

THE MARKETING ASSOCIATION OF AUSTRALIA AND NEW ZEALAND



THE MAANZ MARKETING SKILLS PROGRAM

International Marketing Work Book 12

Doing Business in Australia

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Acknowledgements and References

The sources for this workbook are many and varied, as you would expect from such a work. A number of individuals provided their advice, experience and input. Also a number of published sources were researched. In particular, the following sources are acknowledged:

Australian Department of Foreign Affairs and Trade

<http://www.dfat.gov.au/>

U.S. Department of State

<http://www.state.gov/>

AUSTRADE

<http://www.austrade.gov.au/>

U.K. Foreign and Commonwealth Office

<http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029390554>

CIA World Fact Book <http://www.cia.gov/cia/publications/factbook/>

BBC Monitoring

http://news.bbc.co.uk/1/hi/world/europe/country_profiles/1108491.stm

Research & Analytical Papers: Asia

<http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029395726>

Executive Planet

<http://www.executiveplanet.com/>

AsiaTour

<http://www.asiatour.com/thailand/content1.htm>

Further MAANZ Resources

The Marketing Association has a number of other resources and publications related to this topic.

Negotiating in Asia

Travel Advice

Multicultural Marketing (4 Workbook series)

The "Doing Business in ... " Workbooks series currently includes Doing

Business in...Australia; Brunei*; China; Hong Kong; India; Indonesia; Japan;

Korea; Laos*; Malaysia; New Zealand; Pakistan*; Philippines; Singapore; Sri Lanka*; Taiwan; Thailand; and Vietnam.

* Due for release mid 2004. Also due for release, late 2004 a new workbook on the Middle East and Russia.

There are also a number of additional books available for Background information. These include information on China; Hong Kong; India; Indonesia; Japan; Korea; Pakistan*; Philippines; Singapore; Sri Lanka*; Taiwan; Thailand; and Vietnam

Refer www.marketing.org.au for EVENTS section– Which links to several international country databases

Refer www.marketing.org.au for EVENTS section– Which links to currency converters

Refer www.marketing.org.au for EVENTS section– Which links to an international clock

Introduction/Overview of the Series.

The purpose of this series of 15 International Business Workbooks is to assist marketers to understand other markets better and to encourage international business/marketing.

They also form a significant part of The International Marketing Subject from MAANZ.

For further information on purchasing these workbooks contact: information@marketing.org.au

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General Information

Australia is a highly developed stable democracy with a federal-state system. Tourist facilities are widely available.

The Australian Tourist Commission, Internet website, www.australia.com provides a wide range of information of interest to travelers.

Currency

Australian currency is referred to as bills or notes. It is based on a system of one dollar = 100 cents. Internationally, Australian and U.S. dollars are differentiated by placing either "A!" or "US" before the dollar sign. (For example, \$100 in Australian currency is written A\$100, or \$A100.00.)

Australian bills or notes come in denominations of a\$5, a\$10, a\$20, a\$50, and A\$100. Silver coins break the currency down into 5 cents, 10 cents, 20 cents, 50 cents, and \$1. Gold coins of a \$1 and a \$2 denominations are also common.

Be sure to go to a bank when exchanging money, because you will get the best exchange rate there. Although it may be more convenient to exchange your currency at hotels, you will pay a higher rate for doing so.

When exchanging traveler-'s checks for Australian currency, be sure to have your passport---you will need it for identification.

Dates

Dates are written differently in Australia than they are in many other countries. The day is placed before the month, followed by the year. For example, January 30, 1999, would be written 30 January 1999, or 30/1/99.

Ethnic Makeup

Australia is made up primarily of Caucasians, approximately 95 percent of whom are of European descent. Individuals of Asian background make up about four percent of the population, while Aborigines

and other minorities account for just over 1 percent of the country's ethnic makeup.

Holidays

The following are the days that are considered national celebrations. Most businesses honor these days by being closed, so it is best to avoid scheduling meetings during these times.

January 1 New Years Day

January 26 Australia Day (a celebration of the first settlement of Australia)

March Labour Day (first or second Monday of the month)

April Easter Holiday

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(celebrated from Good Friday through the following Monday or Tuesday)

April 25 Anzac Day (the national memorial day)

June Queen's Birthday (second Monday)

November Melbourne's Cup Day (first Tuesday)

November 11 Remembrance Day (commemorates the end of World War II)

December 25 Christmas Day

December 26 Boxing Day (not observed in South Australia)

The Wattle is a large acacia tree. It is also the national floral emblem of Australia. This day is celebrated in many but not all localities.

Language

Australia's official language is considered to be English. However, Aussies speak a type of English called "Strine." Many English-speaking people make the assumption that they will have no problem understanding the Australian dialect, but they soon learn they can't always comprehend and assimilate the hybrid version of English that Australians have developed over the years.

Refer: [The Glossary of Australian and New Zealand Slang](#)

Religion

Because Australia was settled mostly by the British, the Anglican and Roman Catholic faiths each account for one quarter of Australian religious preferences. Another quarter is comprised of all other Christian religions, while the rest is divided among atheism, or agnosticism.

Time Zone Differences

Australia is a big country and has three time zones:

- *Western Australian Time*, which is 8 hours ahead of Greenwich Mean Time and 13 hours ahead of U.S. Eastern Standard Time. Cities in this time zone include Perth, Fremantle, and Alice Springs.

- *Central Australian Time*, which is 9 1/2 hours ahead of Greenwich Mean Time and 14 1/2 hours ahead of U.S. Eastern Standard Time. Cities in this time zone include Darwin and Adelaide.

