

EXTERNAL TRADE

GENERAL INFORMATION

Historical background

Until Federation made an Australian common market possible, Victoria's trading pattern was simple. In the early years exports consisted of pastoral products and imports of industrial products, and apart from intercolonial movements of goods, the United Kingdom was the dominant trading partner. After the discovery of gold in the 1850s Victoria differed from other colonies. Imports assumed a vital role in providing practically all the consumption requirements of the rapidly increasing population and wool was replaced by gold as the leading export in value terms. Wool regained its former importance during the 1870s, but this was not Victorian domestic produce, in the main, as the Riverina and other interstate regions exported through Victorian ports.

The Colony was well placed geographically to benefit from the increased prosperity and population and a feature of its economic leadership until the 1880s was that it became the re-exporting and trans-shipping centre among the colonies. This involved collecting manufactured or tropical goods from overseas and repacking or further processing them for re-export to other colonies, New Zealand, or the Pacific Islands, and in return handling gold, metals, wheat, and wool from them. Melbourne had become the financial and commercial centre of Australia and this was reflected in the pattern of Victoria's trade. By the late nineteenth century, however, Victoria's policy of protection had effected a reduction in the range of imports as the tariff enabled domestic industries to compete. Victoria ultimately became the most important manufacturing colony, supplying goods from categories including clothing, boots and shoes, agricultural machinery, coach-building, and food-processing. Many manufactured items were not sheltered.

After the 1880s New South Wales became an entrepot and trans-shipping centre. Victoria was hit more severely than New South Wales in the depression of the 1890s and with the tendency of the smaller colonies to conduct overseas trade direct, Melbourne's role as the commercial and trade centre diminished. New South Wales gradually overtook Victoria in manufacturing, although Victoria's recovery from the depression was assisted by an increased interstate trade in manufactures. The pattern finally changed in 1901 with the cessation of Victoria's distinctive policy of protection, the elimination of barriers to interstate trade, and transference to the Australian Government of all powers relating to customs duties and overseas trade.

Following Federation, Victoria reflected the Australian increase in foodstuffs exports as a major item, providing butter, mutton and lamb, wheat and flour from the early years, and dried fruit from the 1920s. By the time of the Second World War foodstuffs accounted for about one half of Victoria's overseas exports of domestic origin. After the War the share of wool increased, but Victoria, no longer a major mining State, contributed little to the export of minerals which

figured large in Australia's total. The pattern of imports changed from clothing and textiles, which were now produced locally, to fibres, crude oil, and motor vehicle parts, which indicated Victoria's strength in the manufacture of textiles, oil refining, and the production of motor vehicles.

More recently changes have been brought about by discovery of oil fields offshore and the importation of textiles and motor vehicles from the United States of America and Asian countries. The activities of the Industries Assistance Commission, the successor to the Tariff Board, demonstrate the concern at the actual or potential effects on employment in Australia of the importation of cheap overseas manufactures. Local oil and gas, which give a relative independence from overseas energy crises, have contributed to a diminution of imports of these items into Victoria.

From a traditional pattern of partnership with the United Kingdom, Australia has become more a trading partner of Japan and the United States of America and this is also the 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 1973-74 the proportion of Australian trade at Victorian ports was 35.4 per cent of imports and 23.1 per cent of exports. Major imports were iron and steel, machinery and transport equipment, and textiles, yarns, and fabrics; and 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, and the major countries receiving exports were Japan, the United States of America, New Zealand, and the United Kingdom.

Legislation and agreements

Introduction

Of the three components of Victoria's trade, namely, transactions within the State, those with other Australian States, and those with countries outside Australia, the first two are, in practice, free of control or restriction; trade with overseas countries is subject to the customs laws of the Australian Government.

By the Australian Constitution Act, the power to make laws about trade and commerce with other countries was conferred on the Australian Parliament, and by the same Act, the collection and control of customs and excise duties passed to the Executive Government of Australia on 1 January 1901.

The first Australian Customs Tariff was introduced by Resolution on 8 October 1901, from which date uniform duties came into effect throughout Australia. The Australian Customs Tariff has been developed in conformity with the policy of protecting economic and efficient Australian industries, and of granting preferential treatment to specified imports from certain Commonwealth countries. Some goods, generally those of a luxury nature, are subject to duty for revenue purposes. Customs collections are a major source of revenue, and the protective character of the tariff has an important influence on the Australian economy.

The present Australian tariff, operative since 1 July 1965, provides for general and preferential rates of duty, and its structure is based on the "Brussels Nomenclature" which has its origins in the Convention on Nomenclature for the Classification of Goods in Customs Tariffs, signed in Brussels on 15 December 1950.

Preferential rates apply to goods, the produce, or manufacture of the United Kingdom, Ireland, Canada, New Zealand, and Papua New Guinea, and certain goods, the produce or manufacture of specified countries, provided that such goods comply with the laws in force at the time affecting the grant of preference. With the termination on 1 February 1973 of the United Kingdom-Australia Trade Agreement existing preferential rates applicable to United Kingdom goods came under review.

