

# BUSINESS NEWSLETTER

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## White Paper on Australia in the Asian Century – Implementation Plan

The Australian Prime Minister will embark on the next stage of her Asia policy by releasing the Implementation Plan that sets into motion the priorities envisaged in the White Paper on Australia in the Asian Century of October 2012. Details of the Asia plan include more than a dozen initiatives to be developed over the coming year, including regional trade deals and more help for Australian students who study in Asia. The Government is committed to working with the Australian community to develop country strategies that set out objectives and priorities for relationships, with five countries — Japan, China, Indonesia, India and the Republic of Korea — being the top priority.

The Government has commissioned three research studies to help identify how best to help Australian businesses take advantage of opportunities in expanding Asian markets. The studies are on: food processing innovation; regional value chains and collaborative business models; and health and aged care services. Teams from across the Australian Public Service are being drawn together to undertake these projects in consultation with the relevant industry stakeholders. They will be completed by mid-2013.

Twenty-five objectives, setting targets for 2025, are grouped under the five broad policy themes of the White Paper. Objectives include, by way of example, Australia's school system being in the top five in the world. Universities

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will be told to increase the Asian content of their courses while the school curriculum will have Asian studies at its heart, according to the implementation plan for the Asian Century white paper. Ms Gillard has sought to make integration with Asia a key part of her economic message, while defending the government's economic record during a global downturn in growth.

The Asian Century implementation plan, lists more than a dozen initiatives already under way. Another initiative in the plan is continued work on a trade deal with 16 nations, known as the regional comprehensive economic partnership. Other programs include a "significant investor visa" to attract migrants who commit to invest at least \$5 million in Australia. Universities will also be put on notice to step up their Asian programs.

The government is promising to embark on a series of "next steps" in the Asian Century plan, including wider consultation with business and the community on the "country strategies" to be defined for the five nations identified as the main priority partnerships – Japan, China, Indonesia, India and South Korea.

Another plan under way is a series of "stakeholder forums" to be held this year to identify regional opportunities.

While the implementation plan makes no recommendation on wider migration policy, it notes

the benefits to the economy from continued flow of migrants."Permanent migration from Asia to Australia has grown four-fold in the last 15 years," it states.

A governance plan for the Asian Century policy includes groups set up at different levels of the government to put the plans into practice, leading with a committee within cabinet. The Australia in the Asian Century committee of cabinet includes Ms Gillard, Wayne Swan, Dr Emerson, Senator Carr, Finance Minister Penny Wong, Defence Minister Stephen Smith and Industry Minister Greg Combet.

## US shale gas boom threatens Australia coal market

The US shale gas boom has increased the threat to Australian coalmining by freeing up production and infrastructure in North America to be used for exports, one of the world's biggest producers has warned. The chairman of Anglo American Australia, Graham Bradley, said the switch to gas-fired energy in the US had more than doubled the export of that country, pushing prices down and raising a question over new coalmining developments in Australia. The new export threat highlights the far-reaching impact of the shale gas boom in the US, where export constraints have kept prices low, fostering a renaissance of energy-intensive manufacturing and a switch by power stations from coal to gas. The likely relaxation of US export restrictions on gas has been mooted as a threat to Australia's fast-growing liquefied natural gas industry, where tens of billions of dollars in investment have the country on course to overtake Qatar as the world's biggest exporter by 2017. Mr. Bradley said the threat to the Australian industry had increased in the past six months as idle coal transport infrastructure as switched to export markets. "America has suddenly become, thanks to shale gas, much more competitive in coal and will be a major competitor with Queensland and NSW coal".

In November, American coal giant Alpha Natural Resources credited the carbon and mining taxes

position in the global coking coal market by raising costs here.

## Australia Infrastructure

One of the nation's most powerful business leaders has urged the federal government to show more leadership in fixing infrastructure shortfalls. Business Council of Australia president Tony Shepherd said there was a growing infrastructure backlog and new solutions were needed to a problem that was eroding national competitiveness, increasing cost-of-living pressures and lowering the quality of life."Australia needs to recapture the reformist appetite and policy bravery that allowed us to take such substantial leaps forward between 1985 and 2000." On infrastructure, "much remains to be done", including asset sales and fundamental reform to the costs of government service delivery to unlock funds for a new round of productivity-enhancing projects. "It has never been cheaper in the history of Australia for the federal government to borrow," Mr Shepherd said."Borrowing for prioritised infrastructure projects with a positive cost benefit can be characterised as 'good' borrowing as distinct from borrowing to fund recurring expenditure or low-priority infrastructure with a negative cost benefit."

