

# INDO-AUSTRALIAN

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# B U S I N E S S

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## **Victoria is Australia's Foodbowl**

**- Bob Cameron**



NEW  MEDIA

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# Issue in This

## EXCLUSIVE

### Victoria, the Hub of Food Industry

- Bob Cameron



06

10



## INVESTMENT

### Invest Australia Looks to India

Garry Driffin

## PERSPECTIVE

### Funds for Both Security & Growth

- Peter Watson

12

14



## INSURANCE

### Pvt. Firms Make Life Cover Shine

- Kranti Sinha

## PERSPECTIVE

### New Areas of Business Emerging

- Neville Roach

18



20



## VOCATION

### Training for Jobs the TAFE Way

- Rob Meecham

***Dear Readers,***

At a time when we in India are focused more than ever before on invigorating the agriculture sector, it is only appropriate that we highlight this important segment of the economy of both India and Australia in the present issue of **Indo-Australian Business**. India has made great strides in reviving her agrarian economy, but much remains to be done, especially in allied fields like the food processing industry, where Australia has made tremendous progress. The State of Victoria is the hub of the food processing industry and the current issue of our magazine has an informative and exclusive interview with Agriculture Minister Bob Cameron. Farmers in drought-prone Victoria have specialized in water management, which the Indian farmers, especially those in the arid zones, will find very useful. From the Indian perspective, an expert on current agricultural practices has analyzed the present scenario and has come up with a number of solutions. Wineries and herbal medicines, though distantly related to agriculture, also find a place in the current issue. As for wineries, what better place than Queensland, the different regions of which manufacture high-class wines that connoisseurs will nod with approval. Tourists follow the “wine trail” of Queensland and enjoy every moment of it savouring the wine and enjoying the hospitality of the people.

The Indo-Australian business relations received a fresh impetus with the visit of an Indo-Australian Chamber of Commerce Mission to Perth, Melbourne and Sydney recently. The team discovered a world of opportunities and clinched a few deals. We have covered this important event, besides certain other activities of the chamber, such as the workshop on wasteland development, which was aimed at bringing Australian technologies relevant to India. The Australian financial sector, vibrant and innovative, has many things to offer to Indian entrepreneurs. Of the many segments in this field, life insurance and mutual funds hold out alluring scope. Meanwhile, new areas are emerging in Indo-Australian trade relations, such as outsourcing and information technology, where further collaborations are distinctly possible, as has been stated by Neville Roach, chairman of Australia India Business Council, in an interview. His observations are of special relevance, for they are in line with our objective of finding out the emerging areas of investment and collaboration between India and Australia and bringing them to the notice of businessmen in both countries.

There is now a steady stream of investors flocking to Australia to take advantage of its buoyant economy. Garry Draffin, CEO of Invest Australia, spoke in an exclusive interview with our magazine recently about the areas of Indian investment in Australia. This issue also has a good mix of articles on fashion, entertainment and music (the Indian “cowboy” story should not be missed). This year's Miss Universe from Australia Jennifer Hawkins has made India proud by wearing an “Indian dress”. The beaded dress, designed and made by Silk Fab, an Indian company, has received worldwide publicity. There are also interesting stories on healthcare, technology and education – the article on TAFE will prove most interesting. Australia ranks equal among other health-conscious nations of the world in healthcare. Some of the salient points mentioned in the biennial report prepared by the Australian Institute of Health and Welfare have been included in this issue. I am sure you will find these also very informative.

Happy reading!

**Satya Swaroop**

Managing Editor

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# Victoria, the Hub of Food Industry



Australia's Victoria Province has a fertile soil that is conducive to growing foodgrains on a large scale. Some of the holdings there are as large as 3,000 hectares. However, the same region is prone to severe drought. Thus the farmer in the Victoria region has learnt to be prepared for this eventuality, says Agriculture Minister of Victoria Bob Cameron in an exclusive interview with Rojita Padhy. He says that India can learn from the way the Australian farmers manage the water resources. The following is the text of the interview:

**What is the purpose of this visit?**

Victoria is the manufacturing hub of Australia, undertaking

maximum food exports. Besides, it has a good manufacturing and agricultural base, ending up with a good processing industry. So what we are doing with this visit is testing for further potential in the Indian market along with the premium type of processed foods.

