

EXTERNAL TRADE

GENERAL INFORMATION

Historical background

From a traditional pattern of partnership with the United Kingdom, Australia has become in recent years more a trading partner of Japan and the United States of America and this is also the trading pattern in Victoria. Similarly the place occupied by European countries such as France and Italy in the 1950s has diminished proportionately in Victoria's trading pattern since the implementation of the European Economic Community. In 1976-77, the proportion of Australian trade at Victorian ports was 35.2 per cent of imports and 19.0 per cent of exports. Major imports were machinery, transport equipment, textile yarns, fabrics, petroleum, and petroleum products, while major exports were wool, meat, wheat, and dairy products. The major countries contributing to imports were the United States of America, Japan, the United Kingdom, and the German Federal Republic, while the major countries receiving exports were Japan, New Zealand, the United States of America, and the United Kingdom.

Further reference: *Victorian Year Book 1977*, pp. 527-8

Legislation and agreements

Introduction

The Constitution of the Commonwealth of Australia confers on the Commonwealth Parliament exclusive power to impose duties of customs and excise. Responsibility for the collection of these duties, and for the administration of various controls over imports and exports, rests with the Commonwealth Department of Business and Consumer Affairs.

Customs Tariff

The Australian Customs Tariff has been developed on the policy of protection for economic and efficient Australian industries and preference for certain imports from Commonwealth countries and certain developing countries. Duties are also imposed on some goods (e.g., potable spirits, tobacco, cigarettes, and petrol) mainly for revenue purposes.

There are two major scales of customs duty — the Preferential Tariff and the General Tariff. The Preferential Tariff applies to goods which are the produce or manufacture of the United Kingdom and Ireland, provided that they have been shipped from those countries without trans-shipment (or, if trans-shipped, if Australia was the intended destination of the goods when originally shipped). It applies also to most goods produced or manufactured in Canada, with certain exceptions (all of which pay a lower rate of duty), to goods which are the produce or manufacture of Papua New Guinea, and to specified goods imported from declared preference countries, all of which are, or were, British Commonwealth countries or British non-self-governing colonies, protectorates, or trust territories. From 19 July 1973, goods which are the produce or manufacture of New Zealand attract a special rate of duty which is less than the preferential rate — before that

date all New Zealand goods (with certain exceptions which paid a lesser rate of duty) attracted the preferential rate.

Preferential rates of tariff have been operating since 1966 for selected products imported from certain declared "less-developed" countries. A revised scheme was implemented from 1 January 1974 covering all imports of manufactured and semi-manufactured products, apart from certain exceptions comprising mainly those products where developing countries are already competitive or are likely to quickly become competitive at General Tariff rates of duty.

The General Tariff applies to goods imported from British Commonwealth countries but not qualifying for the Preferential Tariff, and to goods imported from other countries.

Primage duties

In addition to the duties imposed by the Customs Tariff, *ad valorem* primage duties are levied on some imports at rates of 3 per cent, 7 per cent, or 10 per cent according to the origin and type of goods. Goods which are the produce or manufacture of New Zealand, Fiji, Papua New Guinea, Norfolk Island, the Territory of Cocos (Keeling) Islands, or the Territory of Christmas Island are exempt from primage duty. A number of specified goods for use by primary producers, many machines, tools of trade, raw materials not manufactured or produced in Australia, and a wide range of other goods are also exempt from primage duties. The Industries Assistance Commission is expected soon to report to the Commonwealth Government on the matter of primage duties.

Anti-dumping duties

Protection of Australian industries against various forms of unfair trading is provided by the *Customs Tariff (Anti-Dumping) Act 1975*. Under this act, dumping duty may be imposed on goods shipped to Australia at an export price which is less than the normal value of the goods (where this causes or threatens material injury to an Australian industry), and countervailing duty may be imposed to offset the effect of subsidies, bounties, and other forms of assistance paid to exporters of goods competitive with local production. These duties are additional to the normal duties imposed by the Customs Tariff.

Customs by-laws

Schedules 1 and 2 to the Customs Tariff contain several items relating to "goods, as prescribed by by-law". Such goods are admitted at concessional rates of duty, usually duty free. Generally, by-law entry is accorded to imported goods provided suitably equivalent goods are not reasonably available from Australian manufacturers or production.

Goods which automatically qualify for by-law admission are named in a document, the "Consolidated Customs By-law References", which is published by the Department of Business and Consumer Affairs.

For goods which are not listed in that publication, individual by-law applications may be lodged with the By-law Branch of the Department of Business and Consumer Affairs in Canberra. Responsibility for providing evidence that suitably equivalent goods are not reasonably available from Australian production rests with the person or organisation making the by-law application.

Industries Assistance Commission

The Industries Assistance Commission is a statutory authority which came into existence on 1 January 1974 as a result of the passing of the *Industries Assistance Commission Act 1973* by the Commonwealth Parliament. The Commission replaced the Tariff Board, which since 1921 had been responsible for advising the Commonwealth Government on assistance for industries mainly in the secondary sector of the economy. (The *Industries Assistance Commission Act 1973* was amended in March 1978).

The Commission is an advisory authority, advising the Commonwealth Government. Its functions are to hold inquiries and make reports to the Commonwealth Government in respect to matters of assistance to industries in the primary, secondary, and tertiary sectors of the economy, and in respect to other matters referred to the Commission by the

Commonwealth Government. The Commonwealth Government is required to seek the Commission's advice before it makes changes in the long term assistance afforded industries; but it is not obliged to accept the Commission's advice.

References from the Commonwealth Government requiring the Commission to inquire into and report on certain matters mainly arise from representations to the Commonwealth Government from organisations, companies, or individuals seeking assistance. References are also initiated by the Commonwealth Government and the Commission itself has the power to initiate an inquiry. The receipt of a reference from the Commonwealth Government is the official document directing the Commission to inquire into and report on matters in accordance with the terms of reference and the guidelines as set by the Commonwealth Government.