General rates apply to goods from all countries which do not qualify for preferential rates of duty under a particular tariff classification.

Primage duty

In addition to duties imposed by the Customs Tariff, primage duties at five per cent or ten per cent are charged on some goods according to the type of goods and their origin. These duties were introduced in the 1930s as a means of raising revenue, not for protective purposes. Goods produced or manufactured by New Zealand, Norfolk Island, Fiji, Cocos (Keeling) Islands, Christmas Island (Indian Ocean), and Papua New Guinea are exempt from primage duty.

Anti-dumping duties

The *Customs Tariff (Dumping and Subsidies) Act 1961-1965* provides protection for Australian industry against various forms of unfair trading. Under this Act dumping duty may be imposed on goods that are sold to Australian importers at a price which is less than the normal value of the goods, where this causes or threatens substantial injury to an Australian industry.

Industries Assistance Commission

The Industries Assistance Commission is a statutory authority whose general purpose is to advise the Australian Government on the assistance which should be given to domestic industries. This advice is given in public reports which are based on public inquiries into the industries concerned. The Commission formally came into existence on 1 January 1974, as a result of the passing of the *Industries Assistance Commission Act 1973*. The Commission replaced the Tariff Board—a statutory authority which since 1921 had advised the Government on the assistance which should be given to industries in the secondary sector of the economy, by means of tariffs or bounties.

The Commission's field of inquiry is potentially much wider than that of its predecessor, the Tariff Board. Industries in the primary, secondary, or tertiary sectors can be referred to the Commission by the Government, and numerous different forms of assistance can be examined by the Commission. The Act requires the Commission to report annually to the Government on its own operations and on the general structure of industry assistance in Australia and its effects on the economy.

The Act states that the Commission shall consist of from five to nine Commissioners, appointed by the Governor-General for renewable terms of up to five years. It provides also for the appointment of Associate Commissioners, either for the purpose of particular inquiries or, like the Commissioners, for renewable terms of up to five years. The Commissioners are supported by an office which is staffed by members of the Australian Public Service.

Bilateral trade agreements

Australia has numerous trade agreements with overseas countries. The principal ones are outlined in the following pages:

Country	Main features of agreement
CANADA	Dated 1960. Provides not only for each side to give the other preferences on specific goods but also for the exchange of preferences in each country's tariff derived from the preferential agreements that 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 completed between Canada and Australia on 25 October

Country	Main features of agreement
NEW ZEALAND	<p>1973. The Exchange provides for a continuation of the tariff preferences, but on a more flexible basis, with some modifications, particularly those relating to indirect shipment of goods and to anti-dumping procedures.</p> <p>Dated 1966. Provides for free trade in certain scheduled goods. Provision is made for addition of items to the schedule. The 1933 Agreement continues in force as part of the 1966 Agreement except as superseded or modified by it. Following the termination in January 1973 of the trade agreements which they had with Britain, Australia and New Zealand entered into an arrangement on 7 May 1973 to guarantee tariff preferences in each other's market. This Agreement continued in force until 30 September 1974 and has been extended until 31 March 1976.</p>
MALAYSIA	<p>Dated 1958. Under the Agreement Malaya undertook to accord to Australia preferences on certain specified goods, to extend to Australia any other preferences in the Malaysian tariff, and to protect Australian wheat and flour against preferences to Malaya on certain specified goods and to protect Malaysian tin and rubber against dumped or subsidised competition. Australia guaranteed free entry for natural rubber so long as the Papua New Guinea crop was absorbed, and assured the Federation that natural rubber would not be at a disadvantage compared with synthetic rubber in respect of tariff or import licensing treatment. The Agreement continues to apply between Australia and that portion of Malaysia known previously as the Federation of Malaya.</p>
REPUBLIC OF KOREA	<p>Dated 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.</p>
PHILIPPINES	<p>Dated 1975. The current Agreement replaced an earlier Agreement entered into by Australia and the Philippines on 16 June 1975. The Agreement provides for reciprocal most favoured nation treatment for imports, while recognising the preferential arrangements extended by both countries; for the two Governments to take all appropriate measures to facilitate, strengthen, and diversify bilateral 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. In addition, it expresses the Australian Government's support for initiatives and arrangements in trade matters among members of the Association of South East Asian Nations; provides that the Australian Government will encourage and facilitate the flow of Australian direct investment, particularly of a joint venture type, to the Philippines; and records the intention of both Governments to encourage and facilitate the development of industrial and technical co-operation between relevant commercial enterprises and organisations, and the inter-</p>