**Can you highlight the potential in agriculture, where Australia and India can collaborate?**

We have been trading partners for a long time and have been very successful. India is very exciting. I think that the changes that we are seeing is that there is going to be greater demand from India, while at the same time India continues to develop its own agricultural base. This, in turn, will bring about other produce that Australia and the world are going to be interested in. We have seen changes in the last twenty years and there are going to be more changes in the next twenty years.

**You take care of policy development and implementation in agriculture and fisheries. So how is the agricultural sector in Australia faring, especially in the Victoria region?**

We had a drought last in 2002 especially in the grain sector. However, last year we had a record grain crop harvest in Victoria, so things are now returning to normal.

**You mentioned about the drought. Could you highlight the technologies and the technicalities, which help you face all these problems?**

We have had a large drought every twenty years. The last one in 1980s resulted in better attempts on our part to be drought prepared. Now we have managed things differently and we came through this drought a lot better than we did in the previous droughts, because people were more prepared. There is one certainty though that we will have another drought again, and when we have drought next time, people will be much better prepared. Perhaps, there is never good news about droughts.

**What is the contribution of agriculture to the economy**

**of Australia?**

Agriculture is still very small in Australia. However, there seem to be a lot of interesting issues. There are some major operations and a lot of smaller operations to be performed. In Victoria, we have set aside areas in the sea for aquaculture. We are anticipating a large expansion in the coming years.

**And what about agriculture as a whole?**

Victoria is the state that exports more agricultural produce than any other states. With more than double the exports in the last decade, therefore, agriculture has been growing and continues to grow in Victoria.

**Which are the special grain or crops, which are the specialty of Victoria?**

Victoria is better known for its dairy industry, which is very large. Besides, of course, we have the grains industry and the horticulture industry. The dairy industry is the biggest of all of them.

**What is the percentage of contribution of the dairy industry?**

In relation to exports it would be around 30%.

**Could you name the initiatives taken by your government to develop agriculture and pisciculture especially, and what is the share of pisciculture?**

In relation to fisheries, we have a very large research institute, which we are actually rebuilding at the moment. It is the best in Australia and we should maintain its reputation, because with good R&D, ultimately it would lead to a good and thriving industry.

**What are your views about the Indian agriculture, especially in comparison with the Australian agriculture?**

We have got vast farming systems. We have larger and larger holdings. For example, in the grains industry some people might have 3,000 hectares and there might be only three people looking after it! They are engaged in contract selling of the crops.

**What are the areas from where India can learn from Australia?**

I think that people need to increasingly learn from each other in agriculture such as in the case of water and how one needs to manage it. We all face the same



difficulty. We have all got a limited refill and we would like to have more, but that is not going to happen. The way we manage our water and learning from each others ways of managing water is the key driver, particularly with horticulture as in our case. In your case, it is matter of drip and crop, but the way we manage water is a very big thing in the coming decade.

**As you mentioned earlier that large areas of land are managed just by three people, but in India we have several people to do so. But it is the state-of-the-art technology where I feel Australia can help India. Could you comment on it?**

This is ultimately going to depend on how you are going to manage the land, but I suspect in the case of India, where you have so many people living in an area, it is not possible for people to adopt (such) farming systems, because I suspect that it would be difficult to do in the case of the Indian population.

**India's current budget has given considerable weightage to the farm sector. What will be the effect of this on a likely collaboration between India and Australia?**

From the Indian point of view it makes a lot of sense, given how many people are dependent on agriculture for their livelihood.

