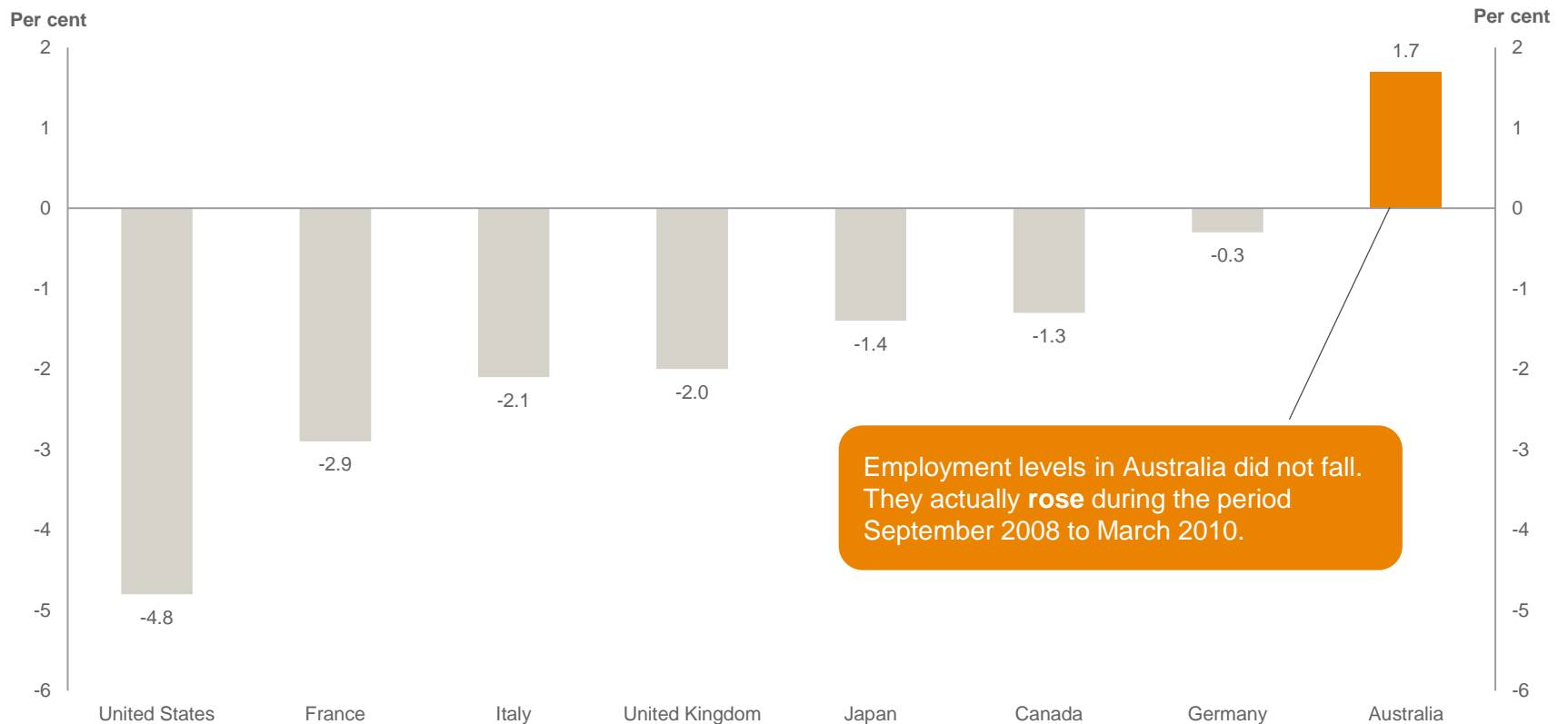
(Unemployment rates latest available)



Source: IMF and Australian Bureau of Statistics, Cat. No. 6202.0. Data is based on latest available at July 2010. Figure for Australia is September 2010.

...and our labour market has fared better since the onset of the crisis.

## Changes in Employment: September 2008 to current



Employment levels in Australia did not fall. They actually **rose** during the period September 2008 to March 2010.

**Note:** Current data for Australia, Canada and the United States is March 2010, February 2010 for Japan, Germany, and UK, and the December 2009 quarter for France and Italy.

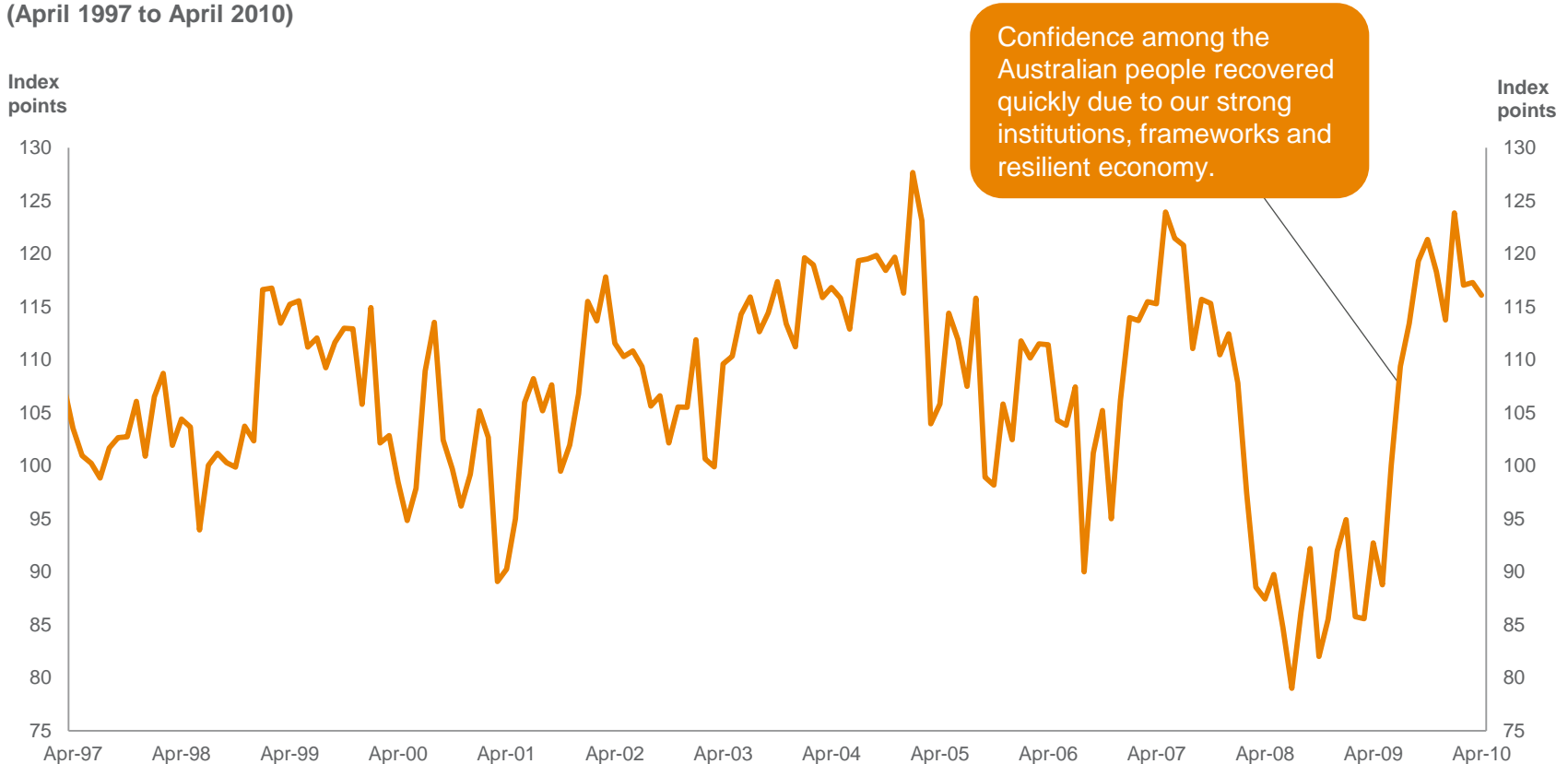
Source: National Agencies and Australian Bureau of Statistics, Cat. No. 6202.0.



# Strong fundamentals enabled consumer confidence to recover quickly...

## Westpac-Melbourne Institute Survey of Consumer Sentiment

(April 1997 to April 2010)

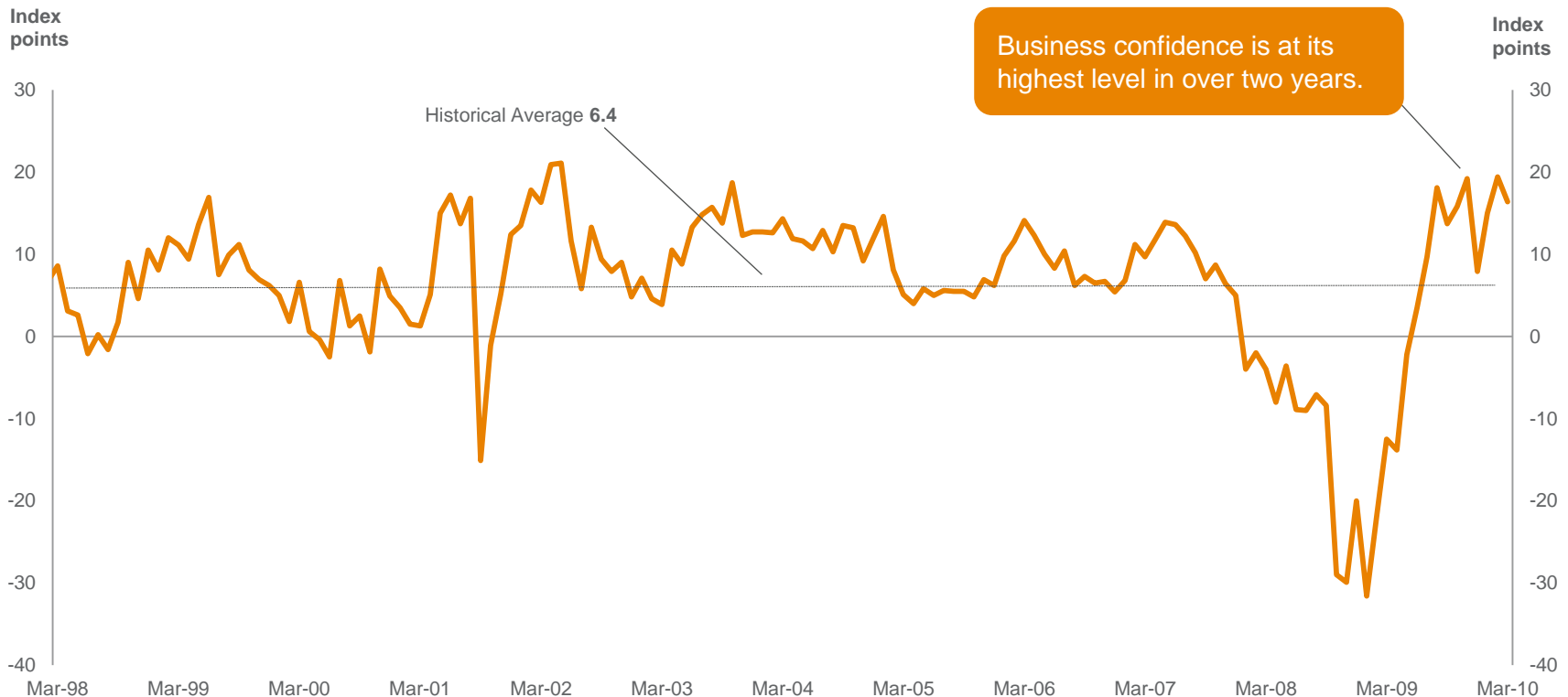


Source: Westpac-Melbourne Institute Survey of Consumer Sentiment.

...and business confidence has quickly rebounded back above pre-crisis levels.