- **Eastern Australian Time*, which is 10 hours ahead of Greenwich Mean Time and 15 hours ahead of U.S. Eastern Standard Time. Cities in this time zone include Victoria, Queensland, New South Wales, Tasmania, Brisbane, Sydney, Canberra, Melbourne, and Hobart.

Australian Daylight Savings Time begins on the last Sunday of October and lasts through the last Sunday in March.

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Weather

Seasons in Australia are the opposite of those in the northern hemisphere, with winter beginning in June and summer in December. The weather varies greatly depending on location. Most of the country is flat and arid, however the east coast can get as much as 200 inches of rain a year. The northern part of the country gets a lot of tropical weather, while the southeast part, which is where the majority of the population lives, experiences mostly moderate weather (although temperatures over 100 degrees Fahrenheit are commonplace).

Reasons to do Business in Australia

- Australia is situated in the fastest-growing region internationally.
- Its location makes it simple to do business with other Asian countries.
- The Australian government encourages international growth.
- Government regulations to encourage free trade.
- As an English-speaking country, there are few language barriers.
- Australians typically do not engage in long "courtships" before making business decisions.

- Historically, this country is known for its agricultural strengths, especially wheat, cotton, fruit, and sugar. It is also rich in minerals such as bauxite, coal, copper, iron, lead, tin, uranium, and zinc.
- It is known for its strength in manufacturing and service areas.
- This country is a world leader in research and development, along with technological innovation.
- Australia's tourism is on the increase.

Etiquette and Public Behaviour

Gestures and Public Manners

It is still generally considered unacceptable for men to touch, pat, or hug other men. The handshake is the most appropriate form of physical contact.

When speaking to an Aussie, be sure to maintain an arm's length distance from the person. This will ensure that you are respecting that individual's personal space.

Chivalry and common courtesy, with little thought to class or position still have a great place in this mellow culture. It is common for strangers to greet one another and strike up lively conversations.

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If it appears that things are going "okay," be sure to verbalize it rather than demonstrating it by placing your thumbs up. Just as with pointing with your index finger, this gesture is considered rude.

General Guidelines

- Australians generally prefer direct eye contact. People who avoid eye contact may not be perceived as trustworthy.
- Australians tend to be enthusiastic conversationalists and debaters. A wide range of topics may be open to discussion, including religion and politics. The best policy, however, is to wait for your Australian companions to bring up these two subjects; be prepared to hear very strong and often confrontational opinions.
- Australians find arguments and opinionated conversation entertaining, so don't hesitate to express your views if they are sincere and informed. It is common for Australians to make provocative statements during conversation and it is expected that such provocation is responded to with humour.
- Your Australian companions will be quick to let you know if you have introduced a subject that "crosses the line." Topics which are currently controversial in Australia include migration and aboriginal issues. It is advisable for visitors to Australia to avoid these topics of conversation unless raised by your host.
- Sport is a common topic of conversation in Australia and Australians tend to be receptive to sporting analogies.

- Australians like to criticise themselves, but they are not receptive to criticism from others. This can put you in a difficult position, especially if the conversation shifts to animated denunciations of Australia and Australians. Should you show any signs of agreement, abuse will likely be heaped upon you and/or your home country.

- Don't boast about yourself or your company's accomplishments. Instead, Australians prefer to judge your competence and abilities through your actions.

- Australians try not to draw too much attention to their academic qualifications or personal achievements. It is perceived to be arrogant or 'showing off' to talk about your own accomplishments. People who make a lot of references to their education and other professional qualifications in conversation may be subject to teasing. The 'tall poppy syndrome' means that Australians often avoid standing out or being a 'tall poppy', as they will not be respected by others.

Greetings and Introductions

Everyone is familiar with the indigenous "Gday, mate" heard in almost every television program and film about Australia. This is actually accurate. Regardless of how well people know each other, this is the common casual greeting-especially between individuals who have already established a rapport.

Fitting in with the laid-back demeanor in which business and life in general is conducted in Australia, titles are not commonplace, and in fact, are frowned upon as pretentious and showy. For that reason,

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Do not flaunt your title. Although it may be important for introductions in some cultures, this **is** not the case in Australia. If you verbalize your title when meeting an Aussie, you may be perceived as bragging.

Even recent acquaintances address one another, both in person and in correspondence, by their first names. However, it is in order to wait for an Aussie to invite you to do this. Until that invitation is extended, last names preceded by Mr., Mrs., or Ms. should be used.

For initial greetings, last names preceded by "Mr.", "Mrs.", or "Ms." should be used; "Sir" is another term of respect. Australians tend to quickly move on to a first-name basis, but wait for them to initiate this transition.

Among even relatively new acquaintances, first names are used both in personal greetings and business correspondence. Again, wait for an Australian to initiate the move to a first-name basis.

When using titles, follow the lead of others. In Australia, professional or academic titles do not necessarily command respect. It's up to the individual to win the favour and esteem of others.

Professional titles are not prominent in Australian business culture, and are sometimes dismissed as pretentious. Consequently, do not go around "advertising" your title.

Announcing your title when meeting an Australian may be perceived as a form of boasting.

"Mate" is another popular term of reference. It refers to anyone of one's own sex, but when used with the pronoun "my" [e.g. "my mates"], it refers to one's friends. Women also refer to other women as "mate."

Conversation

There are very few Australians who ever lack for something to say. In fact, most people who meet them describe Aussies as a very friendly and articulate group.

Few things are deemed to be 'inappropriate' topics of conversation in Australia. If you bring up one such topic, though, don't be surprised if you are told flatly to "mind your own business." You will find Aussies to be very direct.