**Are there any MoUs you have signed or you propose to sign?**

This visit has been a capability mission, essentially around business, but at the same time I have taken the opportunity to have discussions with government officials. That would help in getting a better understanding of the sector. I met the Secretary of the Department of Agriculture and the minister for marketing and that was very good in terms of an understanding as to what he does and how much agriculture it prepares in proportion to the whole Indian agriculture output.

**Food processing, we understand, is one of the most thriving industries in Australia; we would like to know any agreement or collaboration with the Indian agriculture sector.**

We look at food processing as a very small percentage of the food sector and I suspect there are investment opportunities for people to invest in food processing so bringing in outside know how would bring about industry and jobs to India. As the understanding becomes more and more, this will automatically be driven by business but as the business case is made out more and more, you will see more and more progress in the future.

**How far do you think that biotech has served the needs of India's farm and technology?**

Biotechnology helps in many things but for a buyer it is just one aspect. You need biotechnology, good research, you need people who are capable of delivering and you

need people with the tools to be able to use whatever the application is. So it is important tool and it has helped drive the growth in agriculture in Australia.

**What is so unique about agriculture in Victoria in comparison with the rest of Australia?**

In Victoria we use only three percent of the farming land, but we produce and export more than any other place in Australia. That is because we have good soil, good climate even though we had a drought two years ago. Generally dependable climate, good irrigation, though some parts of Australia are pretty barren. Victoria is far more fertile.

**How do you view agriculture and environment going hand in hand?**

We need to have things go hand in hand if we are going



to have land sustainable for a long term not just for this generation but for future generation as well. There have been a lot of emphasis on this over the years and there will continue to be a lot of emphasis on this issue because if it was not then we would have ruined the land and there would be no profit to be made for anybody to feed their family and workers.

**What are your expectations out of this visit?**

A greater understanding of what is possible, about what business opportunities there are between both countries in this sector.

**Anything else you would like to add?**

India and Australia are old friends. One of the things about dealing with a country like India is that we have pretty much compatible systems. We understand roughly how the legal and political systems work, because we have based our arrangements and the Indian arrangements are based on the former British arrangement. What that means is that when you are doing business like that, people find it a lot easier.

# Indian Farm Sector, waiting for a Strong Central Thrust



Biswanath Padhy

**The Indian farm sector is waiting impatiently for the right type of stimulus from the Central Government to ensure long-term economic security to the agriculturists. What is required now is a Master Plan that should be implemented with a clear vision. No half-hearted measure will do. The following article by Biswanath Padhy, an expert with hands-on experience in the Indian farm environment, should act as a guidepost to the officials and politicians alike.**

From day one of their taking the oath of office, many prominent leaders of the Congress Party-led UPA government, including Prime Minister Manmohan Singh and Union Agriculture Minister Sharad Pawar, have been saying that they will accord top priority to the economic development of the farming community. Perhaps, for the first time, a seasoned and seniormost politician, Mr. Sharad Pawar, has assumed charge as the Minister for Agriculture. This is an indication that he has really an aptitude to stimulate the farm sector and fully dedicate himself to the task of improving the lot of the farming community.

But the task, laudable as it is, will not be that easy. The allocation of 6% budgetary provision for agriculture, the doubling of the credit flow to rural areas or the amendment of the procurement policy may not help achieve the goal unless some drastic steps are taken to address certain key problems.

The present scenario of the farm sector, which is completely disorganized, is very hazy. Agriculture as a profession is predominated by illiterate people with less receptive capacity. A negligible percentage of the educated people, who have accepted agriculture as a profession, are fed up with scattered and fragmented landholdings, problems of marketing surplus produce and non-availability of adequate power supply. Besides, there are other problems affecting credit flow, irrigation facilities, technology transfer for production and marketing of high-value commercial crops such as

fruit, vegetables, flowers, medicinal crops, fish, eggs, meat, and other produce. Agriculture constitutes 25-30% of the GDP. At the same time, 70% of the population load is being borne by the farm sector, which is very high. For a country to develop, this gap needs to be narrowed as quickly as possible. The following steps could go a long way in reviving the farm sector:

**Prepare a Master Plan:** Agriculture is a State Subject. Hence, the state governments should have the attitude and skill to implement successfully the objectives as per provision in the current budget to achieve the goal. However, a Master Plan needs to be prepared with the following objectives at the Centre to guide the states:

**Export-orientation:** Production from the agriculture sector should be export-oriented. The needs of the international market should be analyzed and crop planning methodology directives should be channeled to the grassroot level, along with the budget allocation for specific crops. Growing crops like rice and wheat should be discouraged in those states where the state governments are not able to help the farmers for smooth marketing of the procedure or where they are not able to produce export quality rice.