Country	Main features of agreement
PAPUA NEW GUINEA	change of commercial and technical representatives, groups, and delegations between the two countries. The Agreement also established a joint commission to further the aims of the Agreement.
INDONESIA	Dated 1959, with a re-negotiation signed on 14 November 1972. The new Agreement is a most favoured nation Agreement which establishes the G.A.T.T. principles as the basis governing the conduct of bilateral trade. The Agreement expresses support for international commodity agreements, encouragement of Australian investment in Indonesia, and activities by Australian consultants and contractors. Other provisions refer to Australian support for trade initiatives in the Association of South East Asian Nations and to consultation on shipping matters.
IRAN	Dated 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	Dated 1964. The current Agreement on commerce between Australia and Japan was formally ratified on 27 May 1964. It provides for reciprocal most favoured nation treatment of imports while recognising 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 Australian Government purchases overseas. It also provides for close consultation between the two countries on matters relating to trade.
PEOPLE'S REPUBLIC OF CHINA	Dated 1973. The Agreement provides 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.
U.S.S.R.	Dated 1965. The trade Agreement with the U.S.S.R. provides for reciprocal most favoured nation treatment of imports while recognising the preferential arrangements of both countries, and for payments arising from trade between the two countries to be in convertible currency.

Country	Main features of agreement
EASTERN EUROPE	<p>A supplementary Agreement on the development of trade and economic relations was signed with the U.S.S.R. on 16 March 1973 and provides for the two Governments to encourage and facilitate the further development of mutually beneficial trade and economic relations, for the exchange of indicative lists of goods each country is interested in exporting to the other, and for the establishment of a Mixed Commission to provide a forum for regular consultations on measures to develop bilateral trade and on bilateral trade problems. The Agreement also expresses support in principle for the conclusion of relevant international commodity agreements aimed at improving the conditions of international trade in primary products of direct interest to both countries. Other provisions include agreement to encourage and facilitate the development of economic co-operation, and the negotiation of long-term commercial contracts between enterprises and organisations of both countries and the interchange of commercial, trade, and technical representatives, groups, and delegations between the two countries.</p> <p>The trade Agreements Australia signed with the German Democratic Republic (28 February 1974), Hungary (30 September 1974), Bulgaria (5 December 1974), and Romania (29 May 1975) 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 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 have also been established by these Agreements to provide a forum for regular bilateral discussions on trade development and trade related issues and problems.</p>

General Agreement on Tariffs and Trade (G.A.T.T.)

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 the end of January 1973, eighty-one countries, whose foreign trade represents well over 80 per cent of the total volume of world trade, were full contracting parties to the Agreement, two had acceded provisionally, and thirteen 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 result both of direct negotiation by Australia and of 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 G.A.T.T. and non-G.A.T.T. members, have indicated that they will participate 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 safeguard measures against disruption of domestic industries by imports. The problems of developing countries are to be given special consideration.

Excise Tariff

The Excise Tariff applies to certain articles which can only be manufactured 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), and canned fruit.

Customs (Import Licensing) Regulations

Import licensing, introduced at the beginning of the Second World War, was relaxed progressively after the war so that by March 1952 goods from the non-dollar area (except Japan, to which special conditions applied until 1957) were virtually free from import licensing controls. A fall in the price of wool and a large increase in imports in the year 1951-52 so endangered Australia's external financial position that in March 1952 the import restrictions were again intensified. The war-time regulations were subsequently replaced by regulations made under the *Customs Act 1901-1954*.

Between March 1952 and February 1960 import restrictions were varied broadly in line with Australia's balance of trade position.

After the changes made in February 1960 only about 10 per cent of imports remained subject to control. The remaining restrictions were removed in October 1962 for all commodities, with the exception of a small group which were retained under control for reasons of association with the protection of the Australian industries concerned.

Trade services

Export incentives

The Australian Government provides financial concessions as incentives to export. A special market development allowance for export market development expenditure is designed to encourage firms to incur promotion expenditure in advance of export sales and to assist exporters and potential exporters to expand sales in existing markets and to enter new overseas markets. The allowance is in the form of a special income tax deduction additional to the ordinary taxation deduction allowable in respect of specified expenses. Export incentive grants based on pay-roll tax are made to employers whose export sales of goods or property rights have increased above their average annual level in a base period. The grant is available in the first place to firms who are producers for export; but a producer for export may pass on grants to another firm who has supplied components embodied in the final product or to an export merchant.

The Government announced in December 1973 that these incentives would expire on 30 June 1974, to be replaced by a new Market Development Grants Scheme after that date. This Scheme is intended to provide taxable grants payable on eligible export promotion expenditure generally as defined under the existing market development allowance and is designed to encourage firms to seek out and develop overseas markets and to participate in Australian Government sponsored trade promotions. These grants will be available at two rates and there will be a ceiling on payments to any one firm or group of firms.

Trade Commissioner Service

The stimulation of interest abroad in Australia's exports is an important government activity in which the Australian Trade Commissioner Service plays a prominent part. Since the Second World War the Service has increased steadily, and by mid-1975 there were 173 Trade Commissioners and Assistant Trade Commissioners and 60 posts were established in 46 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; 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, particularly in consultancy fields, and helping to attract desirable investment both overseas by Australian firms and in Australia by overseas firms.