Aussies love a good debate and are quick-witted conversationalists. Religion and politics are great subjects for discussion. Be prepared for a good battle of words, probably just a test by the Australian you're talking to, to see if you can stand your ground.

Although most topics are fair game, just as in other countries, the subject of race relations is better not discussed.

Don't boast about yourself or your company's accomplishments. Australians value the achievements of a group or community over the individual. They prefer to see achievement in action

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and make their own decisions about your worth, rather than have you tell them how great you are.

Business Attire

Australian business attire for men consists of dark suits and ties, rather than sport coats and trousers. Depending on the weather and also the circumstances, you may also see men in short-sleeved shirts with shorts, a tie, and knee-high socks.

Appropriate business dress for women would be suits or professional dresses (no slacks). However, business dress may be less formal in tropical climates than in cities such as Brisbane.

Negotiating

- It is appropriate to present a business card at an introduction.
- Before a meeting proceeds, there is usually some preliminary "small talk." Establishing rapport is important in Australian business culture.
- Speak plainly and expect what you say to be taken literally. In turn, interpret what Australians say to you in the same direct manner.
- Often, Australians will be initially trusting of people they consider their equals.
- Australians are usually distrustful of authority and of people who think that they are somehow "better" than others. Remain

modest at all times; in conversation, refrain from drawing attention to your education, professional experience, business success, and related achievements.

- Cynicism is an important part of the national character. A great deal of cynicism is directed at people who seem too wealthy or powerful. In this culture, there is greater respect for the "underdog."
- Australians generally dislike negotiating and aggressive sales techniques. Since they value directness, presentations of any kind should be straightforward, with an emphasis on both the positive and negative outcomes.
- An overly enthusiastic or earnest presentation that appears to be filled with exaggerated claims will only cause the speaker to become an object of ridicule.
- Keep your presentation simple and "to-the-point," since digressions or excessive details will not be well-received by an Australian audience.
- Modesty, casualness, and an air of nonchalance are characteristic attitudes in Australian business culture.
- Australians tend to be receptive to new ideas. Generally, they are analytical, conceptual thinkers.
- Established rules or laws usually take precedence over one's feelings. During negotiations, company policy is followed at all times.

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- Empirical evidence and other facts are considered the most valid forms of proof. Feelings of any kind are usually regarded with suspicion, particularly for decision-making purposes.
- In presentations and conversation, Australians are often receptive to sporting analogies.
- Australian businesspeople may emphasize profit over market share.
- Refrain from discussing your personal life during business negotiations.
- Generally, Australians do not like or trust people who appear to give excessive praise. This behaviour sometimes raises the suspicion that they are being set up to be embarrassed or misled in some way. Moreover, Australians dislike being pressured and will only resent the stress that accompanies high expectations.
- The work environment in Australian business culture tends to be collaborative. Before a decision is made, top management will consult subordinates and their input will be given careful consideration. Consequently, decision-making will be slow and protracted. It will be in your best interests not to try to rush this process.
- Deadlines and producing results are the main sources of anxiety in this culture.
- Decisions of any kind must be in accordance with company policy.

- Australians do not find it difficult to answer "no."
- Informing against one's "mates" is regarded with disgust in this culture.
- If you are teased, take it good-naturedly; you may tease back in an affable, rather than mean-spirited, manner.
- Australian women are still struggling for increased salary and positions of authority. In the workplace, men may not always treat women as equals.
- Work is sometimes perceived by Australians as a "necessary evil."

How Decisions Are Made

Management and those with authority, with the good of the whole in mind, make most decisions. There is much more collaboration among co-workers than is found in wholly autocratic work environments. Subordinates are consulted and their opinions are given much weight. For that reason alone, be prepared for decision-making to be a lengthy process. Whatever you do, do not rush an Australian if you are interested in developing a long-term relationship with that person.

Meeting Manners

Get to the point. Although small talk is part of the relationship building process in many cultures, one important tip to keep in mind while conducting business with Australians is that words are taken at face value. For that reason, be direct. Say what

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you have to say and expect your words to be taken literally. In return, you will be expected to interpret what Aussies say to you in the same direct manner.

When discussing business, be especially accurate and to the point. Because work is perceived by Aussies to be a necessary evil, recognize that the use of elaborate speech is laborious to Australians who would probably prefer to be discussing topics other than business.

Punctuality

Although being on time is a good business practice to be followed around the globe, it is important to recognize that Aussies are more relaxed about time. Therefore, if you are a few minutes late for a meeting, it will be overlooked. In turn, if you are kept waiting for a few minutes, understand that this is considered acceptable.

Business Entertaining/Dining

Australian cuisine and dining were originally shaped by the English culture. However, as a result of the wide cultural background and interests apparent in Australia, today there are some distinctly Australian dishes that may appear in front of you. Australia has developed an excellent reputation for its cuisine, especially what is known as "fusion" – based on blending the European and Asian influences. Melbourne in particular is known as a restaurant city. Sydney is also well known for its seafood.

"Bar-b-ques" or barbies are a very popular form of entertainment that takes place in homes. If you are invited to a barbie, be sure to dress casually and get ready for an evening of mixing and mingling.

If someone extends an invitation to you to "tea," recognize that you are being invited to dinner. On the other hand, if someone asks you what you had for "supper" the evening before, the person is referring to the late-night snack that you may have had.

The table setting in Australia will look familiar to Americans and many Europeans, as will the dining habits of the Australians around you. However, Aussies are a bit more informal.

When you are invited out, whoever extends the invitation pays for the meal.

Gift-giving Etiquette

Although gift giving is not as common in Australia as it is in other countries, it is appropriate to go with something in hand if you are invited to the home of an Aussie. Recommended items include something commemorative of the country or city you represent or a box of quality chocolates. The most important rule to remember when exchanging gifts with Australians is that your thoughtfulness matters more than the cost of the gift.

