



professional & technical services
newsletter

October 2006

Quit

Next →

Contents

Minister's
Introduction

SEAC

Industry News

Trade Fairs
and Missions

Benchmarking

Trade Policy
Issues

Contacts

Contents

Minister's Introduction	3
Services Export Advisory Committee (SEAC)	4
Industry News	5-7
Victorian Services Exporter of the Year	5
Professional Service firms to target Tianjin	6
Export Breakfast	7
Trade Fairs and Missions	8-9
Recent Services Trade Missions	8
Upcoming Trade Fairs & Missions	9
Benchmarking	10
Follow up study into professional firm management	10
Trade Policy Issues	11-14
WTO update	11
FTA updates	12-14
Contacts	15

Navigation

There are several ways you can navigate through this document.

1. Click through page by page using the 'Next' and 'Back' buttons.
2. Click through using the chapter tabs and the 'Next' and 'Back' buttons.
3. Use the Acrobat reader navigation tools.
4. To exit full screen mode press the 'esc' key or the 'Quit' button.
5. To print a page or section, press 'control' 'p' (PC) or 'command' 'p' (mac) and select the page range.

Contents

Minister's
Introduction

SEAC

Industry News

Trade Fairs
and Missions

Benchmarking

Trade Policy
Issues

Contacts

Minister's Introduction



Welcome to the October 2006 edition of the Professional and Technical Services Newsletter.

Victoria is starting to see the benefits of a joint industry and Government approach to promoting and facilitating services exports. For example, over 300 Victorian services organisations have participated in Victorian Government-supported missions to China, the Arab States and Vietnam over the last 2 years and have reported a total estimated \$150 million of resultant exports.

Now that more service businesses are exploring export opportunities it is essential that protective barriers to entry are addressed in Free Trade Agreements as they are negotiated between Australia and other countries. The Government is very active in presenting Victorian views to the Commonwealth for consideration during FTA negotiations. The Services Export Advisory Committee (SEAC) with its industry representation has provided an effective means of bringing a wide range of informed industry views into that process.

This newsletter is part of a multi-pronged approach to supporting service exports from Victoria. This approach includes:

- Co-ordinating industry input to FTA negotiations
- Promoting the benefits and possibilities of export to service firms through initiatives such as newsletters and export business breakfasts
- Providing export assistance to individual services firms via Opening Doors to Export programs
- Supporting services trade fairs and missions

- Effective Government/business liaison through SEAC

I congratulate those Victorian service firms that are winning work around the world and I look forward to seeing more joining them in 2007.

André Haermeyer MP

Minister for Manufacturing and Export

Minister for Financial Services

Minister for Small Business

Contents

Minister's
Introduction

SEAC

Industry News

Trade Fairs
and Missions

Benchmarking

Trade Policy
Issues

Contacts

Services Export Advisory Committee (SEAC)

SEAC was convened to provide effective communications between the Victorian Government and Professional and Technical Services industry sectors around issues and projects relating to services exports. The industry people sitting on SEAC are all active professionals/business people with an interest in export who volunteer their time to represent their particular professional associations on the committee.

Committee members tend to be “hands-on” and rather than being content to take a purely advisory role have initiated and helped manage a number of projects include trade missions, promotional events and a project to link international students with Victorian exporters.

The following organisations are currently represented on SEAC:

Recruitment and Consulting Services Association

Law Institute of Victoria

Institution of Surveyors

Institute of Chartered Accountants in Australia

Australian Institute of Project Management

Institute of Management Consultants

Victorian Healthcare Association

Engineers Australia

Royal Australian Institute of Architects

VHA Global

Department of Innovation, Industry & Regional Development

Austrade – Victoria

Department of Foreign Affairs and Trade 

Contents

Minister's
Introduction

SEAC

Industry News

Trade Fairs
and Missions

Benchmarking

Trade Policy
Issues

Contacts

Industry News

Rightship named Victorian Services Exporter of the year

Winners of the 2006 Governor of Victoria Export Awards were announced at a presentation ceremony at Government House on 10 October.

Winner of the Services Award category was Rightship Pty Ltd. Melbourne-based Rightship offers the world's most comprehensive online risk management system promoting safety and efficiency in the global maritime industry. The company vets around 1000 vessels each month. It supports 1000 users in more than 60 client organisations based in 52 countries.

Services firms also figured strongly in other award categories. Emerging Export award went to Aconex Pty Ltd, which services more than 28,000 companies in 40 countries with its online information management service for the construction, resources and property management industries.

Varney DesignInc was recognised with the Small/Micro Business Award for its success in exporting interior design services especially for food courts in major shopping centres and mixed use developments.