## NAB Business Survey

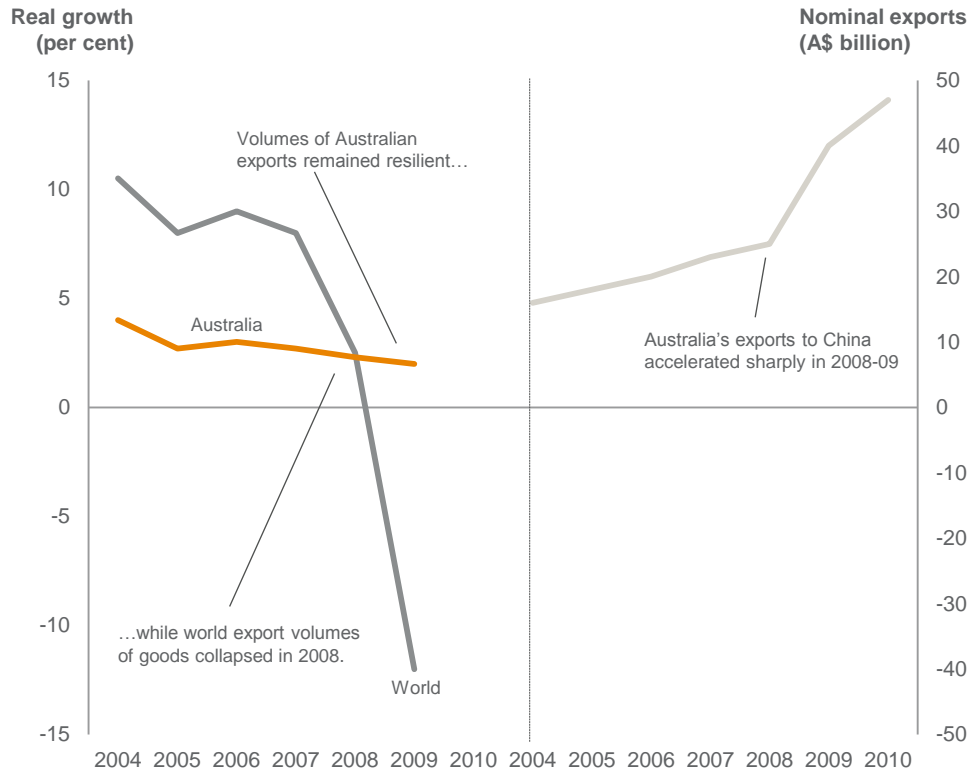
(March 1998 to March 2010)



Source: National Australia Bank (NAB) Business Survey.

# Australia's economy has benefited from a resilient export sector, supported by demand from Asia.

## Annual growth in the export of goods (in real and nominal terms)



Source: ABS Cat Nos. 5302 and 5368 and IMF WEO April 2010.  
 Note: Volumes data (in the left pane) in calendar years.  
 Nominal exports value (right pane) in financial years starting 2003-04.

## Australia's top 10 major export destinations

(over the year to June 2010)

Country	Australia's top 10 major export destinations	Per cent of total merchandise exports
1	China	23.0
2	Japan	18.5
3	Korea, Republic of	8.3
4	India	8.0
5	United States	4.8
6	New Zealand	4.0
7	United Kingdom	3.6
8	Taiwan	3.4
9	Singapore	2.5
10	Thailand	2.3

Source: International Trade in Goods and Services, ABS, June 2010.

Australia's economy remained strong during the global crisis and is well positioned for future growth.

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## Summary

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The Australian economy's performance during the global financial crisis has been unique among developed nations.

- Australia was the only advanced economy to have reported positive through-the-year growth in the midst of the global crisis.
- Australia has low levels of debt.
- Our labour market has remained buoyant.
- Business and consumer confidence has returned and Australian businesses continue to employ workers and invest in capacity.

This positions Australia well for future growth.

Want to know more?

**Australian Bureau of Statistics**

[www.abs.gov.au](http://www.abs.gov.au)

Statistics on the economy, social environment, labour markets, mining, transport and national accounts.

**Reserve Bank of Australia**

[www.rba.gov.au](http://www.rba.gov.au)

Monetary policy, financial market statistics, inflation.

**Australian Budget**

[www.budget.gov.au](http://www.budget.gov.au)

Economic forecasts and previous budgets.

**Economy, money and tax**

[www.australia.gov.au/topics/economy-money-and-tax](http://www.australia.gov.au/topics/economy-money-and-tax)

Central link to information regarding the economy, money and tax.



Good governance

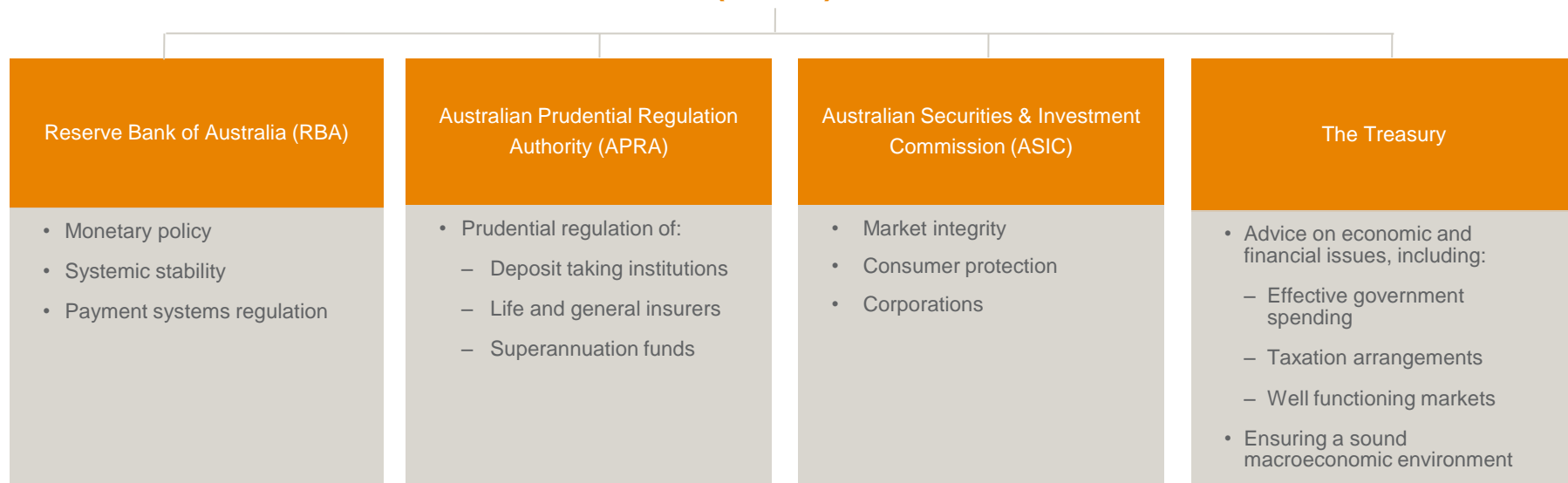
# Australia is a safe destination for overseas investment.

Category	Rank
Political stability	2nd highest out of 58 countries
Most adaptable government policies to economic changes	8th highest out of 58 countries
The national culture is open to foreign ideas	7th highest out of 58 countries
Competition legislation is efficient	7th highest out of 58 countries
Government efficiency – business legislation	5th most efficient of 58 countries
Corporate boards effectively supervise the management of companies	6th highest out of 58 countries
Ethical practices are implemented in companies	3rd highest out of 58 countries
Protectionism doesn't impair business conduct	7th best out of 58 countries

Source: Institute for Management Development (IMD) World Competitiveness Yearbook, 2010.

Regulation of Australia's financial markets is viewed around the world as a model of responsible and prudential financial regulation.

## COUNCIL OF FINANCIAL REGULATORS (COFR)

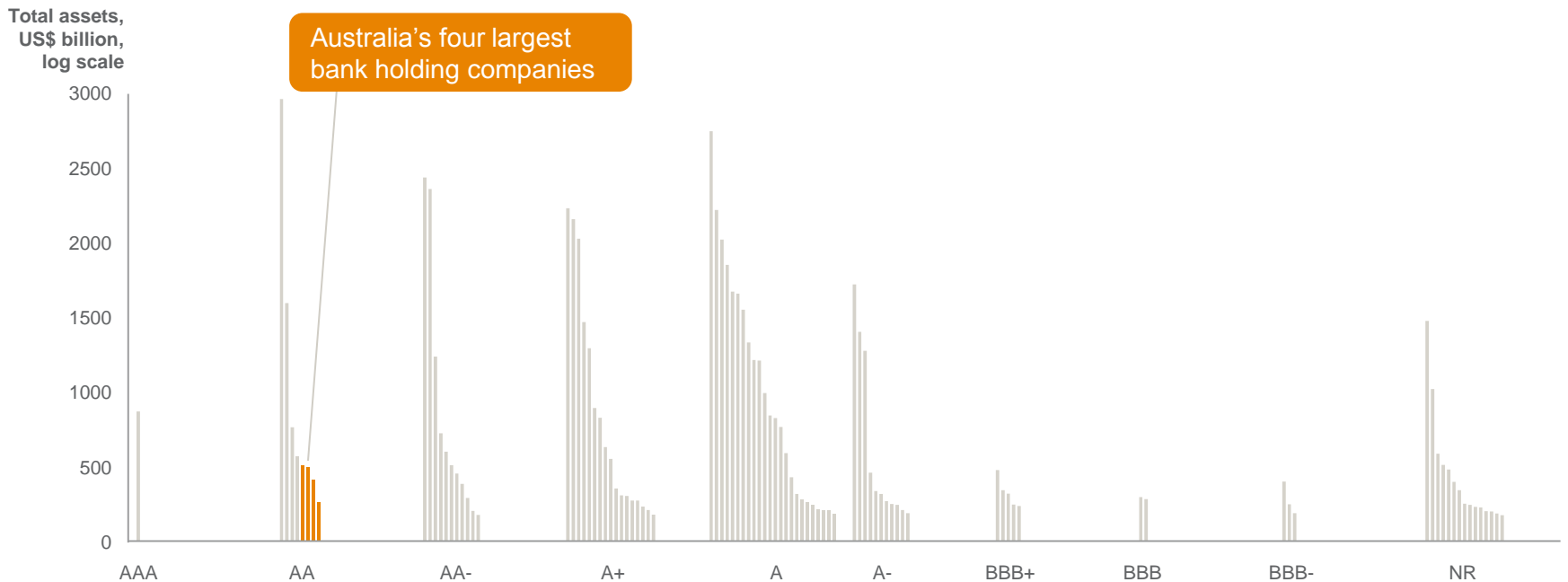


- This framework ensures that responsibility for supervision of financial services is delegated along functional rather than institutional lines, promoting greater efficiency and certainty.
- A fifth body, the Australian Competition and Consumer Commission (ACCC) is responsible for competition and fair trade issues which extends across the entire economy, including the financial sector.



# Our banks are among the strongest in the world...

## Credit rating of the largest 100 banking groups in the world



- Among the world's 100 largest banks by assets, nine banks are rated AA or above – and four of these are Australian.
- No bank in Australia required capital injections from the Government during the recent financial crisis.

Source: Reserve Bank of Australia Financial Stability Report March 2009, page 25, Graph 38, and updated with the 2009 data of banks assets from The Banker 1000 World Banks 2010 and Standard and Poor's Credit Ratings (downloaded 27 July 2010) from Bloomberg; Austrade