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Taxi Etiquette

Although it is in order for men to sit in the front with the driver, this is not the case for women. A woman traveling alone should sit in the back left passenger seat of the car (the driver will be on the right).

Tips on Tipping

Tipping is rarely necessary and is sometimes considered offensive. One reason is that Australians do not emphasize the differences between social classes. Therefore, if you tip, you may be perceived as implying that you view yourself as "above" that person socially. This rule applies to cab drivers, sky caps, hotel staff, and restaurant servers. However, although service people do not expect to be tipped by the "locals," it is understood that Westerners are accustomed to giving tips in the United States and other countries. Thus, tourists in Australia may offer tips if they so choose and will find their tips to be accepted gratefully-

If You Are Invited to an Australian Home

Be prepared to be treated like one of the family. Rather than being served food and drink, you will most likely be told where things are and to "help yourself." Don't be shy. Dig right in to show you are comfortable and enjoying your visit.

It is customary for guests to take beer or a bottle of wine for their host.

Important Advice

- Don't sit in the back seat of a cab if you are a man.
- Don't make a lot of small talk before getting down to business.
- Don't expect men to necessarily treat women as equals.
- Don't break eye contact with an Aussie when the person is talking to you.
- Don't think you are being invited to get together in the afternoon if you are invited to, "tea" with an Aussie. The term "tea" refers to the evening meal.
- Don't flaunt your title or brag about yourself.
- Don't rush an Aussie in any way,
- Don't expect to see a lot of formality. Aussies prefer a relaxed atmosphere and aren't concerned with pomp and circumstance.

Background Information

For more detailed information and assistance on doing business in Australia, contact the Marketing Association of Australia and New Zealand information@marketing.org.au

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Full Country Name: The Commonwealth of Australia

Area: 7,682m sq km

Population : 19.8m

Capital City: Canberra

People: 98% of the population are of European or Asian descent

Languages: Mainly English with some other European, indigenous and Asian languages

Religion(s): Predominantly Christian with Buddhist, Jewish and Muslim

Currency: Australian Dollar (A\$)

Major Political Parties: There are 6 registered parties, they are the: Liberal Party, National Party, Australian Labour Party (ALP), Australian Democrats, One Nation Party, Green Party

Government: The Australian Constitution of 1901 established a federal system of government. Under this system, powers are distributed between a federal government (the Commonwealth) and the six States (three Territories - the Australian Capital Territory, the Northern Territory, and Norfolk Island have self-government arrangements). The Parliament is at the very heart of the Commonwealth government. The Parliament consists of The Queen (represented by the Governor-General) and two Houses, the Senate and the House of Representatives. These three elements make Australia a constitutional monarchy, a federation and a parliamentary democracy.

Head of State: Her Majesty, Queen Elizabeth II

Governor-General: HE Major-General Michael Jeffery

Prime Minister: The Hon John Howard MP (Leader Liberal/National Coalition)

Membership of international groups/organisations: The United Nations (UN), the Commonwealth, the World Trade Organisation (WTO), the Asia Pacific Economic Co-operation (APEC), Organisation for Economic Cooperation and Development (OECD), the Association of Southeast Asian Nations (ASEAN) Regional Forum (ARF), United Nations Educational, Scientific and Cultural Organisation (UNESCO), Pacific Islands Forum (PIF), Pacific Community (SPC), South Pacific Regional Environment Programme (SPREP).

Geography

Australia occupies the whole of the island continent of the same name and lies between the Indian and Pacific Oceans. Although the country's land mass is half as big again as that of Europe, most of Australia is empty. The population is centred predominantly in the South Eastern coastal cities of Sydney, Brisbane, Melbourne and Adelaide while the interior of the country - the Outback - is comprised of sparsely populated semi-desert and tropical wetlands.

History

Australia was uninhabited until stone-culture peoples arrived, perhaps by boat across the waters separating the island from the Indonesia archipelago about 40,000 years ago. Portuguese, Spanish, Dutch, and English explorers observed the island before 1770, when Captain Cook explored the east coast and claimed it for Great Britain (three American colonists were crew members aboard Cook's ship, the Endeavour).

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In 1768 the British Admiralty instructed Captain James Cook to begin a search for the 'Great South Island' first reached by Dutch sailors in the early 17th century. The crew of *The Endeavour* subsequently landed at Botany Bay and claimed the Island for the British. King George III decided that Botany Bay should become the destination for British convicts under sentence of transportation and in January 1788 the first fleet sailed under the command of Captain Arthur Phillip. In total, more than 168,000 convicts were transported but the discovery of gold in the 1850s also began to attract free settlers to the Island. Exploration and expansion followed from the growth in population and by the 1890s, calls for the colonies of New South Wales, Western Australia, Van Diemen's Land (now Tasmania) and Port Phillip (Now Victoria) to federate had become increasingly strong. Australia became a nation on 1 January 1901.

People

Australia's aboriginal inhabitants, a hunting-gathering people generally referred to as Aboriginals and Torres Straits Islanders, arrived about 40,000 years ago. Although their technical culture remained static--depending on wood, bone, and stone tools and weapons--their spiritual and social life was highly complex. Most spoke several languages, and confederacies sometimes linked widely scattered tribal groups. Aboriginal population density ranged from 1 person per square mile along the coasts to 1 person per 35 square miles in the arid interior. When Capt. James Cook claimed Australia for Great Britain in 1770, the native population may have numbered 300,000 in as many as

500 tribes speaking many different languages. The aboriginal population currently numbers more than 410,000, representing about 2.2% of the population. Since the end of World War II, the government and the public have made efforts to be more responsive to aboriginal rights and needs.