Mobius Software from the Mornington Peninsula received a Commendation in the Small/Micro Business Award for its success in marketing its predictive maintenance training products and courses in 75 countries.

The big winner of the night was ANCA Pty Ltd, which won Victorian Exporter of the Year, the Victorian Export Award for Innovative Excellence and Large Advanced Manufacturer Award. Even here there is a strong services story, as ANCA has based its success on developing world class computer numerical controls (CNCs) by the application of high level engineering and mathematical skills.

A full list of award winners and more information on the Governor of Victoria Export Awards is available at www.business.vic.gov.au/awards

Contents

Minister's
Introduction

SEAC

Industry News

Trade Fairs
and Missions

Benchmarking

Trade Policy
Issues

Contacts

Industry News (continued)

Professional services firms win grant to collaborate in China

A group of Victorian professional services firms is poised to tackle the China market after winning a Collaborative Export Marketing grant from the Victorian Government.

The group, led by chartered accountants, MGI Boyd, will focus on Melbourne's sister city, the fast-growing Tianjin.

There is a huge appetite for business and professional training in China, and the group will initially offer targeted training packages to foreign firms based in Tianjin and government and semi-government organisations operating in an increasingly commercial and competitive environment. This will provide a platform for winning more business consulting and professional services projects.

Members of the group, whose expertise includes management consulting, accounting, law, project management and public relations, have been building relationships in Tianjin over the last 2

years by participating in trade missions and taking advantage of networking opportunities provided by the City of Melbourne during regular reciprocal visits as part of the sister city relationship.

MGI Boyd and its partners in the project are all members of the Professional Solutions Australia (PSA) network, established to provide a vehicle for professional services firms to jointly tender for international projects that would be beyond their capacity as individual organisations.

The grant was approved by the Minister for Manufacturing and Export, André Haermeyer, and is provided on a dollar for dollar basis against marketing expenses, including economy airfares, market research, and information and promotional materials.

Go to www.export.vic.gov.au to learn more about Collaborative Export Marketing assistance and other help available under the Victorian Government's Opening Doors to Export plan.

Contents

Minister's
Introduction

SEAC

Industry News

Trade Fairs
and Missions

Benchmarking

Trade Policy
Issues

Contacts

Industry News (continued)

Export Breakfast

The second Professional and Technical Services Export Breakfast was held in August and attracted 83 people to hear a strong line-up of speakers including André Haermeyer, Minister for Manufacturing and Export. Mr Haermeyer recognised Professional and Technical Services as part of Victoria's Knowledge Economy and spoke of the Government's commitment to supporting exports from the sector. Michael Sonnenberg was generous with his and Freehills' experience regarding international opportunities flowing from economic reforms, infrastructure financing and his particular area of expertise in major energy projects. Andrew Olszewski told a remarkable story about Urbis JHD's success with major urban and social planning projects in China and elsewhere. Lloyd Downey, who travelled from Sydney to represent Austrade, recognised the challenge of exporting Professional and Technical Services while confirming Austrade's desire and capacity to assist services exporters.

These breakfasts are held twice a year and are promoted through professional associations and export related media. They are supported by Austrade and the Victorian Government. The next breakfast will be held in April 2007. If you wish to be personally informed of the breakfast when it is promoted send your details to terry.finch@iird.vic.gov.au

Contents

Minister's
Introduction

SEAC

Industry News

Trade Fairs
and Missions

Benchmarking

Trade Policy
Issues

Contacts

Trade Fairs and Missions

Urbanisation Industry Capability Mission to China – September 2006

Nineteen participants visited China as part of the Urbanisation ICM in September. The mission targeted Shanghai and 5 cities in Jiangsu Province (Changzhou, Nanjing, Zhenjiang, Suzhou, and Lianyungang). Participants exhibited at the Shanghai Design Biennial and presented forums in each of the cities visited.

Representatives of the Australian Urban Systems Cluster, established with an \$800,000 Victorian Government grant to export planning, design, engineering, environmental and project management services, were on the mission and handed over draft framework plans to the clients for their first projects in Nanjing and Zhenjiang.

It is anticipated that exports of more than \$15 million will be generated over the next three years as a direct result of this mission.

An investment attraction element was also built into this mission, with over 200 local people attending a forum in Shanghai to learn about investment opportunities in Victoria.

This mission forms part of a co-ordinated and ongoing approach to marketing Victoria's architect/urban design/urban planning services into China.

Professional Services Industry Capability Mission – June/July 2006

A Professional Services mission with 13 organisations represented visited Beijing, Shanghai and Tianjin from 24 June to 4 July 2006. As well as individual professional service firms seeking new opportunities, the mission included the Asia Pacific Infrastructure Forum, a partnership of private firms promoting their own and Victoria's accumulated expertise in designing, financing and managing major infrastructure projects. Forums on this subject were held in the three cities and were well attended by senior representatives of Chinese organisations.