**Focus on high-value yielding crops:** The government should lay emphasis on production of crops yielding high returns like medicinal crops, vegetables and fruits. This will help balance the eco-system, prevent soil degradation and encourage export promotion. The states should spell out plans to bring a certain percentage of the area under such crops.

**Review IWDP:** The Union Government should review the states' achievement under the Integrated Wasteland Development Programme (IWDP) and the ratio of benefits at the field level before making any financial provisions. Otherwise, it will be a waste of money.

**Give special incentive to farm labor:** The rural labor force is at present leaving the farmlands and going to distant places in search of food for work. The



government should prepare a special package to the laborers exclusively working in the agriculture sector (production-oriented work). This will encourage them not to desert the cropland.

**Organic farming** need to be encouraged with specific target to the states. Special emphasis should be laid on production and utilization of eco-friendly fertilizer and pesticides with financial assistance.

**Agro-processing units:** These units should be encouraged with a view to capturing the export market and providing rural employment. Special package should be developed for poultry, dairy, fishery, piggery, etc. with a view to developing agro-processing units.

**Consolidate farmland:** Agricultural land should be consolidated on a priority basis. This single action alone will help boost the yield by a sizeable 25%. Absentee landlords should be discouraged to possess any type of agricultural land. They alone possess 40% of agriculture land, which gives a marginal yield due to want of supervision.

**Job for youth:** Cultivable wasteland should be leased out on medium term to the unemployed youths of rural community, who can generate tangible income out of it. They should be persuaded not to go in for traditional farming. Again, they should be encouraged to protect the land from degradation.

**No more loan exemption:** The state governments should be discouraged from providing any type of loan exemption for the farmers. Any state government that had done so earlier without approval from the Union government should be asked to make up for the loss.

**Make financing purposeful:** The Union Government should do everything possible to encourage the micro-finance system. Nearly 60% of the credit flowing to the agriculture sector is almost misutilized. Finance should be made purposeful. Farmers should be given specific and separate finance for non-agriculture purpose, if



need be, so that the farm credit is not diverted to the other segments of the farmer's expenses. Besides, crop plan should be available 20 days earlier than the cropping season of a particular crop.

**Monitor fertilizer supplies to states:** The Center must set a target for the fertilizer plants to produce phosphatic fertilizers and micronutrients and their allocation to states should be strictly monitored. It should be made binding on the state governments to provide their share of funds to particular schemes or projects relating to agriculture within 15 days of receipt of allotment from the Centre, failing which all their schemes should be held up. At present, many state governments

are diverting the Central funds to sectors other than agriculture, ignoring the interest of innocent farmers.

**Recharging groundwater:** A specific percentage of funds should be earmarked out of MLA LAD and MP LAD (the fund allocated through MLA's and MP's for these developmental projects) and from other heads for creation of water bodies around the crop fields. This will help recharge groundwater, provide environmental protection to develop flora and fauna, a subsidiary condition for agriculture development. The government should have the objective to convert 5% land to water bodies in long run. These water bodies can also be best utilized for aquaculture a highly income generating source.

Involvement of rural-based NGOs will help to implement the projects.

**Crop insurance and evaluation:** The system needs to be reviewed. Gram Panchayats should be the units for general crops and the village for special high-value crops. Average yield to calculate loss should be calculated taking the past three normal years' yield into consideration rather than past three consecutive years yield.