Public hearings are held by the Commission in Canberra and in capital cities throughout Australia. At these hearings evidence is taken on oath or affirmation. The Act requires the Commission to take into consideration only sworn evidence. The inquiry subject and the date and location of public hearings are advertised in the press and advised by Commission circular.

If after receiving a report from the Commission, the Commonwealth Government decides that assistance afforded a particular industry should be changed, it introduces a proposal to this effect in Parliament. Thus the final responsibility for altering assistance given to particular industries within Australia rests with Parliament. Copies of the Commission's reports, when released for publication by the Commonwealth Government, are sold by the Australian Government Publishing Service bookshops.

The Commission is also required to report annually to the Commonwealth Government on its operations and on the general structure of industry assistance within Australia and its effects on the economy.

Temporary Assistance Authority

The Temporary Assistance Authority (TAA), which replaced the Special Advisory Authority set up under the Tariff Board Act, came into operation on 1 January 1974 under the provisions of the *Industries Assistance Commission Act 1973* (since amended). The main function of the TAA is to undertake inquiries and submit reports to the Commonwealth Government within 45 days of receipt of a reference from the Commonwealth Government on the question of whether urgent action is necessary to provide assistance to any industry that is experiencing difficulty due to the importation of specified goods. If urgent action is necessary the Authority recommends the nature and extent of the assistance to be provided.

The Authority's reports on individual inquiries are normally made public once the Commonwealth Government's decision is announced and are available, as is the annual report, from the Australian Government Publishing Service bookshops.

Bilateral trade agreements

Australia has numerous trade agreements with overseas countries. The principal ones, describing the main features of the agreements, are outlined in the following notes.

Canada

Signed 1960. Provides for each country to give the other tariff preferences on specific goods and for the exchange of preferences in each country's tariff derived from the preferential agreements each had with Britain. The termination of these agreements with Britain created a need for Canada and Australia to review their own preferential trading arrangements. An Exchange of Letters governing the future operation of the 1960 Agreement was signed on 25 October 1973. The Exchange provides for a continuation of the tariff preferences, but on a more flexible basis, with some other modifications of provisions of the 1960 Agreement, particularly those relating to indirect shipment of goods and to anti-dumping procedures.

New Zealand

The New Zealand-Australia Free Trade Agreement (NAFTA), signed in 1965, came into force on 1 January 1966 and formally established a free trade area between Australia and

New Zealand. However, complete free trade was not thereby achieved. The Agreement provides only for free trade in certain scheduled goods. Provision is made for additions to the free trade schedule. It also provides in respect of non-scheduled goods, for the two governments to agree on special measures (including the remission or reduction of duties) beneficial to the trade and development of each country.

The 1933 Agreement continues in effect as part of the Free Trade Agreement except as superseded or modified by it. Following the termination in early 1973 of the trade agreements which they had with Britain, Australia and New Zealand entered into an interim arrangement on tariffs and tariff preferences on 7 May 1973. This has been replaced by a new agreement which came into effect on 1 December 1977 and allows for the continuation of the contractual right of both countries to margins of preferences in each others' markets.

Malaysia

Signed 1958. The Agreement provides for each country to accord preferences to the other on certain specified goods. The exchange of these preferences was placed on a more flexible basis by an Exchange of Letters on 21 February 1975. The Agreement further provides for protection of Malaysia's tin and rubber exports to Australia and of Australia's wheat exports to Malaysia against dumped or subsidised competition. There are also certain guarantees of market access for Australian wheat in the Malaysian market and for natural rubber in the Australian market provided that the Papua New Guinea natural rubber crop is absorbed. The Agreement also assures Malaysia that Australian tariff or import licensing treatment of natural rubber will be the same as for synthetic rubber.

India

Signed 1976. The Agreement confirms that trade between the two countries shall be conducted in accordance with the provisions of the General Agreement on Tariffs and Trade. It provides for encouragement and co-operation between India and Australia and establishes a Joint Trade Committee to meet annually and review the operation of the Agreement and advance its objectives.

Republic of Korea

Signed 1975. The current Agreement replaced an earlier Agreement entered into by Australia and the Republic of Korea in 1965. The new Agreement states that the two governments are to take all appropriate measures to facilitate, strengthen, and diversify bilateral trade in accordance with the General Agreement on Tariffs and Trade; recognises the need to improve the conditions of world commodity trade; declares support in principle for international commodity agreements; and expresses support in principle for the conclusion of long-term commercial contracts between organisations and enterprises of the two countries. The Agreement also established a Joint Trade Committee to further the aims of the Agreement.

Philippines

Signed 1965. Provides, *inter alia*, for reciprocal most favoured nation treatment of imports from either country; recognises preferential agreements of both countries; provides consultations on request of either Government; and supports the principle of international action to improve international trade in primary products.

In August 1978, notes were yet to be exchanged between the two Governments formally to bring into force a revised Trade Agreement signed in June 1975.

Papua New Guinea

Came into force 1977. The Papua New Guinea–Australia Trade and Commercial Relations Agreement (PATCRA) provides, *inter alia*, that subject to certain exceptions, trade between Australia and Papua New Guinea shall be free of duties and other restrictions.

Indonesia

Signed 1972. Current Agreement replaced earlier Agreement signed in 1959 and provides, *inter alia*, for reciprocal most favoured nation treatment of imports; expresses support for trade initiatives and arrangements among member countries of the Association of South East Asian Nations (ASEAN); and declares support in principle for international commodity agreements and encouragement for Australian commercial investment in Indonesia.

Iran

Signed 1974. The Agreement states that the two governments are to take all appropriate measures to facilitate, strengthen, and diversify trade and encourage industrial and technical co-operation; declares the support of both governments for the principle of long-term contracts between organisations and enterprises of the two countries; incorporates schedules of goods each country is interested in exporting to the other; and provides that payments in relation to trade will be in convertible currency. The Agreement also established a committee of representatives to further the aims of the Agreement.