Groups such as the BCA have argued that the federal contribution to projects will become increasingly important as state governments face major constraints. Infrastructure policy is shaping up as a key issue in the debate between the parties over economic management.

Federal Labor set up Infrastructure Australia, which is viewed by business as having established a solid list of projects requiring funding, while the Coalition has promised "cranes over our cities" and "bulldozers on the ground" to end traffic gridlock. In his speech, Mr Shepherd singled out the impact of gridlock on the economy, particularly as the population grows. Australia needed to "change the game" for infrastructure, with a greater degree of national leadership on how to close the gap between needs and what can be afforded.

## Business Opportunities

### Victoria announces scholarships for 10 Indian students studying PhD

Victorian Minister for Innovation, Services and Small Business announced on 10 March 2013 in India that ten more of India's brightest students will work on their PhD studies at a Victorian institution thanks to the 2013 Victoria India Doctoral Scholarships program. These scholarships valued at \$90,000 each give Indian doctoral students the opportunity to work with top Victorian researchers and supervisors, use cutting edge research infrastructure and facilities and enjoy a welcoming lifestyle in a cosmopolitan community. The Doctoral Scholarship Program now in its second years is funded by the Victorian Government and managed by the Australia India Institute. The Minister stated that the program allowed India and Victoria to share knowledge and best practice, drive new research and help equip students with the skills needed for future innovation and economic growth. Victoria attracts over 46 percent of Indian students in Australia the highest amongst any Australian state.

### Victoria pushes for greater engagement with India

Victorian Minister for Innovations Ms. Louise Asher launched the "From Engagement to Partnership Strategy" in Mumbai on 11th March 2013, the next phase in the Victorian Coalition Government's plan to increase trade and cultural links with India. The strategy is based on four strategic priorities to be implemented over five years to advance the State's relationship with India:

- building strategic relationships
- enhancing understanding between Victoria and India
- facilitating trade
- attracting investment

The Minister said that India was Victoria's fastest growing export market. India's rapid rate of economic growth and development is driving demand for Victorian goods and services across a range of sectors including food and beverage,

education, infrastructure and sustainable urban design. 80 percent of the organisations represented on the mission are Small to Medium Enterprises (SMEs). Of these half are new to the Indian market and nearly 70 percent of the 140 Victorian organisations have gone to India for the first time.

### Victoria promotes tourism in India

Ms. Louise Asher, the Minister for Tourism for the state of Victoria officially opened an exhibition in Mumbai on 12th March, 2013 featuring photographs of Victoria's iconic attractions like MCG, Flinders Street Station etc. One of India's better known photographers Atul Kasbekar was commissioned to travel to Victoria and capture a series of images of Melbourne and the regions in Victoria. She stated that India was one of Victoria's fastest growing inbound tourism market catering to around 71,600 visitors in 2012 who spent around A\$217 million in the State.

### Victoria aiming to develop courses in film and theatre in partnership with India

Minister for Manufacturing, Exports and Trade Richard Dalla-Riva announced on 11th March in Mumbai, a new partnership between the Victorian College of the Arts (VCA) and the National Centre for Performing Arts (NPCA) located in Mumbai. He said the partnership would initially deliver two-week actor training workshops in Mumbai with the long term aim of developing degree courses in film and theatre arts awarded by the VCA.

### Victorian Technology Minister announces 120 new jobs in Melbourne

Technology Minister Gordon Rich-Phillips announced in Bangalore on 14th March, 2013 the creation of 120 new tech jobs in Victoria with the expansion of global software company SAP and the establishment of SAP's mission control centre in Melbourne (which is to become operational by June 2013). The MCC in Melbourne will coordinate

large scale software rollouts and SAP India will provide software research and development. Minister Rich-Phillips said that this was a good example of Victoria and India working together by leveraging India's software development capability and Victoria's project management and delivery expertise.

#### Victoria announces additional funding in the State's TAFEs

The Victorian Government has announced the injection of A\$ 200 million for the State's TAFEs over the next four years. The Government says that the money will be spent on technology and new teaching systems and will provide more courses and greater training opportunities. It would also meet the challenges of the private sector and enable them to compete in a demand-driven training market.

#### Regional Victorian cities seeking funds for future development

A report commissioned by the Regional Cities Victoria, an alliance that represents Ballarat, Bendigo, Geelong, Horsham, Latrobe, Mildura, Shepparton, Wangaratta, Warnambool and Wodonga have sought A\$ 4 billion boost to improve infrastructure and key services and thus ease pressure on Melbourne in the next 20 years. It is forecast that the 10 regional cities would add an estimated 208,000 people by 2031 and be home to about 950,000 people.