## ...and Australia offers a strong and robust intellectual property framework.

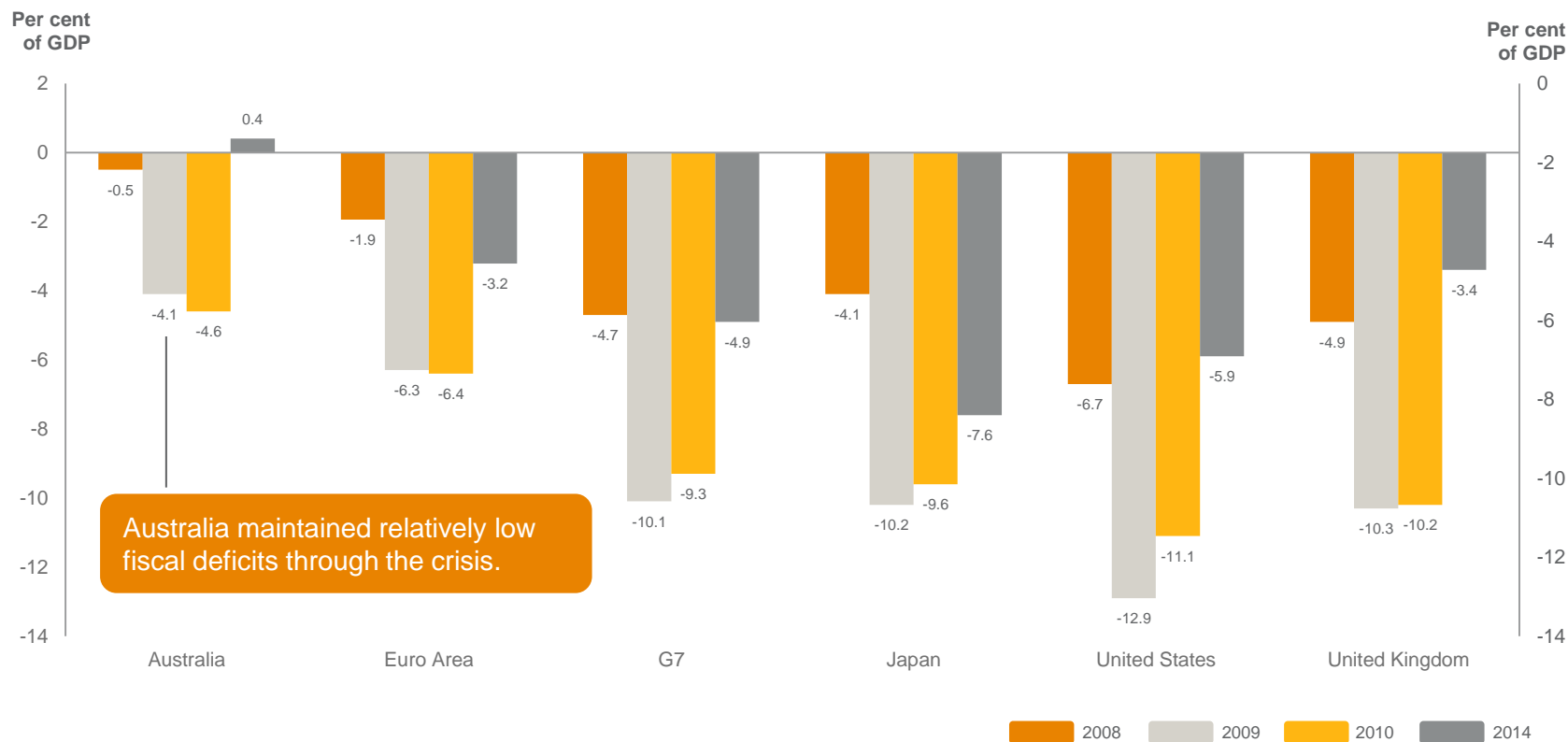
Category	Rank
Private property protection and personal security system <sup>(a)</sup>	7th highest out of 58 countries
Intellectual property rights are adequately enforced <sup>(a)</sup>	15th highest out of 58 countries
Intellectual property protection <sup>(b)</sup>	13th highest out of 133 countries

An increasing proportion of businesses depend on a robust intellectual property (IP) protection framework to safeguard their commercial investments.

Source: (a) IMD, World Competitiveness Yearbook (WCY) 2010  
(b) World Economic Forum, Global Competitiveness Report 2009-10.

# Australia's strong public finances and sound financial system underpin a resilient economy.

## Fiscal deficits of the major advanced economies and Australia in 2008-10 and 2014



Australia maintained relatively low fiscal deficits through the crisis.

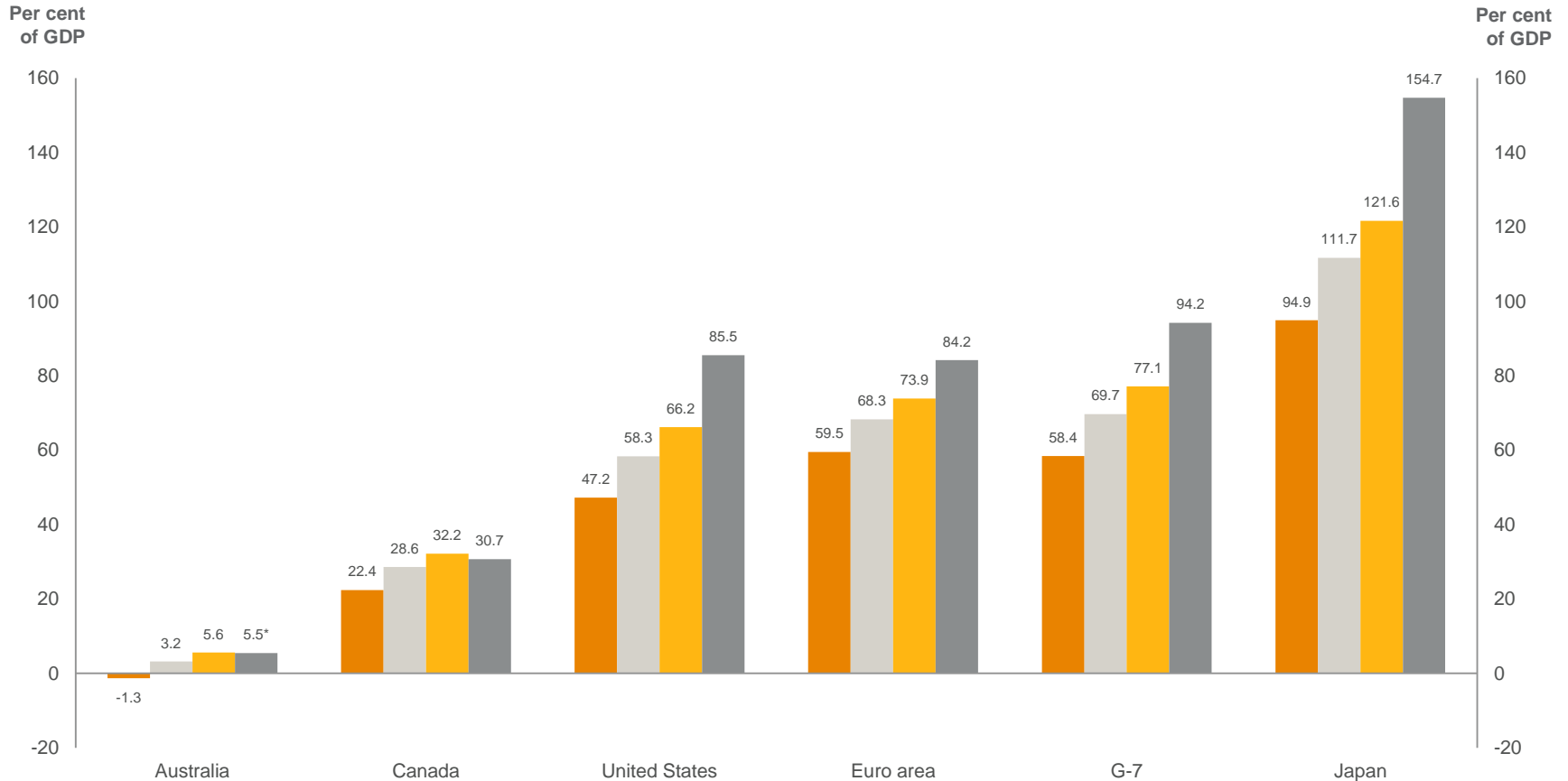
Note: General government net lending and borrowing.

Source: IMF World Economic Outlook – October 2010 and the Australian Treasury.

# Australia has relatively low levels of government debt.

## Net debt of the major advanced economies, the Euro area and Australia

(2008-2010 and 2015, per cent of GDP)



\* This figure for Australia refers to the financial year 2013-14. Australia does not publish an estimate for 2015.

Note: Australian data reflects financial years beginning 2008-09. Data for all other economies refers to calendar years.  
Sources: IMF Fiscal Monitor database (May 2010), IMF World Economic Outlook (April 2010) and Australian Budget (2010).

Effective governance provides the basis for a stable and safe economic and financial environment.

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## Summary

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- Australia's strong economic position is founded on preserving the balance between a solid legal and regulatory foundation and an environment that promotes enterprise.
- Effective, transparent and reliable regulatory systems provide a stable framework in which business can plan with confidence and compete on an even playing field.
- Australia's strong public finances and sound financial system proved to be among the most successful in the world, as evidenced by Australia's relatively strong performance through the global crisis.
- Australia's established political institutions and democratic governance will continue to nurture an open and progressive legal and regulatory environment, providing business with a high degree of certainty and markets with a high degree of confidence.
- Australia has a deserved reputation as a sound place to invest.

## Want to know more?

### **Reserve Bank of Australia**

[www.rba.gov.au](http://www.rba.gov.au)

Monetary policy, financial market statistics, inflation.

### **Australian Prudential Regulation Authority**

[www.apra.gov.au](http://www.apra.gov.au)

Information on the prudential regulation of the Australian financial sector, policy and statistics.

### **Australian Securities and Investments Commission**

[www.asic.gov.au](http://www.asic.gov.au)

Central link for information on the policies and activities of Australia's corporate watch-dog.

### **Intellectual Property Australia**

[www.ipaustralia.gov.au](http://www.ipaustralia.gov.au)

Find out more on Australia's intellectual property system.

### **Australian Government and Parliament**

[www.australia.gov.au/topics/  
government-and-parliament](http://www.australia.gov.au/topics/government-and-parliament)

Central link to information regarding the Australian system of government.

### **Law and Justice**

[www.australia.gov.au/topics/  
law-and-justice](http://www.australia.gov.au/topics/law-and-justice)

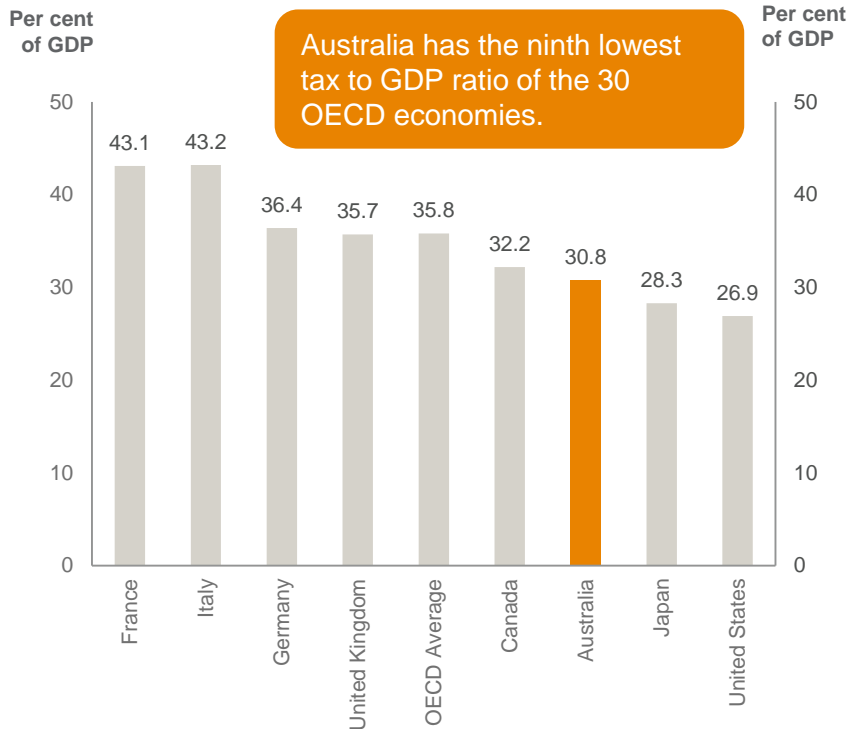
Learn more about Australia's legal system.