A strong business matching service was provided for participants through Austrade in Beijing, the City of Melbourne in Tianjin and a private provider in Shanghai. RMIT hosted a very useful networking event in Tianjin linking the mission into RMIT's alumni group in that city.

Contents

Minister's
Introduction

SEAC

Industry News

Trade Fairs
and Missions

Benchmarking

Trade Policy
Issues

Contacts

Trade Fairs and Missions (continued)

Upcoming Services missions/overseas trade fairs

*(For contact details and further information
visit www.export.vic.gov.au)*

- Industry Capability Mission to Cityscape
in Dubai in December 2006
- Arab Health, Dubai, January/February 2007
- Professional Services Mission to China in April 2007
- Architects Trade Exhibition & Mission to China
(Guangzhou, Yantai, Tianjin, Haerbin) in May 2007
- Victorian Lifestyle Industry Capability
Mission to Shanghai April/May 2007

Contents

Minister's
Introduction

SEAC

Industry News

Trade Fairs
and Missions

Benchmarking

Trade Policy
Issues

Contacts

Benchmarking

New study identifies practices of leading professional firms

A new study into Leading Practices and Issues in Professional Firm Management is now available. It is based on in depth interview with 33 Professional and Technical Service firms covering Accountants, Management Consultants, Recruitment Consultants, Lawyers, Architects, Engineers and Surveyors.

The study pulls together a range of information that will be of interest to those interested in identifying what elements contribute to success in professional service organisations.

Findings confirm that leading firms are focusing on recognised factors such as recruiting and retaining

high calibre people; building and maintaining strong relationships with clients; and leadership. Other findings are less expected. For instance even successful professional service firms may not be very advanced with knowledge management systems.

The study was prepared by Paul Coronel of Benchmarking PLUS and Murray Rees of Swinburne University of Technology with the assistance of the Department of Innovation, Industry and Regional Development on behalf of the Benchmarking and Best Practice Working Group set up under the Professional and Technical Services Industry Action Plan.

The study is available online at
www.business.vic.gov.au/pts 

Contents

Minister's
Introduction

SEAC

Industry News

Trade Fairs
and Missions

Benchmarking

Trade Policy
Issues

Contacts

Trade Policy Issues

World Trade Organisation (WTO)

The 30 April deadline set at the Hong Kong Ministerial Conference in December 2005 for agreement on a framework for tariff and subsidy cuts in agriculture and non-agricultural market access (NAMA) was not met.

Negotiating committees continued to meet throughout May and June, and Ministers and heads of delegation from six key parties known as the G6 (EU, US, Australia, Brazil, India and Japan) met in Geneva in July.

The Director-General of the WTO suspended all talks after 1 1/2 days of the G6 meeting, when he concluded that significant gaps would not be bridged in the three problematic areas of agricultural market access, domestic support, and NAMA.

Trade negotiators from key countries met at the Cairns Group Meeting of 20-22 September but failed to make progress and to re-start talks.

The Department of Foreign Affairs and Trade is hopeful that negotiations will recommence and is not ruling out the possibility of concluding negotiations in the next 1-2 years.

Australia-China FTA

The Minister for Trade, Warren Truss, met with his Chinese counterpart, the Minister for Commerce, Bo Xilai, in Canberra on 3 October as part of bilateral economic talks. A key item on the agenda was the free trade agreement (FTA) negotiations between Australia and China. Both sides agreed to launch market access negotiations on goods and services at the next FTA negotiating round in December 2006. Both sides also agreed to continue discussions in December on how to eliminate existing barriers in investment.

This was a welcome outcome because market access negotiations go to the heart of the FTA. In respect of services, Australian negotiators will table a list of barriers affecting access to China's market at the December negotiating round. The list will be drawn up on a sector-by-sector basis and will be based on consultations and submissions made to the Department of Foreign Affairs and Trade by industry, State and Territory governments and NGOs.

Contents

Minister's
Introduction

SEAC

Industry News

Trade Fairs
and Missions

Benchmarking

Trade Policy
Issues

Contacts

Trade Policy Issues (continued)

Australia intends to raise a broad range of regulatory barriers. Many of these go to issues such as:

- limitations on the scope of business activities that can be carried out by foreign firms: foreign firms in some sectors are not permitted to provide the same range of services as available through Chinese firms;
- difficulties in transferring money back to Australia;
- limitations on forms of commercial associations with Chinese firms: for example, wholly-foreign-owned enterprises are not permitted in certain services sectors, whilst in others, partnerships with Chinese firms are not permitted;
- high capitalisation requirements for certain sectors have the effect of favouring northern hemisphere companies, since many Australian services firms exporting to China are small to medium sized;
- requirements for substantial periods of residency in China each year for foreign business people add costs to doing business when there could be less burdensome ways of ensuring consumer protection.
- recognition of qualifications, particularly for professionals.