Japan

Signed 1957. The current Agreement on Commerce between Australia and Japan was initially signed in 1957, amended in 1963 and formally ratified on 27 May 1964. It provides for reciprocal most favoured nation treatment of imports while recognising the preferential arrangements of both countries; for certain commitments by Japan in regard to some important Australian export commodities including wool, soft wheat, sugar, canned meat, leather, butter, and cheese; and for equal opportunity for Japanese products in relation to Commonwealth Government purchases from suppliers overseas. It also provides for close consultation between the two countries on matters relating to trade.

People's Republic of China

Signed 1973. The Agreement provides, *inter alia*, for reciprocal most favoured nation treatment for imports, while recognising the preferential arrangements extended by both countries. The Agreement includes schedules of goods which each country is interested in exporting to the other. It also provides that exchanges of goods and technical services under contracts and agreements will be at reasonable international market prices; that payments in relation to trade will be in freely convertible currency; and that each country will promote the interchange of trade representatives, groups, and delegations, and encourage the commercial exchange of industrial and technical expertise. The Agreement also established a Joint Trade Committee to further the aims of the Agreement.

Vietnam

Signed in 1974. Provides, *inter alia*, for reciprocal most favoured nation treatment for imports and expresses support for the principle of long term commercial contracts.

U.S.S.R.

Signed 1965. The Agreement provides for reciprocal most favoured nation treatment of imports and recognises the preferential agreements of both countries. A supplementary Agreement on the Development of Trade and Economic Relations was signed in 1973 and provided, *inter alia*, for encouragement and facilitation of trade between the two countries; encouragement of industrial and technical co-operation; and support for international commodity agreements. It also established a Mixed Commission to provide a forum for regular consultations on measures to develop bilateral trade and on bilateral trade problems, and to further the aims of the Agreement.

Eastern Europe

The Trade Agreements Australia has signed with the German Democratic Republic, Hungary, Bulgaria (all in 1974), Romania (in 1975), and Poland (in 1978 supplementary to the earlier 1966 Agreement) are broadly similar in their provisions. They either confirm reciprocal most favoured nation treatment of imports while recognising preferential

arrangements or, as in the Trade Agreements with Hungary, Poland, and Romania, acknowledge that trade between Australia and these countries is to be in accordance with the rights and obligations of both countries under the General Agreement on Tariffs and Trade. They provide for the encouragement and facilitation of the further development of mutually beneficial trade and economic relations; and express support in principle for the conclusion of relevant international commodity agreements aimed at improving the conditions of international trade in primary products. There are provisions to encourage and facilitate the development of economic co-operation and the negotiation of long-term commercial contracts between respective enterprises and organisations and the interchange of commercial trade and technical representations, groups, and delegations. In addition, the Agreements with the German Democratic Republic and Bulgaria provide for the exchange of indicative lists of goods each country is interested in exporting to the other. Mixed Commissions are also established by these Agreements to provide a forum for regular bilateral discussions on trade development and trade related issues and problems. Other Bilateral Trade Agreements are in force with Yugoslavia, signed 1970, and Czechoslovakia, signed 1972. A protocol (to the Trade Agreement with the German Democratic Republic) on Industrial and Technical co-operation was signed in Berlin in 1977.

Brazil

Signed 23 February 1978. The Agreement represents a significant development in strengthening trade and economic links between Australia and Brazil. It basically confirms the General Agreement on Tariffs and Trade rights and obligations, and emphasises industrial co-operation including investment. A significant feature is the ten year initial life of the Agreement to cover long term commodity contracts. It also establishes a Joint-Consultative Committee which meets annually.

General Agreement on Tariffs and Trade (GATT)

The General Agreement on Tariffs and Trade, to which Australia was one of the original contracting parties, is an international trade agreement which has been in operation since 1 January 1948.

At November 1978, eighty-four countries, whose foreign trade represents around 85 per cent of the total volume of world trade, were full contracting parties to the Agreement, three had acceded provisionally, and twenty-four had applied the Agreement on a de facto basis.

Six series of tariff negotiations have been conducted, as a result of which Australia has obtained tariff concessions from individual countries on a number of its principal or potential exports to them, as a consequence of both direct negotiation by Australia and negotiation by other countries. A new round of multilateral trade negotiations (the seventh) was inaugurated at Tokyo in September 1973, and approximately ninety countries, both GATT and non-GATT members, are participating in the negotiations. It has been agreed that the principal areas of negotiation should be the reduction of tariff and non-tariff barriers to trade in agricultural and industrial products; and the safeguarding of measures against the disruption of domestic industries by imports. The problems of developing countries are being given special consideration.

Excise Tariff

The Excise Tariff applies to certain articles which can be manufactured only under licence and subject to certain conditions. The tariff relates to beer, spirits, amylic alcohol and fusel oil, saccharin, liqueurs, flavoured spirituous liquors, tobacco, cigars, cigarettes, snuff, coal, certain petroleum, shale, or coal tar distillates, playing cards, cigarette papers, matches, wine (certain types), canned fruit, crude oil, and liquid petroleum gas.

Import controls

There are two methods of effecting import restrictions through import quotas. One is the use of tariff quotas which utilise the tariff by legislating for temporary additional duties to be applied to subject goods falling outside quota levels. The other method is through the Customs (Import Licensing) Regulations which are used to impose a

quantitative restriction. Subject goods outside the licensed quota are prohibited from importation.

Import licensing and tariff quota controls are imposed by the Commonwealth Government when it is considered necessary to afford short-term protection against disruption to local industry caused by imports of competitive goods. In addition to these controls the Customs Act prohibits the import of specified types of commodities. The items are listed in the "Customs (Prohibited Imports) Regulations", and include dangerous drugs, certain firearms, undesirable publications, and articles dangerous to public health.