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 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 Department of Overseas Trade (as distinct from the diplomatic and consular services administered by the 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 August 1975 the Australian Government had sent 105 trade and survey missions and five trade ships abroad 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:

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.

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 negotiates sales.

Trade displays, fairs, exhibitions, and store promotions

Since 1949 Australia has participated in numerous major trade fairs, exhibitions, and displays in Africa, Asia, Europe, the Americas, and the Pacific area.

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

Market assistance

The Australian Government established a Market Assistance Section in the Department of Overseas Trade in January 1974 to advise and assist developing countries and countries with centrally planned economies in the marketing of their products in Australia. The Section, which is located in Canberra, is supported by two experienced Australian Trade Commissioners, one located in Sydney and the other in Melbourne, to maintain contact with the commercial sector and provide direct practical assistance.

Export of consulting services

Australian professional consultants have been increasingly successful in obtaining overseas commissions and are contributing significantly to Australia's foreign exchange earnings.

The Australian Professional Consultants Council consists of members of the Royal Australian Planning Institute, the Institute of Surveyors of Australia, the Royal Australian Institute of Architects, the Association of Consulting Engineers of Australia, the Institute of Quantity Surveyors, the Institute of Agricultural Science, and the Snowy Mountains Engineering Corporation. The Council assists the members of the professions concerned in obtaining overseas commissions. The Council also acts as a liaison body for the government in its efforts to promote the export of consulting services.

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. However, Australian consultants are continuing to have significant successes in securing commissions from the private sector, particularly in the south-east Asian countries.

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 winning contracts overseas. It has close liaison with the Department of Overseas Trade which provides information on construction opportunities abroad.

Victorian Government involvement in overseas trade

There are no specific Victorian trade services although indirectly Victorian Government representatives overseas stimulate trade in performing agency functions. The Victorian Government also acts as co-sponsor for trade fairs such as the Asian Trade Fair held in Melbourne in June 1975.

Victoria's pattern of trade, 1964 ; Export Payments Insurance Corporation, 1975

EXTERNAL TRADE STATISTICS

Compilation

All goods which add to or subtract from resources should enter overseas trade statistics. The statistics are not confined only to goods which are the subject of a commercial transaction and all goods moving in or out of Australia are recorded, except for certain exclusions. Among the items included are exports and imports on government account including some items of defence equipment, and outside packages (i.e., the outside package or outside covering of the goods).

Overseas trade statistics are compiled by the Australian Bureau of Statistics from data relating to exports and imports submitted by exporters and importers or their agents to the Bureau of Customs administered by the Department of Business and Consumer Affairs as required by the Customs Act. Exports and imports are recorded statistically in the month in which the entries are passed by the Department. Normally this is within a few days of loading or discharge of cargo.

From July 1965, imports have been classified according to the Australian Import Commodity Classification (A.I.C.C.) and from July 1966 exports according to the Australian Export Commodity Classification (A.E.C.C.). Prior to those years the statistics were based on the Standard Classification of Imports and Exports. The new classifications (7 digits) are based on the 5 digits Standard International Trade Classification, Revised, (S.I.T.C.), which is closely related to the Brussels Tariff Nomenclature (4 digits), (B.T.N.), used in the Australian Customs Tariff (7 digits) introduced in July 1965.

Australia uses the Australian Customs Tariff, based on B.T.N., for the recording of goods entering the country, thus applying the relevant rates of duty applicable, and the Australian Export Commodity Classification, based on S.I.T.C., for those goods leaving Australia. The Australian Bureau of Statistics therefore publishes trade statistics classified by the Australian Customs Tariff (tariff items), A.I.C.C., and A.E.C.C. (statistical items). There are approximately 8,500 tariff items and statistical key codes, 6,200 A.I.C.C. items, and 2,300 A.E.C.C. items.

There is a one-for-one correspondence between the tariff items and the statistical items in some cases, and in other cases one statistical item represents several tariff items, due to (i) logical grouping of commodities with differential rates of duty requiring separate tariff items, (ii) reduction in the number of individual commodities in Bureau processing compared to Customs records due to the requirements of cross-tabulations in statistical publications, and (iii) possible concealment of confidential items. Changes are also made to statistical groupings from time to time to close down diminishing items into a broad category or open up expanding items into finer categories.

The statistical item series (S.I.T.C.) is published in the publication *Overseas trade* annually and corresponding monthly and quarterly publications. The tariff item series (Australian Customs Tariff) appears in the publication *Imports cleared for home consumption*, annually. Imports cleared for home consumption differ in scope from imports in that they include withdrawals from bonded warehouses and exclude imports into bonded warehouses. The *Overseas trade* publication shows imports landed during a period and the *Imports cleared for home consumption* publication shows those cleared through customs during the same period.