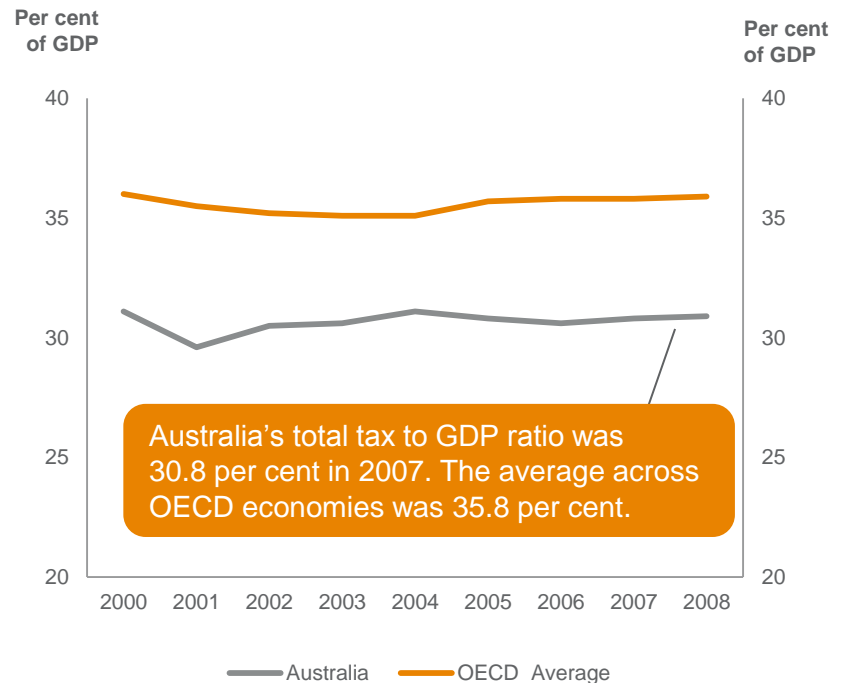
Competitive  
advantage

# Australia is a low taxing country compared with other OECD economies.

## Australia's tax to GDP ratio compared to a range of OECD economies



## Australia's tax to GDP ratio compared to the OECD average



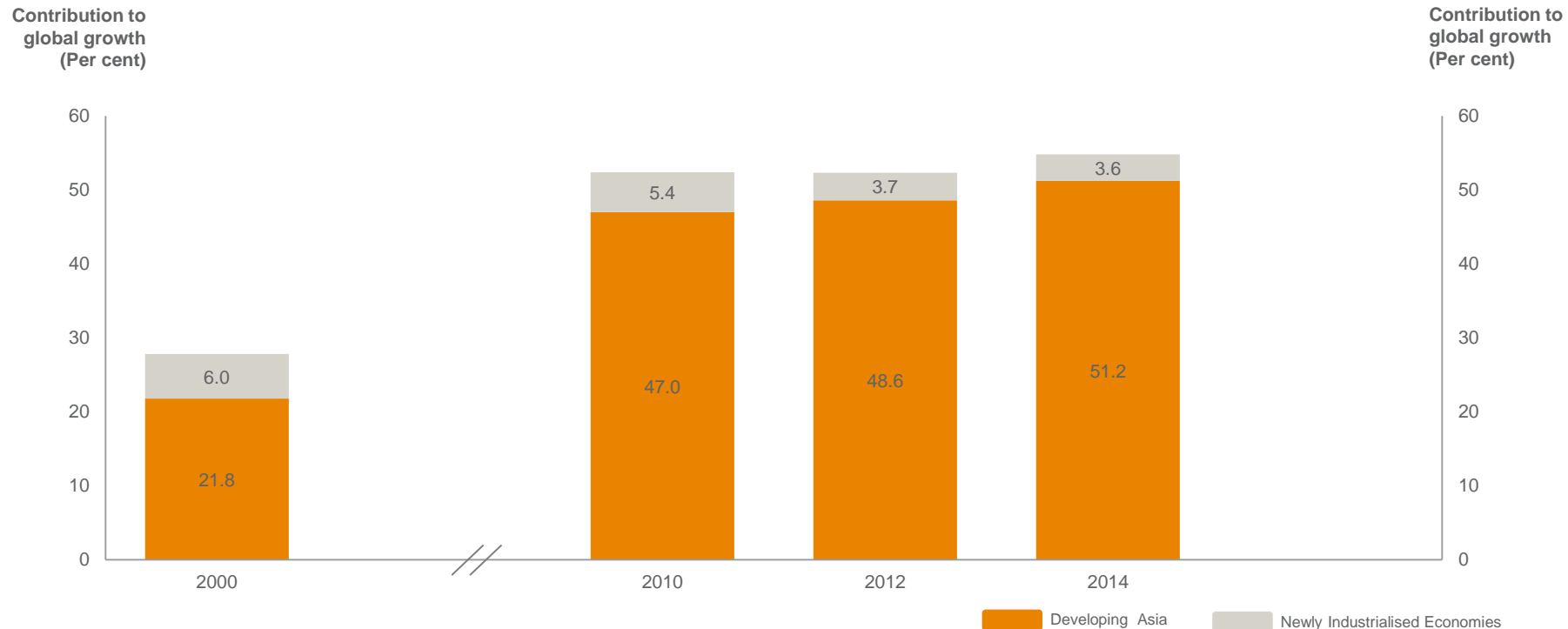
**Note:** The OECD statistics are for the 2008 financial year, except for Australia and Japan which are 2007 and do not account for the reductions in personal income tax rates in 2008-09 and 2009-10. Data prior to Chile becoming the 31<sup>st</sup> OECD member.

Sources: Tax Rates – OECD, Revenue Statistics, 2009.



# Australia is on the doorstep of one of the fastest growing regions.

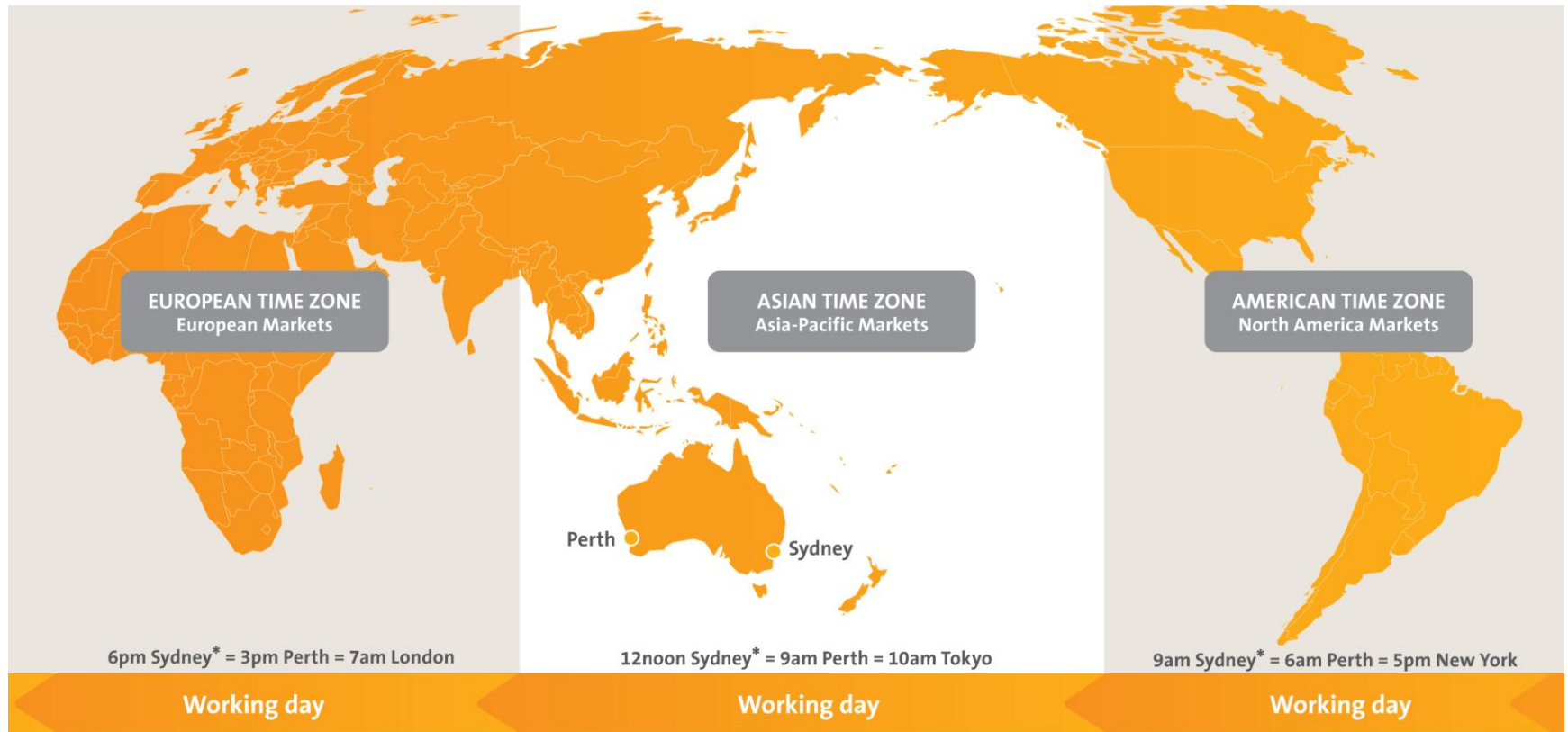
## Fastest growing regions



**Note:** 'Developing Asia' includes Afghanistan, Republic of, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, Fiji, India, Indonesia, Kiribati, Laos, Malaysia, Maldives, Myanmar, Nepal, Pakistan, Papua New Guinea, Philippines, Samoa, Solomon Islands, Sri Lanka, Thailand, Timor-Leste, Tonga, Vanuatu, and Vietnam. 'Newly industrialized Asian economies' include Hong Kong, Korea, Singapore & Taiwan.

**Source:** Calculations based on IMF World Economic Outlook (WEO), April 2010 and IMF WEO Update, July 2010.

# Australia has unparalleled time zone and Asian location advantages.



\*Australian Eastern Daylight Saving Time (AEDT)

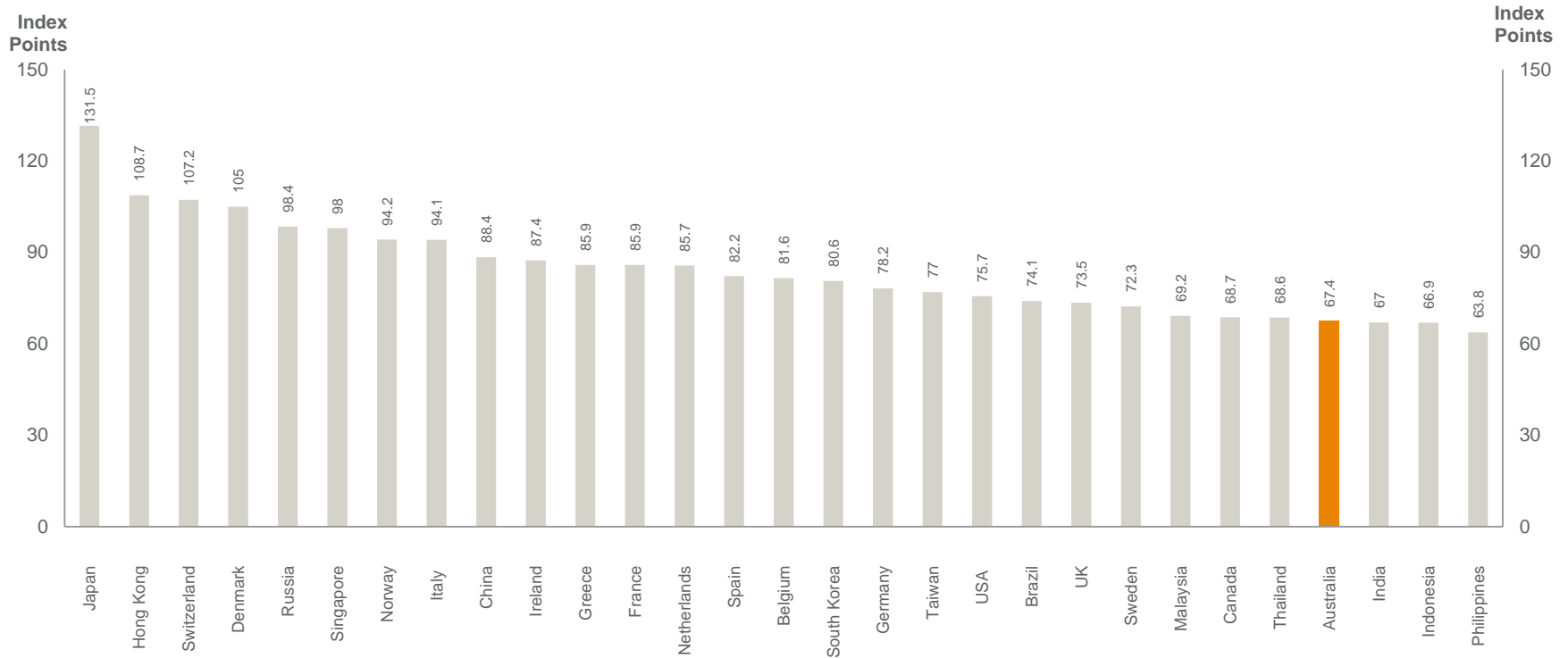
By investing in Australia, global firms can 'follow the sun' from the US and Europe, and operate 24 hours a day.

Source: Austrade.