Export controls

Under the Customs Act, the export of goods from Australia may be prohibited, or may be subject to prescribed conditions or restrictions. This commodity control is imposed to supervise exports of strategic importance, to conserve materials which may be in inadequate supply, to control the export of goods involved in marketing arrangements, and to assist exchange control operations in preventing the export of capital in the form of goods. The goods subject to the control are listed in the "Customs (Prohibited Exports) Regulations".

In terms of the Banking (Foreign Exchange) Regulations under the Banking Act, a licence must be obtained from the Department of Business and Consumer Affairs for the export from Australia of any goods not specifically exempted from exchange control. The licensing system ensures that the proceeds from the overseas sale of Australian goods are received into the Australian banking system in a currency, and within a period, approved by the Reserve Bank. An exporter is paid an amount in Australian currency equivalent to the proceeds received into the banking system.

Trade Services

Trade Commissioner Service

The stimulation of interest overseas in Australia's exports is an important government activity in which the Australian Trade Commissioner Service plays a prominent role. Since the end of the Second World War the Service has grown steadily, and by late 1978 there were 160 Trade Commissioners and Assistant Trade Commissioners, and 60 posts had been established in 47 countries.

Trade Commissioners are responsible for commercial intelligence in their territories. Particular facilities provided for Australian exporters and export organisations include: surveys of market prospects; advice on selling and advertising methods; arranging introductions with buyers and agents; providing reports on the standing of overseas firms; advice and assistance to business visitors and in consultancy and construction fields; assisting less developed countries in promoting their exports in Australia; helping to organise and carry through trade missions, trade displays, newspaper supplements, and other promotion and publicity media; providing information on import duties, import licensing, economic conditions, quarantine and sanitary requirements, and other factors affecting the entry and sale of goods and services; helping to attract desirable investments overseas by Australian firms; and providing information on Australia to overseas firms interested in investing in Australia.

In some countries Trade Commissioners also participate in inter-governmental negotiations in the economic and commercial fields. In certain countries where there is no diplomatic or consular mission, Trade Commissioners are called upon to act as the Australian representative.

Trade Commissioners, Assistant Trade Commissioners, and Trainee Trade Commissioners are drawn from both private enterprise and the Commonwealth Public Service, and applications for entry are invited periodically by public advertisement. Recruitment is generally at the Trainee Trade Commissioner or Assistant Trade Commissioner level and officers selected are promoted to higher grades or to Trade Commissioner as experience and performance warrant. In the majority of posts the Trade Commissioner is supported by an Assistant Trade Commissioner and, in some cases, also by another Trade Commissioner.

The Trade Commissioner Service is administered by the Commonwealth Department of Trade and Resources (as distinct from the diplomatic and consular services administered

by the Commonwealth Department of Foreign Affairs), but in countries where there is an Australian diplomatic or consular mission it is the practice for Trade Commissioners to be attached to the mission and to hold an appropriate diplomatic or consular rank (Minister Commercial, Commercial Counsellor, Commercial Secretary, or Commercial Attaché).

Trade missions

Up to September 1978, the Commonwealth Government had sent 139 trade and survey missions and five trade ships overseas as part of the campaign to increase exports. The experience acquired has indicated the need for flexibility in techniques to suit particular products or markets. At present the following types of trade missions are in use:

(1) *Survey missions*. These are organised to obtain precise knowledge about the export trade potential for specific products in one or more overseas markets. Such methods are used to explore export prospects in new or developing areas where commercial intelligence is not readily available or where a complex industry is involved and the industry requires special export knowledge.

(2) *Specialised and general trade missions*. Arrangements are made for specific industries or groups of firms representing a number of industries to participate in a planned selling campaign in overseas markets with known sales potential. The mission visits the market, publicises its products, and subsequently negotiates sales.

Trade displays, fairs, exhibitions, and store promotions

Since 1949, the Commonwealth Department of Trade and Resources has organised Australian participation in numerous major trade fairs, exhibitions, and displays throughout the world.

Initially the emphasis was on participation in general trade fairs directed at the public and the general commercial community. With the development of more sophisticated export promotion techniques and the increased diversity of Australian manufactured goods available for export, more emphasis is now placed on individual Australian trade displays and participation in specialised trade shows directed almost entirely at the business community. In addition, display rooms attached to Trade Commissioner offices are currently in use in Singapore, Kuala Lumpur, Manila, Hong Kong, Jakarta, Port Moresby, and Suva.

Export incentives

Export incentives have been an important feature of the trade policies of successive Commonwealth Governments since 1961. On 13 April 1978, the Minister for Trade and Resources announced that the Commonwealth Government would introduce, as soon as possible, legislation to give effect to an export incentive programme.

The Export Market Development Grants Scheme, which was first introduced on 1 July 1974 for five years, will be extended with amendments designed to improve its effectiveness and will now operate until 30 June 1982.

An Export Expansion Grants Scheme based on improved export performance was introduced in 1978 to apply for five years with effect from 1 July 1977. Both schemes are administered by an independent Export Development Grants Board responsible to the Minister for Trade and Resources. Any individual, partnership, company, or association carrying on business in Australia and incurring eligible expenditure or having eligible export earnings is entitled to apply for grants under the schemes. Further details of the two schemes are given below.

Export Market Development Grants Scheme

The scheme is designed to encourage firms to seek out and develop overseas markets and to participate in Commonwealth Government sponsored promotions. Under the scheme, grants are payable to claimants on eligible export market development expenditure incurred for any goods, services, industrial property rights and know-how which are substantially of Australian origin, and value added industrial services performed on imported goods owned by foreigners and subsequently exported.

From the 1978-79 grant year, grants are payable at a single 70 per cent rate of grant for all eligible expenditure. However, for expenditure incurred in relation to Commonwealth

Government sponsored promotions an 85 per cent grant rate applies to those promotions which have already received Government sponsorship and which took place on or before 31 December 1978. After this date the 70 per cent rate applies.