Garry Draffin

## Invest Australia Looks to India

The steadily climbing economy of Australia has made it a preferred investment destination. The consistent growth and economic performances have resulted in making Australia the third largest recipient of foreign direct investment (FDI) in the Asia-Pacific region in 2003 after China and Hong Kong. And there is one agency working towards facilitating investment into the country: Invest Australia. Garry Draffin, Chief Executive Officer of this inward investment agency, spoke to Rojita Padhy & Shruti Sinha correspondent during his recent visit to India about the possible areas where the investment in Australia could happen.

### Please tell us about Invest Australia.

This inward investment agency of the Australian Government was established two years ago, to encourage foreign direct investment in the country. Although we have a GDP of not too similar size as India has, we are a country of only 20 million people with significant resources. Therefore, it is very difficult to utilize those resources without foreign investment. So, to grow our economy, increase our technology base and increase our education, we need to have foreign investments. We have 120 staff and offices around the world. Currently, we do not have an office in India. One purpose of this visit also is to find out how impactful and effective it would be to open an office here after understanding the market. In terms of our record of accomplishment, Australia has attracted 40 billion dollars of FDI in two years. And Invest Australia has directly been involved in 95 projects during the last two years. These 95 projects are worth around 15 billion dollars and have generated 9,000 jobs. Our role is to highlight the changing scenario, which sees Australia as a powerful and contemporary investment destination. The tourism and the sporting image of Australia acknowledge the fact that Australia is an important business destination. It has been our effort to make the business community understand the strength the country has.

### Which are the potential sectors identified by Invest Australia for doing business in India and Australia?

India has a very big market in terms of export for the products like Australian coal, gold and diamonds and for other minerals produced.

### Could you highlight the regions in Australia where these products are available most?

Western Australia, Northern Territory and the Queensland region are quite rich in resources. There is a significant demand for our products worldwide. We call it as the trader effect. Traders have always played a significant role and now Australia is one of the fastest growing economies, high in FDI. So they are taking shares in hardware, mines, machines, gas fields and energy sectors. Similarly, there is an

interest for Indians in Australia. We need Indian companies who are looking for coal, mines and big projects like the Oswal Groups' operations. It looks to be a very big project. It's on time and on budget. And it is a new area. So that is the foundation. But we also see a lot more other sectors; like in the IT market, a number of companies have been established in Australia. Eventually, we see complementarity in what we do and what India does. Particularly in technology, agro-business and biotechnology tend to cross over to Australia and trade services. The other area emerging is outsourcing. It is not very commonly known that Australia is officially the offshore outsourcing location worldwide. Australia is identified as the destination for outsourcing business. Different sectors have different type of projects. We have 850 plus international companies who have established their regional headquarters in Australia. They set goals and function in Australia, as they would have done in Frankfurt, London, New York or anywhere else with the same cost,





quality, infrastructure, standard and equal legal system.

**What do you feel about entertainment outsourcing? As in recent days, Australia is quite a popular destination for the Hollywood as well as Bollywood.**

It definitely adds a little difference to the environment. We were talking to the Head of the Mahindra Group. They have shot their "Scorpio" commercial in Australia. Location is one aspect. Another could be technology. Australia is recognized internationally because of its film entertainment industry and its quality. So we can do projects on entertainment for India as well as the US. Certainly the advantage with Australia lies in its unexploited widely stretched beaches and other landscapes and technical know-how with quality standards. We will be quite happy if that happens as well.

**Invest Australia has investment advisory specialists in 12 locations. What are the benefits of it? Do you have one in India as well?**

The advisors are located in those areas where there is a maximum of FDI possible to flow into the Indian market. So we have two offices in the US, which is our largest market and three offices in Europe and the UK. Then we have one in Japan and Singapore, which is the fourth largest source of FDI for us. We have two offices in China, which is a fast-growing market. We will continue reviewing. We don't want to come in the way of the private sector so we are doing proper research as to which could be the possible market for us. So we have come here to find out the opportunities of



investment we could explore from India.