# The cost of living in Australian cities is among the most competitive in the world.

## Cost of living index – worldwide ranking

New York cost of living index: 100 (The lower the score the better), May 2010



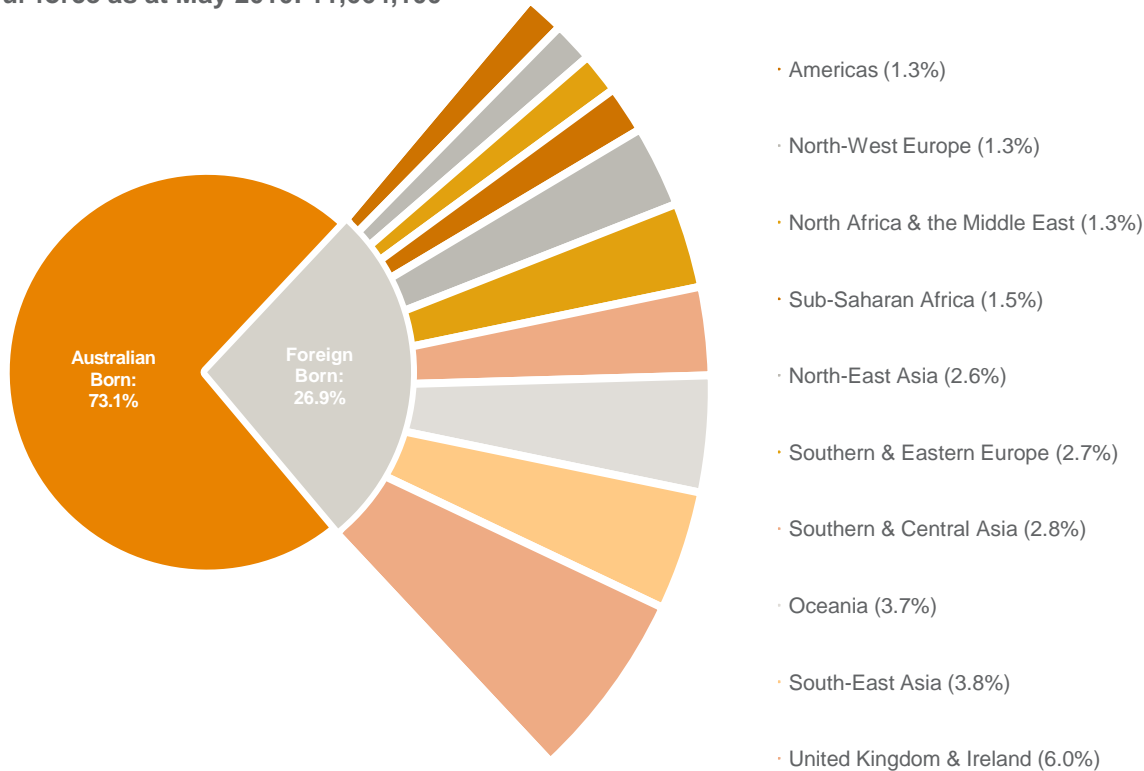
Note: Rank is based on the cost of living index. Index of a basket of goods and services in major cities, including housing (New York City = 100)

Source: IMD World Competitiveness Online 1995-2010 (Updated: May 2010); Austrade

# Australia's labour market is a diverse multicultural mix, bringing strong cultural links to Europe and Asia.

## Australian labour force by country of birth

Total labour force as at May 2010: 11,664,100



**General Population**  
5.5 million people from over 200 countries living in Australia were born overseas, with substantial representation from Asian, European, and Middle Eastern countries.

Source: Australian Bureau of Statistics, Cat. No. 6105.0 (May 2010) and 3412.0 (2008).

# Our workforce is highly skilled...

Category	Australia	China	India	Hong Kong	Japan	Singapore	United States	United Kingdom
<b>World Competitiveness Yearbook 2009 Ranking<sup>(a)</sup> in:</b>								
Foreign highly skilled people	7	19	18	4	42	2	3	8
Labour Productivity (PPP)	9	55	58	22	25	21	3	14
University education meets needs of the economy	7	49	22	23	36	1	10	28
<b>Global Competitiveness Report 2009-10 Ranking<sup>(b)</sup> in:</b>								
Reliance on professional management	7	46	30	38	19	8	11	13
Quality of scientific research institutions	10	35	25	34	15	12	2	4
<b>UNDP's Human Development Report 2009 Ranking<sup>(c)</sup> in:</b>								
Human Development Index (HDI)	2	92	134	24	10	23	13	21

Sources: (a) Institute for Management Development (IMD), World Competitiveness Yearbook 2010 (58 economies);  
 (b) World Economic Forum, Switzerland and Harvard University, Global Competitiveness Report 2009-10 (134 economies);  
 (c) The UN Development Programme (UNDP) on-line Human Development Indices; HDR Statistical Tables 2009 (182 economies).

## ...highly educated...

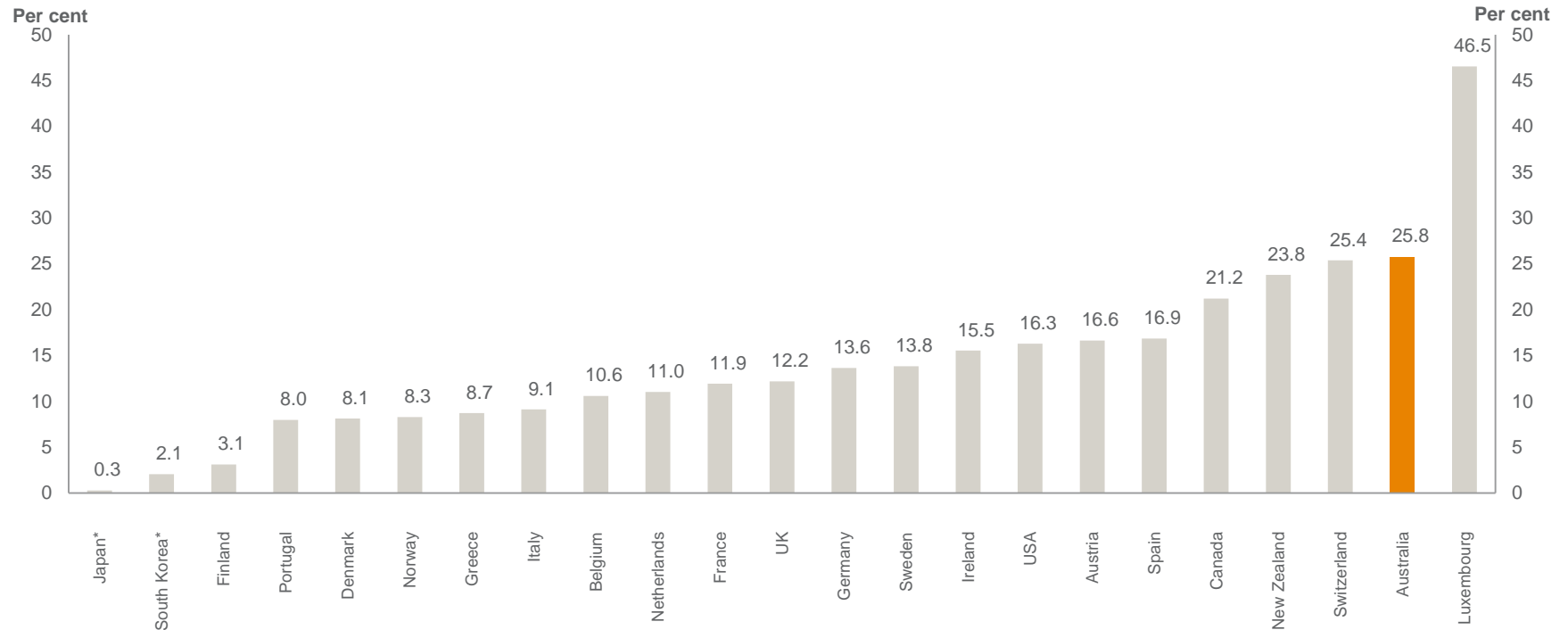
Category	Rank
General literacy <sup>(a)</sup>	Equal lowest level of illiteracy out of 58 countries
Foreign tertiary-level students per 1000 inhabitants <sup>(a)</sup>	1st highest out of 58 countries
Attracting and retaining talent <sup>(a)</sup>	3rd highest out of 58 countries
E-savvy: number of internet users per 1000 people <sup>(a)</sup>	8th highest out of 58 countries
Attractive business environment for highly skilled foreign workers <sup>(a)</sup>	7th highest out of 58 countries
Percentage of population aged 25-64 with bachelor degree or above <sup>(b)</sup>	6th highest out of 33 countries
Number of computers per 1000 people <sup>(a)</sup>	10th highest out of 58 countries

Sources: (a) IMD World Competitiveness Yearbook 2010  
(b) OECD, Education at a Glance 2009.

# ...and multilingual.

With over a quarter of Australia's population born overseas, Australia is the most culturally diverse country in the Asia-Pacific region and one of the most multicultural countries in the world. Almost 400 languages are spoken in homes across Australia.

## Foreign-born labour force (As a percentage of total population, 2007)



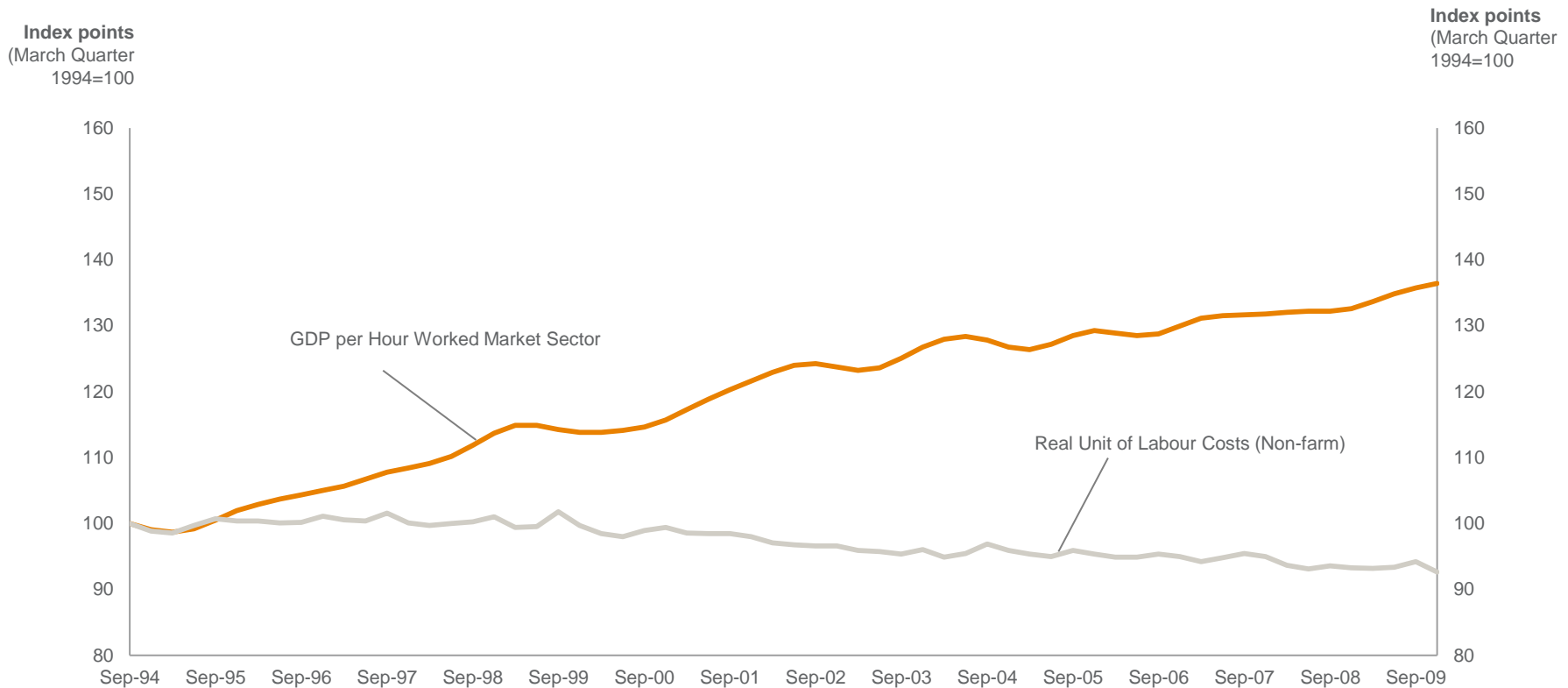
\*Foreign population instead of foreign-born population.

Source: Organisation for Economic Co-operation and Development, OECD in Figures 2009 Edition; Austrade

# Labour costs in Australia are low.

## Productivity and labour costs in Australia – 1994 to 2009

(Trend terms)



Sources: Australian Bureau of Statistics, Cat. No. 5206.0.



# Australia is one of the most innovative places in the world.

Category	Rank
Quality of scientific research institutions <sup>(a)</sup>	10th highest out of 133 countries
The value system in society supports competitiveness <sup>(b)</sup>	5th highest out of 58 countries
Flexibility and adaptability of people are high when faced with new challenges <sup>(b)</sup>	11th highest out of 58 countries
Total research and development personnel nationwide per capita (FTE equivalent per 1000 people) <sup>(b)</sup>	15th highest out of 58 countries

Australia offers generous tax deductions for R&D:

- 125 per cent for R&D undertaken in Australia
- 175 per cent for increases in R&D expenditure above a rolling three-year average.
- An R&D offset is also available for companies with a turnover of less than A\$5 million that spend less than A\$1 million on R&D.