Immigration has been a key to Australia's development since the beginning of European settlement in 1788. For generations, most settlers came from the British Isles, and the people of Australia are still predominantly of British or Irish origin, with a culture and outlook similar to those of Americans. However, since the end of World War II, the population has more than doubled; non-European immigration, mostly from the Middle East, Asia, and Latin America, has increased significantly since 1960 through an extensive, planned immigration program. From 1945 through 2000, nearly 5.9 million immigrants settled in Australia, and about 80% have remained; nearly two of every seven Australians is foreign-born. Britain and Ireland have been the largest sources of post-war immigrants, followed by Italy, Greece, New Zealand, and the former Yugoslavia. Australia's refugee admissions of about 12,000 per year are in addition to the normal immigration program. In recent years, refugees from the former Yugoslavia, the Middle East, and Southwest Asia have comprised the largest-single element in Australia's refugee program.

Although Australia has scarcely more than two persons per square kilometer, it is one of the world's most urbanized countries. Less than 15% of the population lives in rural areas.

Cultural Achievements

Much of Australia's culture is derived from European roots, but

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distinctive Australian features have evolved from the environment, aboriginal culture, and the influence of Australia's neighbors. The vigor and originality of the arts in Australia--films, opera, music, painting, theater, dance, and crafts--are achieving international recognition.

Australian actors such as Nicole Kidman, Rachel Griffiths, Cate Blanchett, Geoffrey Rush, Paul Hogan, and Heath Ledger have achieved enormous popularity in the United States. Australian movies and directors such as Peter Weir and Philip Noyes also are well known.

Australia has had a significant school of painting since the early days of European settlement, and Australians with international reputations include Sidney Nolan, Russell Drysdale, and Arthur Boyd. Writers who have achieved world recognition include Thomas Keneally, Colleen McCullough, Nevil Shute, Morris West, Jill Ker Conway, and Nobel Prize winner Patrick White.

Politics

Federal

The Federal Coalition of the Liberal and National parties was returned for a third term, with an increased majority, in the House of Representatives in November 2001. However, they are four seats short of a majority in the Senate and often need the support of the Democrats, Greens or Independents to carry legislation through. The next election is due before April 2005, although many expect it will be held in October/November 2004.

State/Territories

For the first time since Federation in 1901, the Australian Labor Party hold all the State and Territory Governments. Queensland Premier, Peter Beattie, has called a State Election for 7 February 2004. He is widely expected to win, but with a reduced majority. A Territory election is due in the Australian Capital Territory (ACT) on 16 October 2004; and a State election in Western Australia before March 2005.

Federal Government Policies

The Federal Government's third term agenda is focused on border protection, welfare and industrial relations reform. But several pieces of legislation have been rejected by the Senate, and could serve as triggers for a double dissolution election (a full election of both Houses) followed by a joint sitting of Parliament to pass the blocked legislation - if the Government wins. But the Government are more likely to hold a normal House of Representatives and half-Senate election in the usual cycle. The Prime Minister has reaffirmed the Government's commitment to national security, economic strength and social stability. The key campaign battleground will be over health and education.

The Government were largely credited with winning the last election on their strong performance on the economy, national security and asylum issues. It turned an inherited A\$10 million budget deficit to surplus by 1998, and has paid back over A\$63 billion in debt. It secured passage of the Native Title Amendment Act: aiming to provide a framework for resolving the competing claims of pastoralists and miners with those of the original indigenous inhabitants of the land; and the introduction of a Goods and Services Tax (GST) - a VAT equivalent.

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Howard's stance on asylum seekers was a factor in the Coalition's third successive election win. Faced with a substantial increase of unauthorised boat arrivals and The Tampa incident in August 2001, the Coalition Government introduced Border Protection legislation to tackle people smuggling into Australia and stem the flow. The legislation excised certain Australian territories from the Australian Migration Zone. Asylum seekers arriving there would be given an 'offshore entry permit' and their claims subject to administrative review in situ, under UNHCR-type criteria, with no access to Australian courts. Asylum seekers arriving on the Tampa and subsequent vessels in September/October 2001 were refused access to the mainland of Australia, and were transported by the Australian navy to Nauru and Manus Island (PNG) under the 'Pacific solution' for processing. The Government can claim success in that there have only been a couple of instances of boats arriving with asylum seekers since December 2001.

The Australian Government have been criticised for its continuing policy of mandatory detention, which was introduced by a Labor Government in 1996. Only unauthorised boat arrivals with no documentation are detained. Those arriving by air with documents and visas are allowed to live in the community while their asylum claims are processed. The policy continues to have popular support within Australia. However, with the dwindling number of unauthorised boat arrivals, the Government have been able to close down some of its onshore detention centre. A new processing centre has been built on Christmas Island (one of the excised territories) for any future unauthorised boat arrivals.

Indigenous Issues

The treatment of the indigenous Aboriginal community (2.4% of the population) has taxed successive Australian governments. They were only recognised by the Australian Constitution after 1967 and only fully became a part of Australian society in 1975. The Racial Discrimination Act 1975 prohibited discrimination on grounds of race, colour, descent, or national or ethnic origin.

There is now a wide range of government programs seeking to improve aspects of Aboriginal and Torres Strait Islander life. The Federal government has spent billions of dollars on such programs.