There is a ceiling on annual payments to any one claimant of \$100,000, plus an additional amount of up to \$25,000 in respect of eligible expenditure on Commonwealth Government sponsored trade promotions. Wholly owned subsidiaries and their parent corporations will be treated as separate entities and each is entitled to claim up to the maximum grant ceiling.

Export Expansion Grants Scheme

This is a new scheme under which grants are calculated on a formula applied to the increase in eligible exports in the grant year, over the average annual eligible exports in the three immediately preceding years. The grant rate scale to be applied to the increase in exports is:

AUSTRALIA—EXPORT EXPANSION GRANTS SCHEME: GRANT RATE

Value of increase	Grant rate-cents in the dollar
\$	
1-500,000	15
500,001-5,000,000	10
5,000,001-10,000,000	5
10,000,001 and over	2.5

Grants are based on the increase in eligible exports in 1977-78 over the average of the three years 1974-75, 1975-76, and 1976-77.

The scheme covers exports of manufactured goods, some bulk farm and agricultural products, services provided overseas, value added industrial services provided in Australia performed on imported goods subsequently re-exported, and the sale of industrial property rights and know-how that are substantially Australian in origin. Specific exclusions are minerals, wool, wheat, sugar, livestock, and meat sold to the United States of America and Canada under quota.

Export of consulting services

Australian professional consultants, with the assistance of the Commonwealth Department of Trade and Resources, have been increasingly successful in obtaining overseas commissions and are contributing significantly to Australia's foreign exchange earnings.

The consultants are representative of a wide range of disciplines, including engineering, architecture, agriculture, mining, surveying, and urban and regional planning.

Most opportunities for Australian professional consultants arise through development projects financed by international aid and lending organisations such as the International Bank for Reconstruction and Development, the United Nations Development Programme, and the Asian Development Bank.

To enable Australian consultants to improve their competitive position as compared with that of foreign consultants, the Commonwealth Government established the Consulting Services Feasibility Study Fund in 1973. This facility is used to finance selected feasibility studies of approved developmental projects overseas carried out by Australian consultants in developing countries.

The Department of Trade and Resources maintains close contact with the respective professional bodies representative of consultants, particularly the reconstructed Australian Professional Consultants Council.

Construction contracts overseas

The Australian Overseas Construction Council, which was formed by the Master Builders' Federation of Australia and the Australian Federation of Construction Contractors, assists construction contractors in the securing of contracts overseas. It has a

close liaison with the Commonwealth Department of Trade and Resources, which provides information on construction opportunities overseas.

The Commonwealth Government has decided to establish the Australian Overseas Projects Corporation (AOPC). It was expected that the Corporation would be operational early in 1979. The basic objective of the AOPC would be to assist Australian industry to compete for large-scale development projects overseas. It would do this at the request of Australian industry, by acting in a co-ordinating role, especially when a project involved a range of skills and required a number of firms to combine as a consortium to provide a single competitive bid. In some cases, the inclusion of Commonwealth Government expertise may be required by Australian industry and this may be made available through the Corporation.

The AOPC would be directed by a Board drawn primarily from Australian private enterprise. It would operate on a commercial basis and charge a fee for its services.

Investment overseas

The Commonwealth Government promotes and encourages direct private Australian investment overseas, particularly in developing countries where the investment is undertaken on a joint venture basis with participation by local partners, and which is in accordance with the social and economic development priorities and investment plans of the host countries. Investments overseas should also be in Australia's national interest. The Commonwealth Government assists worthwhile new investment by a number of measures, including:

Overseas Investment Insurance Scheme. Insurance of overseas investments against the non-commercial risks of expropriation, exchange control restrictions, and war damage can be effected with the Export Finance Insurance Corporation. Since February 1975, the scope of the scheme has been broadened to include all new investments which might assist in the economic and social development of an overseas country. The scheme has also been extended to include new eligible investments in Papua New Guinea.

General Investment Information and Advisory Service. To assist Australian firms in evaluating investment prospects in overseas countries, a comprehensive range of investment information on a number of overseas countries is held by the regional and head offices of the Commonwealth Department of Trade and Resources, and is available free on request to investors and potential investors. The Department also arranges seminars on investment opportunities and prospects in specific countries.

Victorian Government involvement in overseas trade

There are no specific Victorian trade services, although Victorian Government representatives overseas indirectly stimulate trade in performing agency functions. The Victorian Government has acted as co-sponsor or patron for trade fairs.

Further references: *Victoria's pattern of trade, Victorian Year Book 1964*, pp. 781-5; *Export Payments Insurance Corporation, 1975*, pp. 531-2; *Historical background, 1977*, pp. 527-8

EXTERNAL TRADE STATISTICS

Compilation

A description of the method of compilation of external trade statistics can be found on pages 537-8 of the *Victorian Year Book 1977*.

Recorded value of imports and exports

Before 1 July 1976, all values in overseas trade statistics were determined on a "free on board (f.o.b.) port of shipment" basis. This meant that all charges (in particular the cost of freight and insurance) incurred after the goods had been exported from the port of shipment were excluded. Only transport and service charges incurred, or usually incurred, before export were included in the determination of trade values.

On 1 July 1976, a new system was introduced for valuing imports for customs purposes. Under the new system, which is based on the internationally recognised Brussels Definition of Value, the value for duty is now based on the normal price, i.e., the price the goods would fetch at the time when the duty becomes payable on a sale in the open market between a buyer and a seller independent of each other. The goods are valued in the country of exportation, i.e., freight and insurance are excluded.

Overseas trade of Victoria

Statistics of Australia's overseas trade passing through Victorian ports are compiled from documents obtained under the Customs Act and are shown in the following tables:

VICTORIA—OVERSEAS TRADE: RECORDED VALUES OF IMPORTS
INTO AND EXPORTS FROM VICTORIAN PORTS
(\$'000) (a)

Year	Imports	Exports			Excess of imports
		Australian produce	Re-exports	Total	
1972-73	1,472,602	1,461,778	33,595	1,495,373	-22,771
1973-74	2,155,759	1,556,720	36,920	1,593,640	562,119
1974-75	2,793,411	1,631,044	65,784	1,696,828	1,096,583
1975-76	2,875,342	1,752,502	65,742	1,818,244	1,057,098
1976-77	3,665,917	2,131,432	84,803	2,216,235	1,449,682

(a) For footnote see page 416.