Australia has given the world a range of innovations, including Google Maps, pacemakers, Biota's flu treatment (Relenza), polymer banknotes, wireless networking technology, CSL's anti-cancer vaccine (Gardasil), Cross Market Surveillance Service's stock market fraud detection system, and Cochlear's bionic ear.

Source: (a) World Economic Forum Global Competitiveness Report 2009-10 (b) IMD World Competitiveness Yearbook 2010.

# Australia's competitive advantages are numerous.

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## Summary

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- Australia is uniquely positioned geographically to benefit from the rebalancing of growth towards the Asian region in the coming decade.
- Australians are well educated with high levels of participation in tertiary education.
- More than a quarter of Australia's labour force was born overseas and almost 400 languages are spoken in homes across the country.
- International studies confirm the high skill level of Australia's workforce.
- Australian labour productivity continues to grow and Australians are well known for their innovative approach to problems and the ability to think outside the square.

## Want to know more?

### **Department of Immigration and Citizenship**

[www.immi.gov.au](http://www.immi.gov.au)

Central hub for the Australian Government's Department of Immigration and Citizenship.

### **Australian people**

[www.immi.gov.au/living-in-australia](http://www.immi.gov.au/living-in-australia)

Learn more about living in Australia and the Australian people.

### **Workers – visas and immigration information**

[www.immi.gov.au/skilled](http://www.immi.gov.au/skilled)

Detailed information on visa and immigration options for potential entrants to Australia.

### **Department of Education, Employment and Workplace Relations**

[www.deewr.gov.au](http://www.deewr.gov.au)

Working in Australia and the Australian education system.

### **Productivity Commission**

[www.pc.gov.au](http://www.pc.gov.au)

Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians.



Investment  
environment

# Australia is one of the easiest places to do business...

## Key indicators measuring ease of doing business – 2010

Economy	Starting a business		Employing workers	
	Procedures (number)	Duration (days)	Difficulty of Hiring Index <sup>(a)</sup>	Difficulty of Firing Index <sup>(a)</sup>
New Zealand	1	1	11	10
Canada	1	5	11	0
<b>Australia</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>
Singapore	3	3	0	0
Hong Kong	3	6	0	0
France	5	7	67	30
United States	6	6	0	0
United Kingdom	6	13	11	0
Switzerland	6	20	0	10
Netherlands	6	10	17	70
Italy	6	10	33	40
Japan	8	23	11	30
Thailand	7	32	33	0
UAE	8	15	0	0
Taiwan	6	23	78	40

Note: (a) This index assigns values between 0 and 100, with higher values representing more rigid labour regulations.

According to the World Bank, market entrants on average take two days to register a new company, making Australia one of the fastest places in the world to start a business.

Sources: World Bank Group, Doing Business 2010.

...with a low risk business environment.

## Operational risk comparisons

Category	Australia
Competition legislation <sup>(a)</sup>	7th best out of 58 countries
Efficacy of Corporate Board <sup>(b)</sup>	5th highest out of 133 countries
Regulation of Securities Exchanges <sup>(b)</sup>	6th highest out of 133 countries
Strength of Auditing & Reporting <sup>(b)</sup>	10th strongest out of 133 countries
Soundness of Banks <sup>(b)</sup>	3rd best out of 133 countries
Reliance on Professional Management <sup>(b)</sup>	7th best out of 133 countries

## United States and United Kingdom rankings for same categories

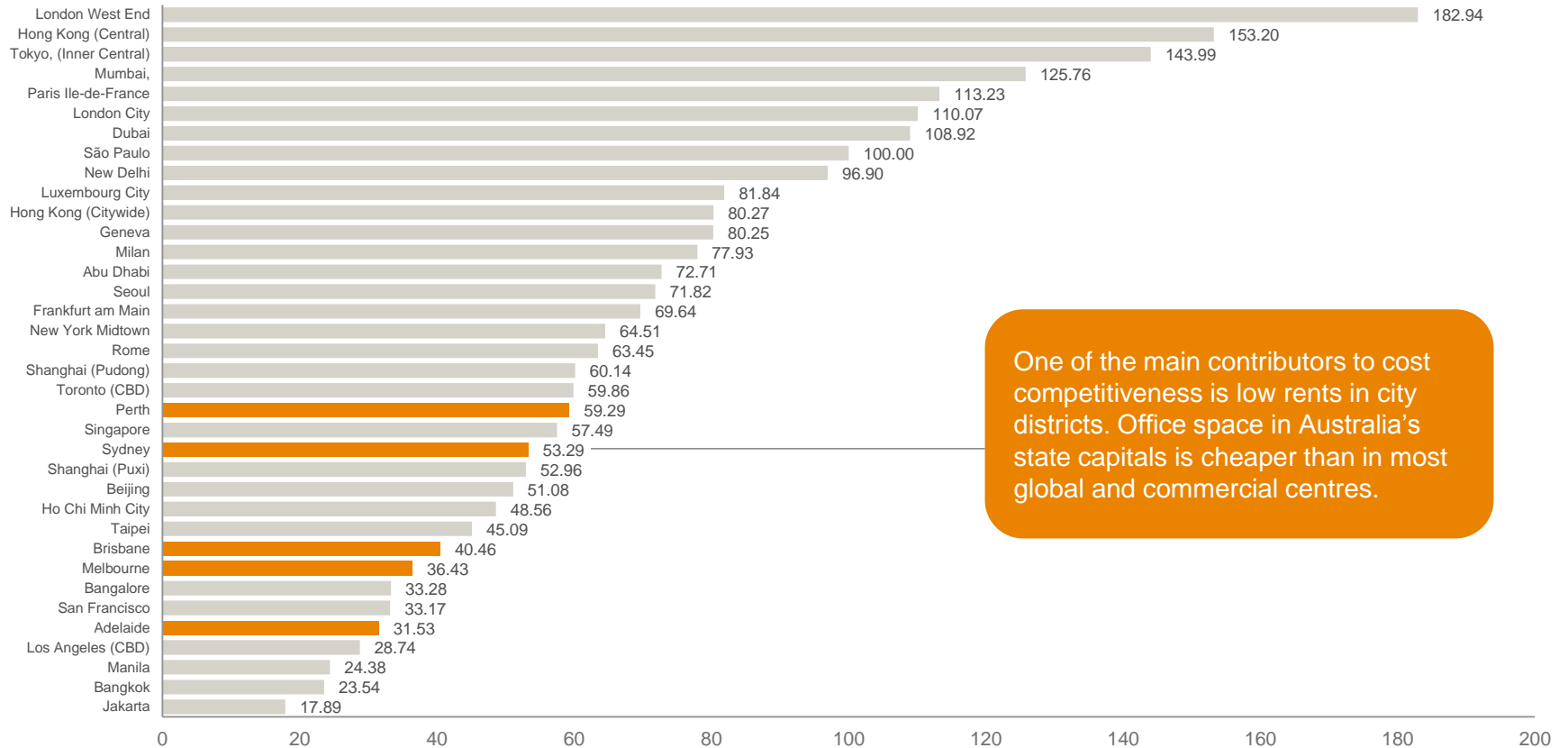
United States	United Kingdom
24th	27th
20th	23rd
47th	46th
39th	23rd
108th	126th
11th	13th

In 2008, the World Bank's annual governance audit placed Australia in the top 10 per cent of countries for its effective government, regulatory quality, rule of law, control of corruption and accountability.

Sources: (a) IMD World Competitiveness Yearbook 2010 (58 economies);  
(b) World Economic Forum, Global Competitiveness Report 2009-10 (133 economies).

# Australian cities are among the most cost competitive in the industrialised world...

## Global office occupancy costs – 2009<sup>1</sup>



One of the main contributors to cost competitiveness is low rents in city districts. Office space in Australia's state capitals is cheaper than in most global and commercial centres.

**Note:** The US\$/A\$ exchange rate was US\$0.8523 as at 30 June 2010 (sourced from Reserve Bank of Australia statistics).

1. Unless otherwise indicated, all data reflect office space in the central commercial district. The local rent data for American, European and Middle East markets is expressed in either gross or net terms depending on the prevailing local practice. All Asian markets are reported on a net floor basis, including all occupancy expenses. Prime gross effective rents are used for occupancy costs.

**US\$ per square foot per annum**

Sources: CB Richard Ellis Global Research and Consulting, Global Office Rents, May 2010; Austrade

...with access to advanced digital technologies.

## Economist Intelligence Unit Digital Economy Rankings – 2010<sup>1</sup>

Ranking (out of 70)	Country	Overall Score	Category Scores					
			Connectivity	Business Environment	Social and Cultural Environment	Legal Environment	Government Policy and Vision	Consumer and Business Adoption
	Category weight		20%	15%	15%	10%	15%	25%
1	Sweden	8.49	8.20	8.13	8.53	8.25	8.90	8.75
2	Denmark	8.41	7.85	8.18	8.47	8.10	8.70	8.90
3	USA	8.41	7.35	7.85	9.00	8.70	9.25	8.60
4	Finland	8.36	8.00	8.30	8.47	8.35	8.00	8.85
5	Netherlands	8.36	8.05	8.05	8.07	8.45	8.25	9.00
6	Norway	8.24	7.95	7.95	8.00	8.30	8.05	8.90
7	Hong Kong	8.22	7.65	8.40	7.27	9.00	9.18	8.28
8	Singapore	8.22	7.35	8.63	7.33	8.70	9.13	8.48
9	<b>Australia</b>	<b>8.21</b>	<b>7.35</b>	<b>8.24</b>	<b>8.53</b>	<b>8.50</b>	<b>8.85</b>	<b>8.18</b>
10	New Zealand	8.07	6.80	8.17	8.60	8.45	8.50	8.29
11	Canada	8.05	7.15	8.33	7.87	7.95	8.75	8.35
12	Taiwan	7.99	7.00	7.95	8.40	8.15	8.55	8.15
13	South Korea	7.94	7.90	7.32	8.80	7.65	9.20	7.18
14	UK	7.89	7.65	7.40	7.73	8.10	8.55	8.00
16	Japan	7.85	7.70	7.16	7.80	7.43	8.75	8.04
18	Germany	7.80	7.60	7.82	8.00	8.05	7.40	7.98
19	Switzerland	7.72	7.80	8.33	7.93	7.93	6.80	7.65
20	France	7.67	6.80	7.54	7.60	7.85	8.20	8.10
27	Italy	6.92	6.45	6.32	7.60	8.45	6.55	6.88
32	UAE	6.25	6.80	7.27	5.47	5.10	6.20	6.18
36	Malaysia	5.93	4.35	7.36	5.47	6.88	6.65	5.80
42	Brazil	5.27	3.60	6.66	5.73	6.10	5.70	4.93
49	Thailand	4.86	3.20	6.83	4.50	6.35	5.60	4.18
54	Philippines	4.47	2.60	6.35	4.27	4.85	5.20	4.38
56	China	4.28	2.65	6.36	5.40	5.20	4.60	3.11
58	India	4.11	2.15	6.27	4.67	5.60	5.10	2.88
62	Vietnam	3.87	3.20	5.70	3.60	4.65	4.60	2.71
65	Indonesia	3.60	2.60	6.04	3.60	4.20	3.88	2.55

Australia is well positioned to further improve digital technologies.