The 'Stolen Generation' refers to a government backed scheme between 1920 and 1970 to remove Aboriginal and Torres Strait Islander children from their parents and place them with white families or orphanages. An investigation by the Australian Human Rights and Equal Opportunity Commission 1995-97 concluded, that the policy of child removal 'aimed to eliminate indigenous cultures as distinct entities' and, hence, constituted 'genocide' as defined by the United Nations Convention on the Prevention and Punishment of the Crime of Genocide. It recommended an apology and the payment of compensation to those affected. In response, the Government announced, in December 1997, a series of programs to improve Aboriginal health and welfare, and to reunite families. Many commentators have since questioned the quality of the HREOC report.

On Native Title, it had long been accepted that Australian land was not owned before British colonisation (terra nullius): the original Aboriginal inhabitants had, therefore, no native title to the land they occupied. Decisions by the High Court in 1993

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(Mabo) and 1996 (Wik) established that native title could exist and was not necessarily extinguished by a pastoral leasehold. It fell to the present government to find a legislative framework that would resolve the competing claims of pastoralists and miners on one side with the rights of indigenous inhabitants on the other. The result was the Native Title Amendment Act 1997. The Act confirms that native title can co-exist with pastoral leases, to the extent that it is consistent with those leases. It provides a mechanism for consultation and agreement where title is disputed, and tightens the criteria for determining indigenous claimants: eg requiring an existing association with the land. Neither side has been satisfied and court challenges are likely.

Republic Debate

In a constitutional referendum held on 6 November 1999, Australia voted to remain a constitutional monarchy (55% to 45%). Voters were offered a choice between the status quo and the Republican model approved by the 1998 Constitutional Convention: a President appointed by a two-thirds majority in Parliament. Debate focused principally on the Republican model rather than on the monarchy. Republicans wanting a directly elected president formed an unlikely coalition with monarchists to defeat the referendum. Despite the result, there is extensive republican sentiment in Australia.

Both Labor and Democrats support a Republic. But the republican cause suffered a setback with the re-election in November 2001 of PM John Howard - a staunch monarchist - and his announcement in June 2003 to remain as leader of the Liberal Party through the next election. Many republicans feel

that their agenda will now be delayed by at least ten years. The new Federal Labor party leader Mark Latham is pro-republican.

Economy

Basic Economic Facts

GDP: US\$493.4 billion (12 months ending June 2003)

GDP per head: US\$24,685 billion (12 months ending June 2003)

Annual Growth: 3.0% (12 months ending June 2003)

Inflation: 2.6% (12 months ending September 2003)

Monthly Exchange Rate: A\$1.00 = £0.4219 (December Average 2003)

Overview

Australia is recognised as one of the world's leading 'growth economies', with economic growth averaging 3.6% over the last decade. It is one of the strongest OECD performers through its pursuit of extensive economic reform and ensuring its macroeconomic policies are set in an organised medium-term framework. GDP growth contracted to 3% during the Australian financial year ending June 2003, as a result of weak global conditions and the impact of a widespread drought affecting export earnings. However, it is expected to rebound to at least 3.5% in 2004, as the world economy and domestic seasonal conditions improve.

Unlike other industrialised countries, the international cyclical downturn has barely affected domestic growth as the Australian economy has been underpinned by low interest rates, strong terms of trade and productivity growth, and high levels of business and consumer confidence. Consumer price inflation has

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been kept in line with the Reserve Bank of Australia's 2 to 3 per cent target and unemployment has fallen to 5.6% seasonally adjusted.

The Australian economy has undergone significant reform over the last 20 years. Changes include deregulation of the financial system, reductions in tariffs and other trade barriers, the removal of most restrictions on foreign investment, the privatisation of government-owned commercial enterprises, the creation of contestable markets in previously monopolized industries such as energy and transport, and a gradual movement away from centralised determination of employee remuneration.

Outlook

Economic prospects for 2004 (an election year) look healthy. Strong GDP growth of at least 3.5% is predicted as the world economy picks up and rural seasonal conditions return to normal. Interest rates remain low at 5.25%, with the Reserve Bank increasing the official rate by 0.5% in late 2003 to target potential inflationary pressures buoyed by the recent housing market boom. Consumer price inflation is well within the Bank's 2-3% target band, and currently running at 2.6%. The main concern is the impact of the rising Australian dollar against all major currencies and domestic current account deficit of just under A\$12 billion. The recovery in world demand has led to increases in many of Australia's key commodity prices, which has been subsequently eroded by the upward trend in the domestic exchange rate. Exports contribute around 20% to Australia's economic growth. The Australian dollar averaged \$US0.74 December 2003.

The fiscal outlook is particularly healthy after the Government announced a surprise A\$7.5 billion budget surplus for the twelve months ending June 2003 (A\$3.6 million more than expected).

Trade and Investment

Australian main export destinations are Japan, US, Republic of Korea and China whilst its main import sources are the US, Japan, China, Germany and the UK. In the 10 years to June 2003, Australian produced merchandise exports have grown by an average seven per cent per annum. Subdued economic growth in many of its major trading partners, the drought, and the appreciation of the Australian dollar against the US dollar saw the value of Australia's merchandise exports in 2002-03 fall by 5 per cent to A\$115.4 billion whilst imports increased 11% to A\$133.1 billion.

INTERNATIONAL RELATIONS

Foreign Policy

Australia sees itself as a middle-ranking power, with global interests not solely defined by geography. Though located in the Asia-Pacific region, Australia has close ties and affinities with Europe and North America and a history of active engagement throughout Asia. Since coming to office in 1996, the Liberal/National Coalition government has placed these relationships at the centre of its foreign policy. The increased threat to international security and stability following 11 September 2001 led Australia to place particular emphasis on the long-standing special intelligence relationships with the US and UK.