Note. Minus (—) sign denotes excess of exports.

AUSTRALIA AND VICTORIA—VALUE OF AUSTRALIAN TRADE
AND PROPORTION HANDLED AT VICTORIAN PORTS

Year	Australian trade			Proportion of Australian trade handled at Victorian ports		
	Imports	Exports	Total	Imports	Exports	Total
	\$'000	\$'000	\$'000	per cent	per cent	per cent
1972-73	4,120,727	6,213,704	10,334,431	35.7	24.1	28.7
1973-74	6,085,004	6,913,746	12,998,750	35.4	23.1	28.8
1974-75	8,083,099	8,672,762	16,755,861	34.6	19.6	26.8
1975-76	8,240,187	9,600,748	17,840,935	34.9	18.9	26.3
1976-77 (a)	10,410,617	11,646,412	22,057,029	35.2	19.0	26.7

(a) For footnote see page 416.

Classification of overseas imports and exports

The value of trade according to Australian Import Commodity Classification (AICC) and Australian Export Commodity Classification (AECC) classifications is shown in the following table for the years 1975-76 and 1976-77:

VICTORIA—CLASSIFICATION OF OVERSEAS IMPORTS AND EXPORTS
(\$'000) (a)

Division number	Description	Imports		Exports	
		1975-76	1976-77	1975-76	1976-77
00	Live animals	5,350	5,794	3,995	3,265
01	Meat and meat preparations	531	460	178,507	253,763
02	Dairy products and eggs	7,864	9,410	152,665	152,982
03	Fish and fish preparations	21,449	32,919	12,248	19,522
04	Cereals and cereal preparations	3,509	5,169	244,349	214,426
05	Fruit and vegetables	20,941	26,556	64,714	72,967
06	Sugar and sugar preparations and honey	3,520	4,184	2,526	1,730
07	Coffee, tea, cocoa, spices, and manufactures thereof	39,598	80,185	8,902	17,768
08	Feeding-stuff for animals (except unmilled cereals)	1,723	3,004	7,428	19,639
09	Miscellaneous preparations chiefly for food	3,395	4,081	2,260	2,255
11	Beverages	7,703	11,289	5,139	4,243
12	Tobacco and tobacco manufactures	25,233	18,480	3,175	958
21	Hides, skins and fur skins, undressed	1,533	1,885	66,667	116,248
22	Oil seeds, oil nuts and oil kernels	1,542	1,448	1,039	461
23	Crude rubber (including synthetic and reclaimed)	21,790	26,897	1,388	935
24	Wood, timber, and cork	23,215	38,336	154	312
25	Pulp and waste paper	14,608	19,282	51	238
26	Textile fibres and their waste	41,021	39,080	286,528	449,635
27	Crude fertilisers and crude minerals (except coal, petroleum, and precious stones)	22,119	21,441	1,705	1,719

VICTORIA—CLASSIFICATION OF OVERSEAS IMPORTS AND EXPORTS—*continued*
 (\$'000) (a)

Division number	Description	Imports		Exports	
		1975-76	1976-77	1975-76	1976-77
28	Metalliferous ores and metal scrap	437	372	44,108	53,314
29	Crude animal and vegetable materials, n.e.c.	7,192	8,559	9,847	11,026
32	Coal, coke, and briquettes	230	148	2,560	4,189
33	Petroleum and petroleum products	109,329	107,205	111,895	118,859
34	Petroleum gases and other gaseous hydrocarbons	34	36	(b)	(b)
41	Animal oils and fats	475	169	21,231	21,512
42	Fixed vegetable oils and fats	19,145	21,833	588	711
43	Animal and vegetable oils and fats, processed, and waxes of animal or vegetable origin	1,889	2,359	1,221	2,147
51	Chemical elements and compounds	86,203	118,931	10,764	11,132
52	Mineral tar and crude chemicals from coal, petroleum, and natural gas	1,268	993	5,123	2
53	Dyeing, tanning, and colouring materials	16,766	21,690	3,660	5,023
54	Medicinal and pharmaceutical products	25,192	29,228	9,997	14,707
55	Essential oils and perfume materials; toilet, polishing, and cleansing preparations	5,937	7,808	2,226	2,061
56	Fertilisers, manufactured	2,288	3,683	1,124	15
57	Explosives and pyrotechnic products	3,667	4,214	1,435	2,359
58	Plastic materials, regenerated cellulose, and artificial resins	81,736	105,848	16,200	23,265
59	Chemical materials and products, n.e.c.	31,384	42,200	20,445	21,970
61	Leather, leather manufactures, n.e.c. and dressed fur skins	10,232	9,615	2,508	2,997
62	Rubber manufactures, n.e.c.	33,028	42,197	2,028	2,777
63	Wood and cork manufactures (except furniture)	16,024	19,556	590	985
64	Paper, paperboard, and manufactures thereof	65,482	97,112	4,330	6,244
65	Textile yarns, fabrics, made-up articles, and related products	256,669	294,213	11,052	14,072
66	Non-metallic mineral manufactures, n.e.c.	52,136	70,606	8,184	11,537
67	Iron and steel	66,619	87,874	8,594	24,480
68	Non-ferrous metals	14,476	19,670	45,795	56,908
69	Manufactures of metal, n.e.c.	68,590	100,277	37,276	39,037
71	Machinery (except electric)	428,012	604,408	74,605	80,606
72	Electrical machinery, apparatus, and appliances	289,734	337,873	38,034	38,018
73	Transport equipment	451,867	585,557	71,136	67,590
81	Sanitary, plumbing, heating, and lighting fixtures and fittings	8,746	12,278	949	1,237
82	Furniture	12,214	19,920	707	538
83	Travel goods, handbags, and similar articles	6,737	9,352	38	86
84	Clothing and clothing accessories; articles of knitted or crocheted fabric	82,465	94,572	6,421	7,367
85	Footwear, gaiters, and similar articles and parts thereof	25,788	33,345	427	441
86	Professional, scientific, and controlling instruments; photographic and optical goods, watches, and clocks	106,836	131,310	27,114	30,674
89	Miscellaneous manufactured articles, n.e.c.	144,671	191,315	16,805	18,351
9A	Commodities and transactions of merchandise trade, n.e.c.	57,138	61,040	(c) 118,194	(c) 147,334
	Total merchandise	2,857,280	3,647,266	1,780,651	2,176,637
9B	Commodities and transactions not included in merchandise trade	18,061	18,651	37,594	39,598
	Total	2,875,342	3,665,917	1,818,244	2,216,235