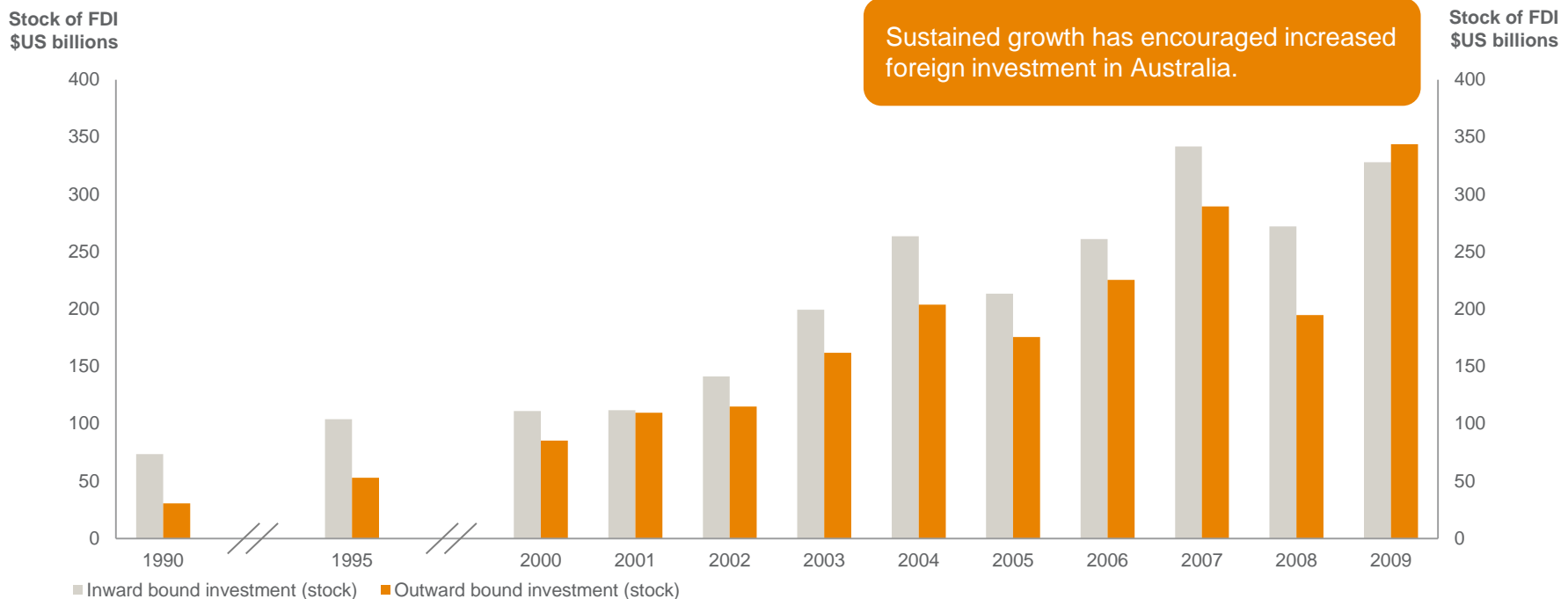
1. The digital economy rankings model consists of over 100 separate quantitative and qualitative criteria, all but one of which are scored by the EIU's regional analysts and editors and are organised into six primary categories. The 39 indicators and 82 sub-indicators are, in turn, weighed according to their assumed importance as influencing factors. Sources: Economist Intelligence Unit (EIU), Digital Economy Rankings 2010 Beyond E-readiness, Appendix 2: Category Scores (released June 2010)



Confidence in Australia's business environment has encouraged a steady flow of foreign direct investment, and Australians have continued to invest abroad.

## Inward and outward direct investment in Australia over the last two decades

(At current prices and current exchange rates)



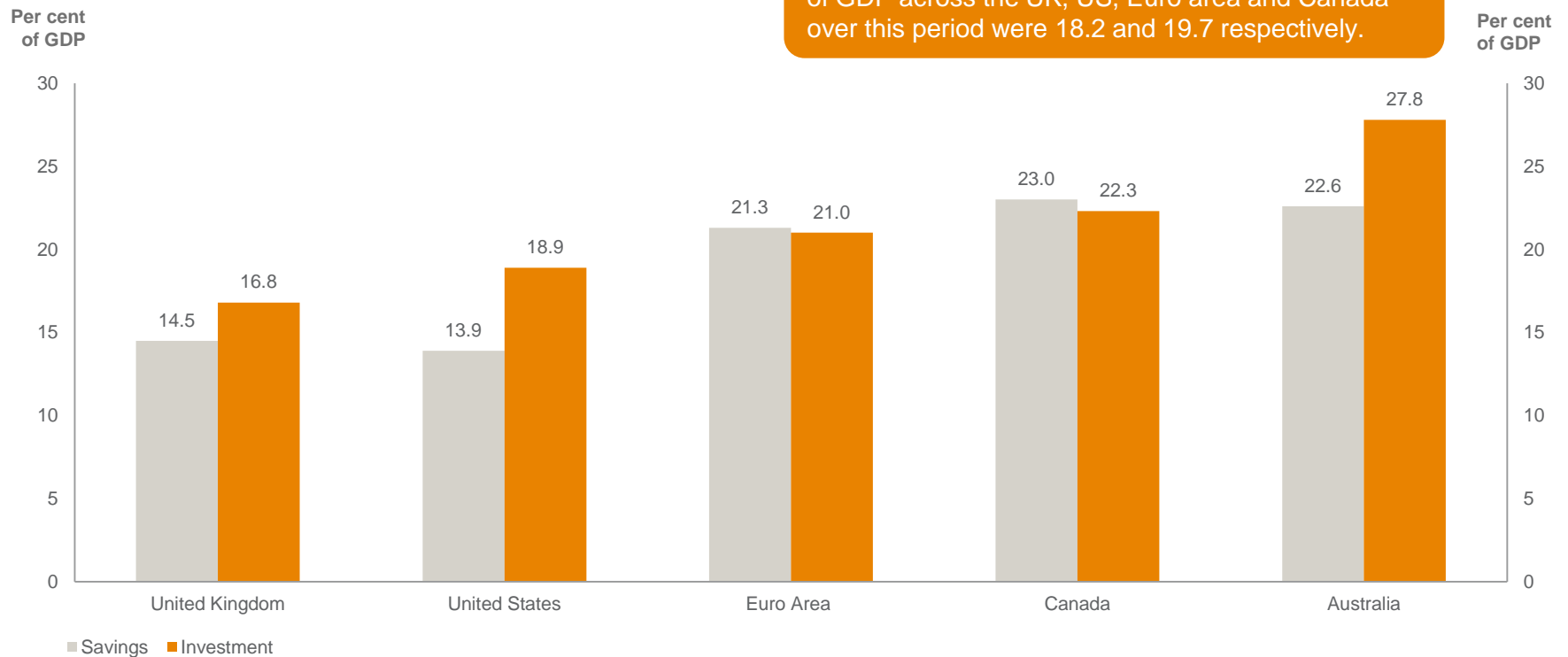
Australia's ratio of inward foreign direct investment to GDP has grown steadily since 1990 and at 34 per cent compares favourably to both the average for developed economies, and the world average.

Source: United Nations Conference on Trade and Development, World Investment Report 2010, Country Factsheet.

# Investment rates in Australia are very high.

## Average 2004-2009

(Per cent of GDP)



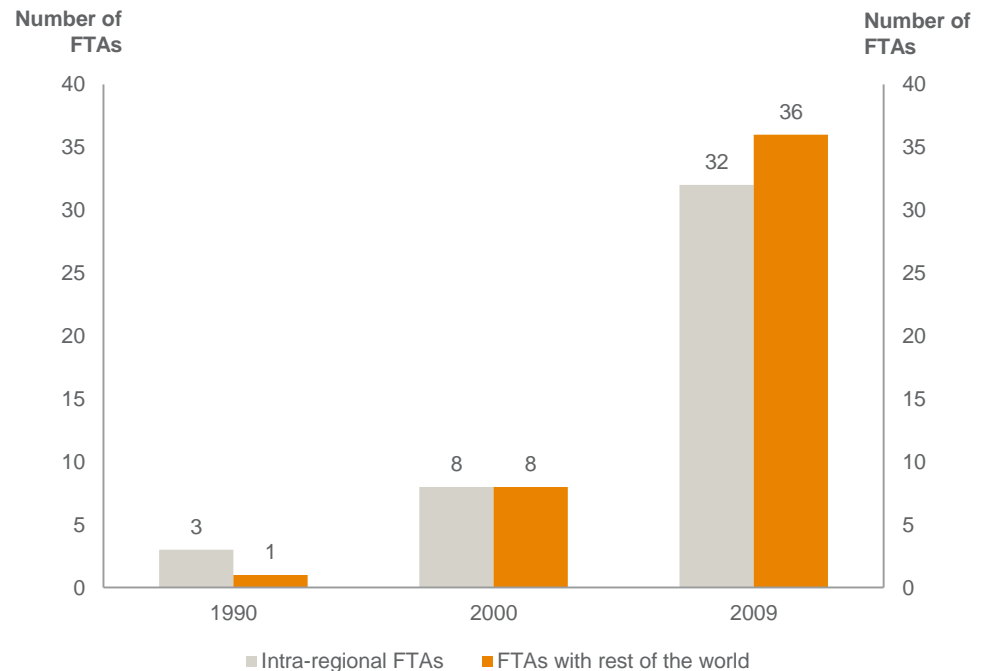
Source: IMF World Economic Outlook April 2010 and Australian Bureau of Statistics, Cat No. 5232 and 5206.

# Trade liberalisation continues to gather momentum in Australia and in the region.

**Australia has strong trade relationships throughout the region, with a number of Free Trade Agreements (FTAs) in place.**

Existing FTAs	Under negotiation
<ul style="list-style-type: none"> <li>• ASEAN</li> <li>• Singapore</li> <li>• Thailand</li> <li>• United States</li> <li>• New Zealand Closer Economic Relations</li> <li>• Chile</li> </ul>	<ul style="list-style-type: none"> <li>• China</li> <li>• Korea</li> <li>• Gulf Cooperation</li> <li>• Japan</li> <li>• Malaysia</li> <li>• Pacer Plus</li> <li>• Trans Pacific Partnership</li> </ul>

**Trade within the region and between the region and the world has increased ten-fold in 20 years.**



**Note:** Only includes FTAs that involve WTO members and have been notified to the WTO.

Source: World Trade Organisation Regional Trade Agreements Database. Department of Foreign Affairs and Trade.

# Australia's business environment is open, competitive and low risk.

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## Summary

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- It is easy and efficient to start a business in Australia, which offers a low risk and stable business environment, with some of the best business friendly policies.
- It is relatively cheap to operate a business in Australia.
- Confidence in Australia's business environment has encouraged a steady flow of foreign investment and attracts multinational corporations.
- Australia is the regional headquarters or operating centre for around 900 multinational companies. Many more are partnering with Australian businesses in joint ventures, collaborating on R&D projects and engaging in green-field and brown-field developments.

## Want to know more?

### Department of Immigration and Citizenship

[www.immi.gov.au/living-in-australia](http://www.immi.gov.au/living-in-australia)

Learn more about what it's like to work in Australia.

### Starting a business

[www.business.gov.au](http://www.business.gov.au)

Access to essential information on planning, starting and running a business in Australia.

### Directory of government and business associations

[www.business.gov.au/gbdirectory](http://www.business.gov.au/gbdirectory)

### AusIndustry

[www.ausindustry.gov.au](http://www.ausindustry.gov.au)

Assistance and programs of the Australian Government available to Australian businesses.

### Australian Business Council

[www.bca.com.au](http://www.bca.com.au)

Central link to information on Australian business and industry.

### Australian Trade Commission

[www.austrade.gov.au/invest](http://www.austrade.gov.au/invest)

Central hub for information on trade and investment opportunities.



World leading  
industries

As a sophisticated, modern economy, Australia offers diverse business opportunities across a broad range of world-class industry sectors.

**Financial Services**

**Advanced Manufacturing**

**Infrastructure**

**Mining and Resources**

**Clean Energy**

**Information and  
Communication  
Technology**

**Biotechnology**

**Agribusiness**

**Food and Beverage**

# Australia has a sophisticated financial services sector and is ideally positioned as a regional financial services provider.

Australia has deep and liquid financial markets and is a regional leader in investment management.

The strength of Australia's financial services sector is underpinned by a mandated retirement savings scheme, highly skilled workforce, its strong regulatory framework and advanced business infrastructure.

Ranked fourth among 55 of the world's leading financial systems and capital markets (FDR).

One of the largest pools of contestable funds under management globally (US\$1.7 trillion).

Of the nine largest banking groups rated AA or better, four are Australian.

The largest stock market by free-float capitalisation in Asia ex-Japan, and ranks sixth in the world.

The sixth largest insurance market in the region and the 14th largest in the world in terms of premium income.

The sixth largest M&A market (announced deals) in the world – global market share of 4.1 per cent for Q1/2 2010.

Sources: FDR – The Financial Development Report 2010, World Economic Forum. Largest pool of funds – Investment Company Institute.  
AA rating – Standard and Poor's. Stock Market – Standard and Poor's,  
World by Numbers Monthly Report, November 2009. Insurance – Swiss Re, Sigma No 2/ 2010, World Insurance in 2009.  
M&A – Thomson Reuters, Mergers and Acquisitions Review, Financial Advisors, First Half, 2010.



# Australia has a proud record of originality in advanced manufacturing.

Australia is the country that created the ultrasound scanner, the black box flight recorder and the bionic ear.