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Australia's links with the United States are seen as vital for national security and prosperity. It supports long-term US strategic engagement in Asia as a fundamental contribution to regional stability and prosperity. President Bush, who visited Canberra in October 2003, has a close relationship with Prime Minister John Howard. The US Administration generally gives Australia a good deal of attention and the two governments hope to finalise a free trade agreement (FTA) in 2004. The European Union is Australia's largest economic partner. The importance of the UK's position as the main gateway for Australian trade and investment in Europe should not be underestimated. In 2001/02 the EU was Australia's largest trading partner (17.9% of the market), the second biggest destination (after Japan) for merchandise exports (market share of 12.4%) and the largest destination for service exports (market share of 19.3%). The EU is the largest investor in Australia (providing 33% of all FDI) and the second largest market (after the US) for Australian investment (24% of all overseas investment). In recent years Australia has worked hard diplomatically to strengthen its links with both the EU and NATO in Brussels. For Australia, a major exporter of agricultural products, the EU's Common Agriculture Policy is considered to be a major impediment to freer global trade. The current Doha round of trade negotiations would need to include significant liberalisation of agricultural exports in any final agreement to attract Australian support.

Close engagement with Asia is an abiding priority in Australian foreign and trade policy. Japan, China, New Zealand and Korea, together with the US and UK, are Australia's six largest individual trading partners. Australia is an enthusiastic supporter of the

ASEAN Regional Forum, but the deepening of regional multilateral engagement has been frustrated by exclusion from ASEAN+3 and ASEM meetings. Possible exclusion from a ASEAN+3 free trade area has led Australia to pursue bilateral FTAs or closer economic relationships with Japan, China, Thailand, Korea, Singapore and the US. The Australian Government will pay particular attention to building a strategic economic partnership with China. In 2003, Australia was awarded a significant contract to supply China's first Liquefied Natural Gas project. When President Hu Jintao visited Australia in October 2003, he spoke of a natural partnership for Australia to provide many of the raw materials required for China's continuing industrialisation. In 2001/02, China was Australia's third largest trading partner and fourth largest export market. The trilateral dialogue with Indonesia and East Timor, the Indian Ocean Rim Association Regional Cooperation Forum, the Forum of East Asia – Latin American cooperation, and the South West Pacific Dialogue, the Asian Regional Forum and APEC have all enhanced Australia's profile in the South Pacific. Australia established human rights dialogue with China, Vietnam and Burma and sought to take the lead in promoting peace, stability and the promotion of democracy in East Timor, Fiji, the Solomon Islands and Bougainville.

Security

11 September 2001 and the Bali bombs in October 2002 irrevocably changed the security landscape for Australia. The Government recognised immediately that Australia's vigorous participation in the war against terrorism was vital to protect long-term security. Australian Special Forces participated in the removal of the Taleban from Afghanistan.

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Together with the US and UK, in 2003 Australia provided aircraft, ships and over 2000 military personnel for the military campaign in Iraq.

However, Australia's immediate security environment has been affected by increasing instability in the Pacific ('the arc of instability'). Following the successful UN sponsored, but Australian led, mission in East Timor in 1999, the Government has recognised their substantial responsibility in the region. In July 2003, Australia led a 2000 strong Regional Assistance Mission in the Solomon Islands (RAMSI) made up of military, police and civilian administrators largely from Australia, but also including contributions from New Zealand, and other countries in the region. RAMSI has already made good progress in restoring law and order and providing longer-term stability in the troubled island state. In 2004, with the prior agreement of the Government of Papua New Guinea, Australia hopes to place a significant number of police and administrators in the PNG bureaucracy in order to enhance security and accountability in the public service.

International organisations

Australia has always been strongly committed to the UN and other multilateral organisations. In particular, it has always played an important role in disarmament and non-proliferation negotiations. Australia believes that the threat of WMD is best handled through the multilateral framework. In 2004, Australia will chair the UN Commission on Human Rights. It is a strong supporter of the Commonwealth, which it chaired from 2001 to December 2003.

TRAVEL

Safety And Security

Terrorism

There is no history of terrorism in Australia but in the current world climate British nationals should be aware of the risk of indiscriminate terrorist attacks in all countries of the world against civilian targets in public places, including tourist sites. (see [Security and General Tips](#) and [Risk of Terrorism](#) on the FCO website).

Crime

Be particularly careful with personal possessions and travel documents in popular tourist destinations such as Cairns and the Gold Coast. Robberies of safe deposit facilities at cheaper hotels and hostels are not uncommon. Unattended vehicles can also be targets. Particular care should also be taken when walking in areas such as the Kings Cross district of Sydney and downtown George Street. The Sydney police have advised tourists to be vigilant due to a series of attacks on backpackers. Take care when you are withdrawing cash from cash machines. You should also take precautions for your personal safety when travelling on public transport.

Local Travel

Australia is a vast country. You are strongly recommended to take regular rest breaks when driving long distances. There are extremely remote outback areas, which can present unexpected hazards. If you intend travelling to such areas you should plan your trip with care and seek and follow local advice on what

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precautions to take. The following website gives details of the precautions you are advised to take to make your journey safer: www.rfds.org.au/travelinfo . In addition, when travelling to remote tourist areas of the outback, it is essential to leave your route details and expected time of return with the relevant local tourist authorities or police. Ensure that you also give notification when you return.

You should, in particular, consult the advice issued by the Australian Tourism Ministers' Council about water/beach safety, as well as safety on the roads, and when travelling in the bush or outback. This can be found on the following website: http://www.queensland-holidays.com.au/about_queensland/safety_information.cfm

Local Laws And Customs

The Australian authorities have become increasingly vigilant regarding drug smuggling. Arrests and prosecutions are now commonplace.