Prior to tabulation the tariff item numbers on the warrants are converted to S.I.T.C. numbers and complex cross-tabulations of items by quantity (where applicable) and value can then be produced for Australia and the States, showing country of origin or destination and importing and exporting State, and a variety of other details. Monthly printout of results is made available to users in all State offices and recently this has been made more helpful to

users by means of microfiche readers and printers. A range of trade publications is produced for general distribution as well as special returns to satisfy specific requests. Over 4,000 queries of all types by mail, telephone, and personal visit are dealt with by the officers of the Trade sub-section in Victoria alone each year.

Definitions

Certain definitions and abbreviations of relevance to the interpretation of trade statistics have been explained in passing in earlier sections of this chapter. For example, in the section relating to legislation and agreements, definitions have been given for primage duties, anti-dumping duties, bilateral trade agreements, G.A.T.T., and excise tariff; in the section relating to trade services: trade commissioner, trade mission; and in the section relating to compilation of trade statistics: tariff item, statistical item, imports cleared for home consumption, outside packages, B.T.N., S.I.T.C., A.I.C.C., and A.E.C.C. Other definitions and abbreviations are listed below:

Country of consignment: the country to which goods are consigned at the time of export. If not so determined, the exports are recorded as "for orders".

Country of origin: the country of production as defined for tariff purposes.

n.e.c.: not elsewhere classified.

c.i.f.: cost, insurance, freight.

kg: kilogram.

litre al.: litre alcohol.

The method of valuation used requires separate treatment and is discussed later in this chapter.

Recorded value of imports and exports

All values in overseas trade statistics are determined on a "free on board (f.o.b.) port of shipment" basis. This means that all charges (in particular the cost of freight and insurance) incurred after the goods have been exported from the port of shipment are excluded. Only transport and service charges incurred, or usually incurred, prior to export are included in the determination of trade values.

The procedure adopted to value exports and imports is as follows:

Exports. The recorded value of goods exported includes the cost of the outside package and has been determined, since July 1937, as follows:

(1) goods sold to overseas buyers before export are valued at the Australian f.o.b. port of shipment equivalent of the actual price at which the goods were sold; and

(2) goods shipped on consignment are valued at the Australian f.o.b. port of shipment equivalent of the price paid for similar goods of Australian origin in the principal markets of the country to which they are dispatched for sale.

Imports. The recorded value of goods imported is the "value for duty" as laid down for Customs purposes, that is, the sum of:

(1) (a) the actual money price paid or to be paid for the goods by the Australian importer plus any special deduction, or

(b) the current domestic value of the goods, whichever is the higher; and

(2) all charges payable or ordinarily payable for placing the goods free on board at the port of export.

In the case of goods consigned for sale in Australia the "value for duty" shall be the amount which would be the "value for duty" if the goods were at date of exportation sold to an Australian importer instead of being consigned for sale in Australia.

“Current domestic value” is defined as “the amount for which the seller of the goods to the purchaser in Australia is selling or would be prepared to sell for cash, at the date of exportation of those goods, the same quantity of identically similar goods to any and every purchaser in the country of export for consumption in that country”.

“Special deduction” is defined as “any discount or other deduction allowed to the Australian importer which would not ordinarily have been allowed to any and every purchaser at the date of exportation of an equal quantity of identically similar goods”.

“Leasing arrangements”. The recorded value of goods under leasing arrangements is defined as the f.o.b. value, i.e., not the value of the lease receipts or payments. However, for balance of payments purposes large items of equipment under lease are normally excluded from export and import figures, and therefore from the balance of trade, since no change of ownership has occurred.

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 presented in the following series of tables :

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

Year	Imports	Exports			Excess of imports
		Australian produce	Re-exports	Total	
1969-70	1,347,053	883,768	28,828	912,596	434,457
1970-71	1,458,583	995,867	39,041	1,034,908	423,675
1971-72	1,431,076	1,103,230	36,501	1,139,731	291,345
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

NOTE. Minus (-) sign denotes excess of exports.

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 f.o.b.	\$'000 f.o.b.	\$'000 f.o.b.	per cent	per cent	per cent
1969-70	3,881,227	4,137,222	8,018,449	34.7	22.1	28.2
1970-71	4,150,028	4,375,757	8,525,785	35.1	23.7	29.2
1971-72	4,008,365	4,893,368	8,901,733	35.7	23.3	28.9
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

Classification of overseas imports and exports

The value of trade according to A.I.C.C. and A.E.C.C. classifications is shown in the following table for the years 1972-73 and 1973-74 :

VICTORIA—CLASSIFICATION OF OVERSEAS IMPORTS AND EXPORTS
(\$'000 f.o.b.)