Today, advanced manufacturing accounts for around half of Australia's A\$104 billion annual manufacturing output and is one of the fastest growing export sectors.

More than A\$4.3 billion spent annually on R&D in manufacturing  
(representing 29.9 per cent of all R&D spend in Australia).

Prime avenue for inward investment: foreign direct investment in Australian manufacturing reached A\$74 billion in 2008.

Recent overseas high-technology companies investing in Australian manufacturing include:  
BAE Systems, Ford, General Motors, Toyota, BASF, Dupont and Siemens.

Examples of advanced manufacturing processes that are in use or are being developed in Australia include: Metal Injection Moulding (MIM), laser machining, Selective Laser Sintering (SLS), 3D printing, micro-electronics, hybrid electronics, advanced coatings, nanotechnology and light metals casting technology,

Sources: Australian Bureau of Statistics, Cat. No. 8140.0 and 5352.0; Austrade.

# Australia is a leader in the global mineral industry.

Australia has abundant mineral resources, skilled industry professionals, advanced extraction processes and cutting-edge mining technology. Australia's mining sector is expanding, driven primarily by huge demand for raw materials from Asia.

Earnings from Australia's mineral resource exports were A\$132.2 billion in 2009-10. Mining and minerals activity comprise approximately 7.3 per cent of the Australian economy and 37.6 per cent of total exports

Australia is a world leader in the development and manufacture of mining equipment, technology and services (METS). The METS sector generates sales of A\$12 billion annually and A\$2.5 billion worth of exports.

Australia is the world leading producer of bauxite and alumina, the third largest producer of uranium and the fourth largest producer of black coal.

Australia is a major exporter of liquefied natural gas (LNG), with considerable potential for further development based on its abundant resources of natural gas.

Australia has the world's largest reserves of lead, nickel, uranium and zinc.

Mineral exploration in Australia including petroleum was A\$5.5 billion in 2009-10.

There is increasing interest in the Australian mining and resources sector from demand for raw materials from China and other parts of the world.

Sources: Minerals/ export – Minerals Council of Australia, 'The Australian Minerals Industry and the Australian Economy', March 2010; LNG – ABARE Economic Overview, December 2008; Minerals and Energy, Major Development projects - April 2010 listing, ABARE, May 2010.

# Australia's clean technology industries are poised for growth.

Australia is naturally endowed with a wealth of renewable energy resources – including solar, wind, wave and tidal, and hot dry rock geothermal energy. In addition to this, Australia has a renewable energy target of 20 per cent by 2020.

Australia's solar industry is internationalised, advanced and has been growing strongly, backed by the combination of a highly skilled workforce, a competitive electricity market, world class research and development facilities and strong government support.

Wind energy is a growth market in Australia – a well-established industry backed by a large and growing domestic energy market. There is no shortage of land on the Australian continent for large scale wind farm technology installations, and specialised service skills are available across the sector.

A 2008 Ernst & Young assessment of country attractiveness in the geothermal industry ranked Australia fourth due to significant resources and large market potential, ahead of major geothermal countries such as Japan.

The source for wave and tidal is inexhaustible and abundant, and this type of renewable energy has important potential to supply electricity to remote and regional communities not connected to a grid.

Australia has established a regulatory framework for CO<sub>2</sub> capture and geological storage.

Source: Austrade: Australia – Your Competitive Edge, 2009 ed.

# Australia's information and communications sector is a proven testing-ground for global projects.

A significant research infrastructure, highly skilled and experienced workforce, and technology-hungry, solutions-driven customer base make Australia a strategic location for a range of ICT activities with a global and regional focus.

Australia's ICT market is worth nearly A\$100 billion. It is the fifth largest in the Asia-Pacific region, and the 14th largest in the world. The Australian ICT sector comprises over 30,300 businesses and employs over 300,000 people.

Between 2004-2010 the annual average rate of growth in Australia's ICT market was approximately 8.5 per cent – faster than that of the US, the UK, Japan, Singapore, South Korea and Hong Kong.

In 2009 the EIU ranked Australia's IT industry the most competitive in the Asia-Pacific region and the seventh globally. It also benchmarked Australia ninth globally in the digital economy rankings after countries like the United States, Denmark, the Netherlands and Sweden. (Ranked third in Asia-Pacific after Hong Kong and Singapore).

The A\$2.7 billion software industry has benefited from comparatively low development costs and a highly skilled workforce, and has consequently become a target for strategic ICT investment.

Source: Australian Bureau of Statistics, Cat. No. 8126.0, Australian Bureau of Statistics, Cat. No. 8515.0. Information and Communication Technology Australia, 2006-07. World Information Technology & Services Alliance (WITSA), Based on research conducted by IHS Global Insight: Digital Planet October 2010. EIU: Resilience Amid Turmoil: Benchmarking IT Industry Competitiveness 2009. EIU: Digital Economy Rankings 2010. Microsoft Australia, Local Software Economy Initiative: Annual Report 2007

# Australia's health and biotechnology industry is a powerhouse of science and innovation.

Excellent research facilities, world-class scientists and a strong but flexible regulatory regime have made Australia a powerhouse of health and biotechnology innovation.

Australia's Biotechnology is the sixth strongest in the world. It comprises over 450 biotech companies: 49 per cent are involved in therapeutics, 15 per cent in agricultural biotechnology and 13 per cent in diagnostics. Pharmaceutical and medicinal exports are Australia's most valuable high-technology export, totalling A\$4.12 billion (US\$3.73 billion) in 2009-10.

Australia has a strong science and technology base and diverse capabilities in Industrial Biotechnology with research and commercial activities across a broad range of application areas such as biomaterials, biomass, biomining, chemicals and enzymes, biofuels, food processing, and environmental applications.

The Australian Health & Medical industry is represented by over 600 medical device companies with a turnover of A\$6.7 billion in 2009, and a projected annual growth rate of 12 per cent. The medical devices sector contributed over A\$2.7 billion to Australia's GDP in 2008-09.

Australia's nanotechnology capability comprises research, industry development, and workforce growth and education. Its powerful network of more than 75 nanotechnology research organisations and around 80 nanotechnology companies is ensuring a rich flow of commercial products.

Sources: IBISWorld: Biotechnology in Australia Report, June 2010. Austrade: Australia – Your Competitive Edge, 2009 ed. Hopper and Thorburn, 2008 BioIndustry Review: Australia and New Zealand. Frost & Sullivan report DIISR: [www.innovation.gov.au/Search/Results.aspx?k=nanotechnology](http://www.innovation.gov.au/Search/Results.aspx?k=nanotechnology).

# The Australian agribusiness sector occupies a significant place in the Australian economy.

Australian agribusiness has a strong track record in attracting international investment throughout the agricultural supply chain.

Australia's diverse climate, rainfall patterns and soil types sustain a wide range of agribusiness enterprises.

Australian agribusiness enterprises include: tropical and temperate horticulture; inland and coastal aquaculture; the production of grains, oilseeds and fibres; grazing and feed lotting of livestock; thoroughbred breeding; forestry and the production of timber products.

Australian agriculture has consistently financed and developed science-based farming for the sector. This has maintained an average agricultural productivity gain of two per cent over the past 50 years.

As a major exporter of agricultural produce and services, more than two thirds of agricultural commodities produced on farms are exported each year.

Among the agribusiness export industries, the average proportion of production exported ranges from 90 per cent for wool to 50 per cent for milk.

In 2008-09, the gross value of agricultural production was globally significant at A\$45.1 billion. The value of the agricultural exports (fob) was A\$32 billion.

Considering the range of agricultural resources and rural production, there are investment opportunities available within a stable economic and regulatory environment.

Sources: Austrade: Australia – Your Competitive Edge, 2009 ed.

# Australia's food and beverage industry is long established and an important contributor to the national economy.

Australia's food and beverage industry is highly dynamic, driven by demanding consumers seeking diversity, quality and safety.

The ethnic and cultural diversity of Australia is reflected in the food range available. Many specialty products have European, Asian and Middle Eastern influences.

Food and beverage processing is Australia's largest manufacturing industry with sales and services income around A\$84 billion in 2007-08 and accounting for around 22 per cent of manufacturing employment.

The industry is internationally focused with exports to over 200 markets valued at A\$24.3 billion in 2009-10.

Excellent R&D facilities, both public and private, assist in the innovation process by facilitating development of new and differentiated products, as well as continual improvements to packaging and production processes.

Well established education and training facilities catering to the food and beverage industry create an exceptionally skilled and adaptable workforce with specialised skills.

The industry is supported by reliable and world-class transport and distribution infrastructure, along with innovative manufacturing, packaging, product development and marketing efforts.

Sources: ABS 2009-10 Yearbook; ABARES; Australia Food Statistics 2009-10, Department of Agriculture, Fisheries and Forestry.

Australia's world leading industries provide numerous opportunities for investment.

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## Summary

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- Avenues for investment range from traditional industries – such as agribusiness and mining, where Australia's competitive advantages are well established – to fast evolving technology and services sectors.
- Fresh opportunities continue to emerge as new markets open and develop, particularly in the Asia-Pacific region.



## Want to know more?

### Working in Australia

[www.australia.gov.au/topics/immigration/working-in-australia](http://www.australia.gov.au/topics/immigration/working-in-australia)

Essential information about working in Australia, visas and entry requirements.

### Department of Foreign Affairs and Trade

[www.dfat.gov.au](http://www.dfat.gov.au)

Learn how the Australian Government advances the interests of Australia, as well as information on our global, regional and bilateral interests.

### AusTender

[www.tenders.gov.au](http://www.tenders.gov.au)

Centralised information on Australian Government business opportunities and its tender system.

### Australian Trade Commission

[www.austrade.gov.au](http://www.austrade.gov.au)

Central hub for information on trade and investment opportunities.

### Foreign Investment Review Board

[www.firb.gov.au](http://www.firb.gov.au)

Learn more about how foreign interests can undertake direct investment in Australia.

### Department of Agriculture, Fisheries and Forestry

[www.daff.gov.au](http://www.daff.gov.au)

Information on the Australian Government's policies and programs to ensure Australia's agricultural, fisheries, food and forestry industries remain competitive, profitable and sustainable.



Future focused

# Australia is committed to international cooperation to address global economic and financial challenges.

- The Group of 20 (G20) has proven itself to be a highly effective forum and will continue to play a key role with leaders designating it as the premier forum for international economic cooperation.
  - As a member of the G20, Australia can share its expertise and shape discussions on major global economic challenges that will impact on both Australia's and global prosperity.

**G20 members account for nearly 85 per cent of world output...**



**...over 90 per cent of total sharemarket capitalisation**



**...and around 80 per cent of world trade**



Sources: Output: IMF World Economic Outlook (October 2010);  
Stock markets: World Federation of Exchanges; Trade: World Trade Organisation.

# Australia plays a key role in multilateral forums around the world.

- Australia plays a proactive role in regional forums – including APEC, the East Asia Summit and the Pacific Islands Forum.
- These forums are critical in fostering strong regional links and advancing Australia’s national, regional and global interests.

## Examples of Australia’s regional engagement

Forum	Key issues
ASEAN Regional Forum (ARF)	Defence and security
Asia-Pacific Economic Cooperation (APEC)	Economics and trade, human security
East Asia Summit (EAS)	Economics and trade, development assistance, disaster relief, energy security, climate change
Pacific Islands Forum (PIF)	Economics and trade, development assistance, human security
ASEAN-Australia-New Zealand FTA	Economics and trade

Want to know more?

**Department of Foreign Affairs  
and Trade**

[www.dfat.gov.au](http://www.dfat.gov.au)

Learn how the Australian Government advances the interests of Australia, as well as information on our global, regional and bilateral interests.

**The Group of 20 (G20)**

[www.g20.org](http://www.g20.org)

Learn more about the Group of 20 (G20), including G20 commitments to strengthen the international financial architecture and to foster sustainable economic growth and development.

**Department of Climate Change and  
Energy Efficiency**

[www.climatechange.gov.au](http://www.climatechange.gov.au)

Information on what Australia is doing to combat climate change, including the Carbon Pollution Reduction Scheme.

Australia's strength  
and resilience provides  
a sound base for  
investment and trade.

## Want to know more?

The Australian Trade Commission - Austrade - is the Australian Government's trade and investment development agency. Austrade provides a range of services to investors, including information about local market conditions and regulations. Austrade operates in more than 100 locations in over 55 countries. To find out more visit [www.austrade.gov.au/invest](http://www.austrade.gov.au/invest) or email [invest@austrade.gov.au](mailto:invest@austrade.gov.au)

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