(a) The recorded value of imports is the value for duty for Customs purposes. On 1 July 1976, the f.o.b. valuation basis relating to imports was replaced by the Brussels Definition of Value, i.e., the price the goods would fetch at the time the duty becomes payable on a sale in the open market between a buyer and a seller independent of each other. Because of this change, the import figures for 1976-77 are not strictly comparable with those before July 1976. Export figures remain valued on the f.o.b. basis.

(b) Included in Division 9A.

(c) Includes Division 34.

Trade with overseas countries

The value of trade with overseas countries for the years 1974-75 to 1976-77 is shown in the following table:

VICTORIA—OVERSEAS IMPORTS AND EXPORTS: COUNTRIES OF ORIGIN AND CONSIGNMENT

(\$'000) (a)

Country	Imports			Exports		
	1974-75	1975-76	1976-77	1974-75	1975-76	1976-77
Arab Republic of Egypt	273	46	76	38,891	40,141	37,330
Belgium-Luxembourg	28,902	24,883	32,383	8,717	20,888	19,174
Canada	75,105	57,967	92,952	31,244	28,144	37,741
China—						
Excluding Taiwan						
Province	25,822	22,787	30,414	51,694	49,193	28,542
Taiwan Province only	41,616	54,922	88,135	23,443	36,843	30,354
Denmark	12,586	12,161	13,003	2,413	2,536	2,626
Fiji	655	1,484	2,349	18,268	14,852	17,208
France	57,463	55,704	69,831	46,125	49,007	71,102
Germany, Federal						
Republic of	261,072	251,077	352,456	42,782	40,475	67,485
Hong Kong	64,058	85,241	100,984	30,695	40,790	46,578
India	21,261	20,446	28,422	11,149	17,800	33,560
Indonesia	7,113	8,503	18,185	39,682	37,899	36,400
Iran	6,036	8,190	3,267	22,428	12,682	37,664
Iraq	64,038	38,969	740	2,795	844	5,072
Italy	73,821	66,770	82,192	24,187	36,005	70,541
Japan	478,637	564,515	711,075	313,653	399,581	504,449
Korea, Republic of	18,613	30,491	39,084	14,692	19,730	33,113
Kuwait	7,878	8,234	22,883	3,856	3,909	6,583
Malaysia	20,870	31,524	44,616	41,405	34,544	42,983
Netherlands	48,557	61,126	72,279	20,279	18,556	16,742
New Zealand	67,856	95,783	124,032	217,874	185,415	224,088
Pakistan	2,139	2,786	3,417	16,604	7,238	3,127
Papua New Guinea	10,939	12,310	28,139	45,300	45,600	52,586
Philippines	6,863	9,325	14,576	39,606	36,710	41,550
Poland	2,866	2,023	2,561	16,225	15,030	30,467
Qatar	—	—	—	2,113	1,324	728
Saudi Arabia	12,325	20,184	30,442	16,360	14,814	26,698
Singapore	19,366	30,549	49,454	55,262	54,530	56,505
South Africa	11,966	10,668	18,052	30,389	29,662	15,468
Spain	14,223	14,600	16,945	5,004	5,876	10,633
Sri Lanka	5,593	4,952	6,465	12,989	7,629	5,352
Sweden	70,315	67,169	86,873	10,038	8,310	9,020
Switzerland	35,561	40,298	55,653	5,262	3,350	4,555
Thailand	5,514	7,321	9,315	17,179	14,507	23,793
United Kingdom	453,895	411,944	447,898	97,559	84,901	101,933
United States of America	599,966	603,087	813,463	121,370	164,508	170,297
U.S.S.R.	2,514	1,673	2,205	38,991	72,632	97,424
Yugoslavia	1,269	1,368	1,791	15,268	13,342	24,601
Other and unknown	155,865	134,262	149,310	145,037	148,447	172,163
Total	2,793,411	2,875,342	3,665,917	1,696,828	1,818,244	2,216,235

(a) For footnote see page 416.

Interstate trade

Statistics of trade between Victoria and other Australian States are incomplete and relate mainly to seaborne trade. Although a substantial quantity of freight is carried by road and rail transport between Victoria and neighbouring States, no details of this traffic are available. A small tonnage of freight is carried interstate by air.

Interstate trade by sea

In terms of quantity, the principal cargoes carried interstate by ship to and from Victorian ports are coal and briquettes, petroleum and petroleum products, steel, sugar and sugar preparations, and timber. However, there is also a considerable trade in foodstuffs, motor vehicles, and other manufactured goods, particularly through the Port of Melbourne.

Port of Melbourne

Interstate exports during 1976-77 totalled 2,883,761 tonnes. The principal commodities were petroleum products, 1,054,614 tonnes; transport equipment (including touring passenger cars), 380,229 tonnes; chemicals, 84,493 tonnes; food preparations, 61,705 tonnes; fruit and vegetables, 47,345 tonnes; beverages, 34,317 tonnes; and machinery, 33,569 tonnes.