Division number	Description	Imports		Exports	
		1972-73	1973-74	1972-73	1973-74
00	Live animals	2,470	3,568	2,787	4,944
01	Meat and meat preparations	471	834	260,631	239,859
02	Dairy products and eggs	4,820	5,032	103,396	112,681
03	Fish and fish preparations	13,591	20,146	15,244	12,256
04	Cereals and cereal preparations	1,983	2,505	93,140	133,802
05	Fruit and vegetables	9,395	19,838	79,461	61,396
06	Sugar and sugar preparations and honey	1,215	1,512	1,038	539
07	Coffee, tea, cocoa, spices, and manufactures thereof	24,073	28,549	7,842	5,806
08	Feeding-stuff for animals (except unmilled cereals)	1,074	2,338	10,277	12,072
09	Miscellaneous preparations chiefly for food	1,371	2,372	802	2,040
11	Beverages	3,578	5,451	2,889	3,403
12	Tobacco and tobacco manufactures	12,099	15,910	1,240	2,197
21	Hides, skins and fur skins, undressed	1,183	2,083	81,234	71,210
22	Oil-seeds, oil nuts, and oil kernels	1,604	6,283	1,415	130
23	Crude rubber (including synthetic and reclaimed)	13,487	23,579	537	776
24	Wood, timber, and cork	12,921	26,681	226	189
25	Pulp and waste paper	10,655	13,710	34	14
26	Textile fibres and their waste	32,711	51,244	382,307	360,003
27	Crude fertilisers and crude minerals (except coal, petroleum, and precious stones)	11,668	15,357	454	794
28	Metalliferous ores and metal scrap	381	435	18,855	26,779
29	Crude animal and vegetable materials, n.e.c.	7,894	10,261	9,712	8,082
32	Coal, coke, and briquettes	88	156	1,199	2,532
33	Petroleum and petroleum products	33,119	79,945	25,256	68,743
34	Petroleum gases and other gaseous hydrocarbons	12	15	(a)	(a)
41	Animal oils and fats	159	263	11,617	17,378
42	Fixed vegetable oils and fats	3,253	7,920	50	334
43	Animal and vegetable oils and fats, processed, and waxes of animal or vegetable origin	896	1,429	224	355
51	Chemical elements and compounds	42,425	70,257	4,606	6,984
52	Mineral tar and crude chemicals from coal, petroleum, and natural gas	1,043	1,211	88	1,256
53	Dyeing, tanning, and colouring materials	14,907	20,186	2,540	2,602
54	Medicinal and pharmaceutical products	14,491	19,829	7,513	8,432
55	Essential oils and perfume materials; toilet, polishing, and cleansing preparations	4,074	5,528	1,490	2,163
56	Fertilisers, manufactured	2,216	2,051	26	86
57	Explosives and pyrotechnic products	2,153	2,348	2,085	2,526
58	Plastic materials, regenerated cellulose, and artificial resins	52,801	72,520	4,473	14,215
59	Chemical materials and products, n.e.c.	18,380	25,701	13,413	17,988
61	Leather, leather manufactures, n.e.c., and dressed fur skins	4,385	6,234	3,357	2,171
62	Rubber manufactures, n.e.c.	17,808	26,489	4,264	3,810
63	Wood and cork manufactures (except furniture)	7,666	12,759	1,603	966
64	Paper, paperboard, and manufactures thereof	43,170	60,083	3,193	3,070
65	Textile yarns, fabrics, made-up articles and related products	155,685	271,096	11,354	13,461
66	Non-metallic mineral manufactures, n.e.c.	32,188	45,078	6,332	7,153
67	Iron and steel	42,288	71,680	2,817	4,508
68	Non-ferrous metals	8,821	14,863	27,029	31,590
69	Manufactures of metal, n.e.c.	36,233	48,950	24,757	28,710
71	Machinery (except electric)	245,503	303,039	45,171	46,962

VICTORIA—CLASSIFICATION OF OVERSEAS IMPORTS AND EXPORTS—*continued*
(\$'000 f.o.b.)

Division number	Description	Imports		Exports	
		1972-73	1973-74	1972-73	1973-74
72	Electrical machinery, apparatus, and appliances	94,738	139,738	20,233	25,531
73	Transport equipment	211,391	282,034	111,474	97,611
81	Sanitary, plumbing, heating, and lighting fixtures and fittings	3,628	6,008	1,190	1,585
82	Furniture	2,847	5,904	487	467
83	Travel goods, handbags, and similar articles	2,124	3,840	67	78
84	Clothing and clothing accessories; articles of knitted or crocheted fabric	22,012	43,155	6,305	5,672
85	Footwear, gaiters, and similar articles and parts therefor	9,464	18,621	439	626
86	Professional, scientific and controlling instruments; photographic and optical goods, watches, and clocks	50,444	71,181	16,020	19,945
89	Miscellaneous manufactured articles n.e.c.	68,300	103,478	10,462	12,205
9A	Commodities and transactions of merchandise trade, n.e.c.	43,979	40,757	(b) 31,037	(b) 52,536
	Total merchandise	1,461,335	2,142,036	1,475,680	1,563,226
9B	Commodities and transactions not included in merchandise trade	11,267	13,723	19,693	30,414
	Total	1,472,602	2,155,759	1,495,373	1,593,640

(a) Included in Division 9A.