The Chinese have emphasised that it would be difficult for them to agree to provide services access beyond that already provided for in China's commitments to the World Trade Organization (WTO). China has said that Australia is too ambitious and we need to be realistic in our expectations. Australia does not apologise for being ambitious. The barriers we want to see addressed in the FTA on services are impacting now on the ability of Australian service providers to do business in China. The reality is that the FTA needs to go beyond commitments made by both Australia and China in the WTO to be of value. At the end of the day, the FTA will be measured by its ability to add real commercial value to the existing trading relationship.

Malaysia-Australia FTA (MAFTA)

The fourth round of negotiations was held on 3-7 July 2006 in Kuala Lumpur.

Progress was made on goods negotiations with both parties exchanging initial tariff offers as a starting point for detailed market access negotiations.

[Contents](#)

[Minister's
Introduction](#)

[SEAC](#)

[Industry News](#)

[Trade Fairs
and Missions](#)

[Benchmarking](#)

[Trade Policy
Issues](#)

[Contacts](#)

Trade Policy Issues (continued)

Services and investment remain points of difference for Australia and Malaysia, but there has been progress on intellectual property and e-commerce issues.

Government procurement was not discussed at this session and Australia continues to argue for its inclusion in an FTA.

Inter-sessional meetings were held in Canberra from 12 - 15 September 2006, where discussions focused on goods, rules of origin, investment, intellectual property and economic cooperation.

ASEAN-Australia-New Zealand FTA

The eighth round of negotiations was held in Brunei from 25-29 July 2006.

Detailed negotiations took place on the modality for tariff reductions and elimination commitments.

Discussions progressed on standards, technical regulations, conformity assessment procedures, sanitary and phytosanitary issues, and customs procedures and cooperation.

Progress was made on rules of origin (ROO), with agreement reached on key aspects of the draft text of a chapter and ASEAN agreeing to consider the draft change in tariff classification (CTC) based rules provided by Australia and New Zealand.

Negotiations continued on services and investment, but much work remains in order to achieve comprehensive coverage for services.

Another negotiating round was scheduled for late September 2006 in Hobart, but the outcomes of this meeting have not yet been reported.

Australia-Gulf Cooperation Council (GCC) FTA Analysis

The fourth round of negotiations for an Australia- United Arab Emirates (UAE) FTA was held in the last week of March in Abu Dhabi.

In June 2006, the Minister for Trade announced that the UAE wanted the negotiations for an Australia-UAE FTA to be incorporated into negotiations with the full Gulf Cooperation Council (GCC).

Trade Policy Issues (continued)

The GCC consists of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE;

the Department of Foreign Affairs and Trade will conduct an analysis of the economic and trade implications of an FTA with the GCC and has invited submissions on issues relevant to a possible FTA with the GCC.

Australia-Japan FTA Feasibility Study

The fifth and final meeting of the Australia-Japan FTA feasibility study group was held in Tokyo on 20-22 September 2006.

The study group discussed the feasibility of addressing agricultural goods, sanitary and phytosanitary measures and e-commerce in an FTA.

DFAT advises that the group has now considered all issues relevant to the feasibility of a comprehensive bilateral FTA covering goods, services, and investment.

The final report of the joint study group is to be considered by senior officials at a meeting in Canberra in early November.

Mexico Economic Relations Study

In March 2006, DFAT invited comments on issues relevant to Australia-Mexico economic relations, including the possibility of an Australia-Mexico Free Trade Agreement (FTA).

DFAT will undertake a study into further economic relations with Mexico that will be qualitative in nature, will draw on discussions with Australian business in both Australia and Mexico, and will most likely be concluded in late August.

Discussions on the findings of the study and whether to proceed with an FTA will occur at an officials level in early 2007.

Contents

Minister's
Introduction

SEAC

Industry News

Trade Fairs
and Missions

Benchmarking

Trade Policy
Issues

Contacts

The Professional and Technical Services Newsletter is produced by the Services Export Advisory Committee with the support of the Victorian Government.

*Any queries relating to the newsletter should be directed to: Terry Finch, Manager Business Services
Department of Innovation Industry and Regional
Development.*

Tel: (03) 9651 8154, email: terry.finch@iird.vic.gov.au 📧