Entry Requirements

Visas are required for all travel to Australia. However, British nationals can obtain Electronic Travel Authorities from their local travel agent, which will allow travel for up to three months as a visitor.

For those intending onward travel to other countries in the region you are advised that entry into some countries may be

refused, and airlines may not carry you, if your passport has less than six months validity. For further information on entry requirements you are advised to check with the Embassy or High Commission of the country you intend to visit.

Health

Travellers to north Queensland and Northern Territory should use insect repellents and sleeping nets to guard against the risk of contracting mosquito-borne diseases such as dengue fever and Ross River fever. There have also been reports of cases of Murray Valley Encephalitis (MVE), a potentially fatal mosquito-borne disease, in the Northern Territory. But further reports suggest that MVE virus activity extends from Western Australia to Queensland.

Severe Acute Respiratory Syndrome (SARS)

Since February 2003, the World Health Organisation (WHO) has received reports of SARS in various parts of the world. Australia has had no confirmed cases of transmission of SARS. The Government has measure in place to monitor and manage the risk.

All persons arriving at Australia's seaports and airports will be required to fill in a SARS Health Information Card. Passengers must complete a declaration about their health, recent travel history and must provide contact details during their stay in Australia. The cards contain specific SARS information for travellers and health care workers about returning to work.

For further information on health, check the Department of

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Health's website at: [Department of Health, advice to travellers](#)

Natural Disasters

Visitors should be aware that (depending on season) flash flooding of large areas and bush fires can occur suddenly.

General

You are strongly advised to consider taking out separate medical insurance for the whole of your overseas visit, including any time spent in Australia. It is also advisable to have cover for unexpected losses such as cancelled flights, stolen cash, cards, passport or luggage.

You should ensure that you have a return air ticket and do not rely on obtaining money from sources such as tax returns to fund a return flight.

Quarantine Procedures

Australian authorities are rigorous in their efforts to keep out any pests and diseases that could effect plant, animal and human health. All items of quarantine concern, whether arriving by plane with visitors or by mail, are inspected, treated and, if necessary, confiscated and destroyed.

All visitors to Australia are given an incoming passenger card on the plane, on which they must declare any food or goods of plant or animal origin. These goods includes nuts, dried fruit and vegetables, herbs and spices, biscuits, cakes and confectionery, teas, coffees and milk-based drinks and sporting equipment

(including camping gear), amongst others. A full list of items which must be declared, as well as prohibited goods, can be found on the web site of the Department of Agriculture, Fisheries and Forestry in Australia website: "What can't I take into Australia?" . Breaches of quarantine regulations can result in large fines.

All visitors must also declare on the passenger card if they have "visited a rural area, or been in contact with, or near, farm animals outside Australia in the past 30 days". As a result of these quarantine procedures, visitors should expect some delay on arrival.

Dual Nationality:

In addition to being subject to all Australian laws affecting travellers, individuals who also possess the nationality of Australia may also be subject to other laws that impose special obligations on citizens of that country.

Dangerous Australian Fauna

Visitors are cautioned that Australian fauna can be as dangerous as it is inspiring. From jellyfish off the Great Barrier Reef to crocodiles and sharks, poisonous insects and snakes, the continent and its waters host wildlife that merit awe and respect in equal doses. [Further information on Australian wildlife](#) may be obtained from <http://www.aims.gov.au/dma>, http://www.wetropics.gov.au/vi/vi_marine.html, and http://www.wetropics.gov.au/vi/vi_animals.html. Scuba divers

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and swimmers should use safety precautions and never swim or dive alone.

Traffic Safety And Road Conditions:

While in a foreign country, you may encounter road conditions that differ significantly from those in your home country. The information below concerning Australia is provided for general reference only, and may not be totally accurate in a particular location or circumstance:

Safety of Public Transportation: Good
Urban Road Conditions/Maintenance: Good
Rural Road Conditions/Maintenance: Good
Availability of Roadside Assistance: Good

Visitors are reminded that all traffic operates on the left side of the road, and that all vehicles use right-hand drive. Visitors should use caution when crossing streets and when driving. When crossing roads, pedestrians are reminded to look carefully in all directions. Seat belts are mandatory. Speed limits and laws regarding driving while intoxicated are rigorously enforced.

Outside the major metropolitan areas, most highways are two-lane roads with significant distances between destinations.

Drivers are urged to exercise caution while passing or merging with adjacent traffic. When driving in rural areas, particularly in the Northern Territory where there are no speed limits, drivers should be cautious of free-roaming animals and "road-trains" (several semi-truck trailers hooked together). It is dangerous to

pass road-trains, and it is advisable to pull over and allow on-coming road-trains to pass to avoid being sideswiped. A number of fatalities have occurred in the Northern Territory when vehicles, driven at high rates of speed, have skidded and overturned after hitting the loose gravel shoulder of the road. Drivers, especially those inexperienced with 4-wheel drive vehicles, should exercise common-sense judgement when driving in outback Australia.

For specific information concerning Australian driving permits, vehicle inspection, road tax, mandatory insurance and the rental and operation of motor vehicles in Australia, contact the Australian Tourist Commission via the Internet at www.australia.com.

Customs regulations:

Australian customs authorities enforce very strict regulations concerning the temporary importation from all countries of items such as agricultural and wood products, as well as very strict quarantine standards for other products, animals, and pets. It is advisable to contact the Embassy or one of Australia's consulates for specific information regarding customs requirements, or see www.aqis.gov.au. Australian customs officials encourage the use of an ATA (Admission Temporaire/ Temporary Admission) Carnet for the temporary admission of professional equipment, commercial samples, and/or goods for exhibitions and fair purposes.