Interstate imports during the same period totalled 3,008,806 tonnes, the principal commodities being petroleum products, 327,506 tonnes; iron and steel, 281,268 tonnes; paper (newsprint and other), 289,317 tonnes; timber, 279,505 tonnes; sugar and sugar preparations, 227,263 tonnes; touring passenger cars, 181,870 tonnes; and gypsum, 172,926 tonnes.

Port of Geelong

Total interstate exports during 1977 amounted to 1,472,213 tonnes, of which petroleum and petroleum products accounted for 1,449,018 tonnes. Total interstate imports for the same period amounted to 479,055 tonnes, and consisted mainly of aluminium, 190,219 tonnes; petroleum and petroleum products, 135,701 tonnes; and cement constituents, 89,819 tonnes.

Trade of Victoria with Western Australia and Tasmania

Details of trade between Victoria and other States are available only for trade with Western Australia and trade with Tasmania.

Western Australia

Exports from Victoria to Western Australia are valued in terms of landed cost (i.e., c.i.f. basis) at port of entry. Imports from Western Australia are valued at the f.o.b. equivalent at the port of shipment of the price at which the goods were sold. The small proportion of goods received by rail is valued at the f.o.r. equivalent.

For the year 1976-77, the value of exports from Victoria to Western Australia totalled \$714.8m. Transport equipment, \$140.9m; machinery other than electric, \$89.0m; clothing and clothing accessories and articles of knitted or crocheted fabric, \$54.9m; and electrical machinery, apparatus and appliances, \$50.9m, were the main types of commodities included in this total.

Imports from Western Australia during the same period were valued at \$77.9m. Machinery other than electric, \$15.4m; Chemical elements and compounds, \$13.8m; and petroleum and petroleum products, \$6.1m, were the main types of commodities imported.

Detailed statistics of this trade appear in the publication *Statistics of Western Australia, Trade (Interstate and Overseas), 1976-77 (5401.5)* issued by the Deputy Commonwealth Statistician, Perth.

Tasmania

Details of trade between Victoria and Tasmania include both air and sea trade. Both exports and imports are valued on an f.o.b. basis.

For the year 1976-77, exports by sea and air from Victoria to Tasmania were valued at \$417.4m. Petroleum products, \$72.0m; transport equipment, \$66.1m; clothing and accessories, \$31.3m; and machinery other than electric, \$19.5m, were the main types of commodities exported. The value of tourists' motor vehicles included in the total for 1976-77 were approximately \$36.0m.

Imports from Tasmania during the same period amounted to \$317.5m. Major items for which no figures can be released were newsprint, and printing and writing papers. Values for other main imports were timber, \$30.9m; preserved vegetables, \$25.6m; tungsten ores, \$22.3m; and refined zinc, \$17.5m. The value of tourists' motor vehicles included in the total for 1976-77 was approximately \$35.9m.

Customs and excise revenue

The total gross customs duties collected by the Commonwealth Government in Victoria in each of the three years 1974-75 to 1976-77 were \$305.8m, \$358.2m, and \$426.2m, respectively. Collections include duty received on account of goods transferred to other States for consumption and exclude duty in respect of goods imported into other States but consumed in Victoria.

The principal commodities produced in Victoria on which the Commonwealth Government imposes excise duty are shown in the following table, together with the gross amount of duty collected on account of each item for each of the three years 1974-75 to 1976-77. As with customs duties, collections include duty levied on goods exported to other States for consumption and exclude duty in respect of goods produced in other States, but consumed in Victoria.

VICTORIA—GROSS EXCISE DUTY COLLECTED ON PRINCIPAL COMMODITIES

Article and unit of quantity	Quantity on which duty was collected			Gross excise duty collected		
	1974-75	1975-76	1976-77	1974-75	1975-76	1976-77
	'000	'000	'000	\$'000	\$'000	\$'000
Spirits (potable) litre al.	1,868	1,823	2,054	16,526	18,159	21,027
Tobacco kg	439	453	490	3,577	4,311	4,241
Cigars and cigarettes kg	8,060	7,742	7,784	128,032	144,479	150,624
Petroleum and liquid petroleum gas (a) tonne	..	10,371,421	13,390,858	..	130,680	168,725
Petrol litre	3,569,379	3,599,761	3,673,185	175,078	176,568	180,170
All other articles (b)	..	..	..	161,001	224,544	236,399
Total	..	..	..	484,214	698,741	761,186

(a) Operative from 19 August 1975.

(b) Includes excise duty collected on beer, which is not available for separate publication.

AUSTRALIA—VALUE OF OVERSEAS TRADE, GROSS CUSTOMS, AND EXCISE DUTY COLLECTED BY STATES, 1976-77
(S'000)

State	Imports	Exports	Excess of exports	Gross duty collected	
				Customs	Excise
New South Wales	4,278,450	2,718,352	-1,560,098	499,922	971,444
Victoria	3,665,917	2,216,235	-1,449,682	426,192	761,186
Queensland	835,771	2,815,608	1,979,837	99,605	333,718
South Australia	629,309	789,872	160,563	76,398	181,031
Western Australia	829,411	2,596,110	1,766,699	63,037	203,852
Tasmania	94,622	338,657	244,035	7,682	60,359
Northern Territory	72,341	169,733	97,392	8,191	8,332
Australian Capital Territory	4,799	1,843	-2,956	903	197
Australia	10,410,617	11,646,412	1,235,795	1,181,930	2,520,118

NOTE. Minus (—) sign denotes excess of imports.

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Exports by mode of transport (quarterly) (5415.0)

Export of major commodities by country (monthly) (5403.0)

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Exports of major commodities and their principal markets, Australia (5423.0)

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Imports by commodity divisions (preliminary) (monthly) (5405.0)

Imports of assembled new passenger motor cars (preliminary) (monthly) (5416.0)

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Overseas trade, part 2: comparative and summary tables (5410.0)