#### Cipla opens office in Melbourne

Mumbai based pharmaceutical giant Cipla has opened its Australian Headquarters in Melbourne in one of the first investments by the company in a regional office outside India. The purpose of opening an office in Melbourne is to provide superior service to existing customers, build its customer base and provide expert advice to the Cipla R& D department on requirements of the Australian medicine market for future product opportunities.

#### Victorian company in JV with Uniphos Envirotronic to monitor air quality in India

Victoria owned company Ecotech has signed a major joint venture agreement to monitor air quality in India with Uniphos Envirotronic, part of the United Phosphorous group of companies which is one of the largest manufacturer of gas detection instruments in India. With this joint venture Ecotech is expected to increase its exports to India to over A\$ 2 million by 2015. The partnership will provide the Indian industry access to high quality ambient air monitoring technology at a much more competitive price than has been available.

#### Northern Territory plans major infrastructure spend to attract more businesses and jobs

Chief Minister Adam Giles said that Northern Territory Government plans to spend more resources on road, rail and port projects to create jobs and increase business. A second port near Darwin would be built for shipping of bulk materials such as iron ore and ilmenite. Mr Giles also announced that the NT future is positive as growing effort on the Territory at a national level could help create a new era for northern Australia which will benefit businesses in the long run.

#### South Australia for greater trade and investment ties with India

The first meeting of a new group brought together to drive South Australia's (SA) 10-year strategy to engage more with India was held in Adelaide on 25 March, 2013. Consul General of India, Sydney attended the meeting. The South Australia-India Council's brief is to have SA become a significant trade and investment partner with India. Trade Minister Tom Kenyon said the strategy identified key sectors of the economy that could take advantage of India's rapid development and create local jobs.

### CG, Sydney attends South Australia – India Advisory Council meeting

Consul General, Sydney visited Adelaide to attend a meeting of the South Australia–India Advisory Council held at the Department for Manufacturing, Innovation, Trade, Resources and Energy on 25 March. While in Adelaide the consul General also had a meeting with Dr. Adrian Vicary, President and Ms. Julie Hallifax, Vice President AIBC on 26 March 2013.

### Upcoming Events in Australia:

#### Landscape Australia Expo (22–23 May 2013)

Landscape Australia Expo will be held at Claremont Showgrounds Perth, Western Australia from 22–23 May 2013. Landscape Australia Expo–Perth is the largest event in Australia for the landscape industry. It is a trade only event aimed at professionals involved in design, specification, construction and maintenance of public, commercial and residential landscapes.

**Venue:** Claremont Showgrounds, Perth

**Website:** [www.landscapeexpo.com.au/](http://www.landscapeexpo.com.au/)

#### Craft & Quilt Fair Exhibition (22–26 May 2013)

Craft & Quilt Fair exhibition will be held from 22 – 26 May 2013 at Perth Convention Exhibition Centre. The event will display products such as handicrafts, scrapbooking, knitting, embroidery, and sewing, quilt making, art, photography, videography, craft kits, painting and cross stitch. The importers, exporter, retailers, distributors and the visitors will get an opportunity to meet professionals.

**Venue:** Perth Convention and Exhibition Centre

**Website:** [www.craftfair.com.au/wp/Perth/](http://www.craftfair.com.au/wp/Perth/)

## Tenders

### Tender for 220KV transmission line in WA

M/s Horizon Power is seeking proposals from suitably qualified companies to construct a 220KV Transmission line which will run approximately 5.6km from the new South Hedland terminal to the existing Hedland terminal. Tender HP00839 documents will be available from Thursday 28<sup>th</sup> March 2013 and briefing will be held on 08<sup>th</sup> April 2013 for registered tenderers. Tender closes on Thursday 09<sup>th</sup> May 2013, 2pm (Western Australia time). Further details are available on [www.horizonpower.com.au](http://www.horizonpower.com.au).

### Tender for construction and upgradation of Victoria Quay in Fremantle Port

Tenders invited for construction and associated works of upgrading a fendering system for Berths E and D at Victoria Quay, Fremantle Port. Interested parties can obtain documents by registering on the Fremantle port website [www.fremantleports.com.au](http://www.fremantleports.com.au) or by contacting Mr Garry Hodgkin on 08 9430 3574. Tender briefing will be held at port on Tuesday 09<sup>th</sup> April 2013. Tender closes on Wednesday 01<sup>st</sup> May 2013 2pm WST.