(b) Includes Division 34.

Trade with countries

The value of trade with overseas countries from 1971-72 to 1973-74 is shown in the following table :

VICTORIA—OVERSEAS IMPORTS AND EXPORTS : COUNTRIES OF ORIGIN AND CONSIGNMENT
(\$'000 f.o.b.)

Country	Imports			Exports		
	1971-72	1972-73	1973-74	1971-72	1972-73	1973-74
Belgium-Luxembourg	11,355	13,342	23,164	7,685	11,426	10,356
Canada	45,329	48,458	64,828	29,910	44,570	36,521
China	14,448	17,269	23,489	14,319	22,427	42,760
Taiwan	14,441	22,563	45,504	13,480	24,133	19,162
Czechoslovakia	3,115	3,105	4,544	1,947	4,032	4,737
Finland	5,194	8,932	9,139	297	890	563
France	29,195	34,683	33,475	36,698	67,543	65,224
Germany, Federal Republic of	132,814	124,029	212,455	28,774	43,921	37,175
Greece	2,112	1,865	2,447	11,066	8,593	4,196
Hong Kong	23,487	28,368	61,229	24,328	30,094	34,417
India	14,669	12,730	20,023	7,609	8,281	9,838
Indonesia	4,331	4,052	4,775	10,303	20,147	27,437
Iran	1,312	2,630	4,527	9,164	4,740	6,505
Iraq	13,989	13,571	18,812	1,750	931	3,061
Italy	30,588	31,737	53,479	21,400	33,105	31,200
Japan	227,989	267,520	383,578	202,316	326,451	355,031
Kuwait	12,952	6,719	19,639	2,522	2,390	1,898
Malaysia	9,573	13,012	26,787	18,426	21,803	35,707
Mexico	320	910	2,477	4,931	5,257	6,955
Netherlands	19,648	20,475	30,434	9,094	11,327	11,597
New Zealand	41,720	49,107	67,015	97,966	121,833	170,275
Pakistan	3,001	1,789	5,555	1,714	1,955	1,755
Papua New Guinea	5,861	7,286	11,370	31,165	26,865	30,444
Philippines	1,854	1,885	4,815	18,328	20,532	24,449
Poland	1,036	1,263	2,747	7,287	19,586	18,204

VICTORIA—OVERSEAS IMPORTS AND EXPORTS : COUNTRIES OF ORIGIN AND
CONSIGNMENT—*continued*
(S'000 f.o.b.)

Country	Imports			Exports		
	1971-72	1972-73	1973-74	1971-72	1972-73	1973-74
Qatar	590	..	21,614	282	317	299
Saudi Arabia	1,891	1,737	3,709	10,013	8,407	8,687
Singapore	6,592	7,923	14,230	29,901	26,314	32,934
South Africa	5,156	5,007	9,343	43,200	45,334	33,280
Spain	8,077	7,197	14,089	5,183	7,422	7,202
Sri Lanka	4,774	3,870	4,137	1,186	1,958	3,368
Sweden	26,193	33,013	42,137	3,599	6,397	6,790
Switzerland	23,360	21,189	32,861	2,760	3,027	6,615
Thailand	2,558	2,071	3,592	13,285	14,430	19,761
United Kingdom	305,469	283,361	318,101	92,594	146,358	102,673
United States of America	311,987	301,337	439,779	140,223	164,315	173,441
U.S.S.R.	622	745	1,749	20,772	29,811	42,124
Yugoslavia	207	250	910	5,631	23,863	28,929
Other and unknown	63,267	67,602	113,201	158,623	134,588	138,070
Total	1,431,076	1,472,602	2,155,759	1,139,731	1,495,373	1,593,640

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 (see page 619).

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 1973-74 totalled 2,853,638 tonnes. The principal commodities were petroleum and petroleum products, 902,540 tonnes; transport equipment (including touring passenger cars), 412,483 tonnes; food preparations, 63,057 tonnes; beverages and alcoholic liquors, 37,380 tonnes; machinery, 32,484 tonnes; and metal manufactures, 29,228 tonnes.

Interstate imports during the same period totalled 3,035,782 tonnes, the principal commodities being paper and paperboard, 228,569 tonnes; iron and steel, 223,711 tonnes; sugar and sugar preparations, 283,872 tonnes; petroleum and petroleum products, 326,115 tonnes; sulphuric acid, 173,154 tonnes; gypsum, 130,191 tonnes; touring passenger cars, 125,468 tonnes; and cement, 101,700 tonnes.

Port of Geelong

Total interstate exports during 1974 amounted to 820,131 tonnes, of which petroleum and petroleum products accounted for 761,353 tonnes. Total interstate imports for the same period amounted to 569,928 tonnes, and consisted mainly of petroleum and petroleum products, 10,281 tonnes; alumina, 171,208 tonnes; pig iron and steel, 305,497 tonnes; and gypsum, 47,561 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 by sea 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 1973-74 the value of exports from Victoria to Western Australia totalled \$394.9m. Transport equipment \$72.4m, clothing and clothing accessories \$38.3m, machinery other than electric machinery \$43.1m, tobacco and tobacco manufactures \$11.1m, and rubber manufactures \$12.1m were the main types of commodities included in this total.

Imports from Western Australia during the same period were valued at \$55.1m. Petroleum and petroleum products \$2.7m, chemical elements and compounds \$10.4m, and textile fibres and their waste \$9.9m were the main types of commodities imported.

Detailed statistics of this trade appear in the publication *Statistics of Western Australia, Trade (Interstate and Overseas), 1973-74* issued by the Deputy Commonwealth Statistician, Perth.

Tasmania

Details of trade between Victoria and Tasmania are available only for trade by sea. Both exports and imports are valued on an f.o.b. basis.

In 1973-74 exports by sea from Victoria to Tasmania were valued at \$282.0m. Transport equipment \$43.9m, petroleum products \$22.1m, and tobacco and tobacco manufactures \$11.3m were the main types of commodities. The value of tourists' motor vehicles included in the total for the year was approximately \$25.6m.

Imports from Tasmania during this period amounted to \$264.9m. Preserved vegetables \$16.7m and timber \$20.4m were the main commodities imported. The value of tourists' motor vehicles included in the total was approximately \$27.1m.

Customs and excise revenue

The total gross customs duties collected by the Australian Government in Victoria in each of the three years 1971-72 to 1973-74 were \$163.8m, \$181.9m, and \$211.7m, 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 Australian Government imposes excise duty are set out in the table below, together with the gross amount of duty collected on account of each item for each of the three years 1971-72 to 1973-74. 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		
	1971-72	1972-73	1973-74	1971-72	1972-73	1973-74
	'000	'000	'000	\$'000	\$'000	\$'000
Spirits (potable) litre al.	1,801	2,108	2,143	6,879	8,005	12,332
Tobacco kg	508	524	482	2,945	3,107	3,341
Cigars and cigarettes kg	7,837	7,811	7,852	87,107	89,473	105,377
Petrol litre	3,197,018	3,343,915	3,486,727	119,174	127,236	164,805
All other articles (a)	..	..	..	130,554	134,617	152,936
Total	..	..	..	346,659	362,438	438,791

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

The overseas trade and the gross revenue collected at Victorian ports during the year 1973-74 are shown in the following table :

**VICTORIA—OVERSEAS TRADE AND GROSS REVENUE COLLECTED
AT VICTORIAN PORTS, 1973-74**
(\$'000)

Particulars	Melbourne (a)	Geelong	Portland	Western Port	Total
Overseas trade—					
Imports	2,058,961	85,826	3,453	7,519	2,155,759
Exports	1,384,683	135,248	16,705	57,004	1,593,640
Total	3,443,644	221,074	20,158	64,523	3,749,399
Gross revenue—					
Customs	220,251	1,818	3	..	222,072
Excise	426,692	11,142	957	..	438,791
Total	646,943	12,960	960	..	660,863

(a) Includes Port of Melbourne, Melbourne Airport, and parcels post.

**AUSTRALIA—VALUE OF OVERSEAS TRADE, GROSS CUSTOMS, AND EXCISE
DUTY COLLECTED BY STATES, 1973-74**
(\$'000)

State	Imports	Exports	Excess of exports	Gross duty collected	
				Customs	Excise
New South Wales	2,590,179	1,513,684	—1,076,495	276,771	567,808
Victoria	2,155,759	1,593,640	—562,119	222,072	438,791
Queensland	542,646	1,380,763	838,117	49,888	236,103
South Australia	313,915	662,813	348,898	34,648	139,812
Western Australia	368,910	1,414,968	1,046,058	30,482	141,837
Tasmania	69,277	259,745	190,468	3,867	43,009
Northern Territory	38,432	86,782	48,350	4,709	6,858
Australian Capital Territory	5,886	1,350	—4,536	295	30
Australia	6,085,004	6,913,746	828,742	622,733	1,574,248

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

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- 8.4 Australian exports—country by commodity
 8.5 Exports of principal products of Australian origin
 8.7 Imports cleared for home consumption (parts 1 and 2)
 8.8 Imports of assembled new passenger motor cars, Australia (preliminary)
 8.11 Overseas trade
 8.13 Overseas trade, imports by commodity divisions, Australia
 8.14 Overseas trade, major groups of countries
 8.17 Trade of Australia with Eastern countries
 8.18 Overseas trade, exports by commodity divisions, Australia
 8.19 Australian imports—country by commodity
 8.22 Exports and imports of merchandise at constant prices
 8.25 Exports by mode of transport