**Can we expect an office in India also?**

Which is why we are here. It is the main purpose of our trip.

**What do you feel will be the impact of fluctuations in the global oil market on investment?**

Australia has cent percent energy conservation. We see significant demand now in the US for energy, with India and China demanding for coal. Therefore, Australia might not get that much affected by the fluctuations in the global oil market on investment.

**The investment market or stock market is very sensitive to change of guard in any country. How do you think the investors will react to the change of government in Australia?**

We are looking for the companies who could invest in our country. Australia has the most resilient economy in the world. It has a systematic economic process. Take the example of Oswal Group. They have a huge investment in Australia. Until 25 years, they are expecting a stable economic and political environment in Australia.

**What are your views on outsourcing to Australia and India?**

Australia and India have different skill sets, which are complimentary to each other. The US companies will never have any problem in job offshoring to Australia as it is for India. For us it is global capability. The capability to get a job done is the most important thing. Outsourcing involves a whole lot of cost.

**You have been in India for the last one week. How successful has been your trip?**

The response has been fabulous. We have seen a universal support and great interest in Australia. There will be a role for close economic and social partnership between India and Australia.



# Funds for Both Security & Growth

- Peter Watson

**Life insurance in Australia started in 1849 with the formation of AMP, the Australian Mutual Provident Society. AMP remains an Australian icon some 155 years later. It is one of the oldest life insurance companies in the world. Peter Watson, Head-Corporate Distribution of AMP Sanmar Life Insurance Company Limited, talks about the highs and lows of the insurance market in Australia.**

AMP grew out of the need to protect the families of the new colony of Australia from hard times and catastrophes. Hard times tended to occur unfortunately on a regular basis in such a harsh environment as Australia. It still remains a harsh environment in some respects. The various insurance companies invested the proceeds of life insurance premiums in the development of infrastructure such as roads, water, electricity and sewerage. At that time, all investments were kept inside Australia. There is no doubt this policy was responsible for delivering the high quality infrastructure that now exists within Australia.

Premiums were also invested in developing vast rural enterprises that grew up in the second half of the 19<sup>th</sup> century and the first half of the 20<sup>th</sup> century. At one stage, for example, AMP owned farming properties about 1.5 times the size of England or equivalent in size to the state of Tamil Nadu. When India develops a successful life insurance industry, then hopefully a similar outcome of investing in valuable infrastructure and rural development projects will occur for the benefit of all Indians.

Life insurance and wealth management have become major industries in Australia. The vast majority of Australians would have some form of life insurance. In India, less than 2% of the population has life insurance coverage. There are a myriad of life insurance companies and wealth management companies operating in the Australian market place. The four major Australian Banks -- National Australia, Westpac, Commonwealth and ANZ -- all operate in the wealth management and life insurance market places. Major international insurance companies like AXA, ING and Aviva have been operating in Australia for over a hundred years. There are now no foreign ownership restrictions and generally all foreign-based insurers are wholly-owned subsidiaries. Joint ventures in insurance in Australia are rare.

The big growth area in Australia since 1985 has been compulsory superannuation. Superannuation is a

totally government-regulated environment. It is mandatory for all employers to contribute 9% of each employee's annual salary into an employer-sponsored Superannuation Fund. Virtually all superannuation plans also provide life insurance cover in the form of death, total and permanent disablement and income protection on a group basis. This is how the high take-up rate for life insurance in Australia has been achieved.

Contributions to compulsory superannuation are now growing at the staggering rate of A\$1 billion a week and will continue to grow until around 2025, when total assets in superannuation in Australia will exceed A\$2 trillion at its peak. This is a staggering sum for a country with a population of just over 20 million. From this peak, total assets in superannuation are likely to slowly reduce, as Australia's ageing population demographic starts to kick in and the de-accumulation of assets by superannuates commences. Life expectancy has grown significantly in Australia and the latest mortality tables just released reveal that a 65 - year - old male can today expect to live another 17.7 years. This is a 45% improvement in mortality in the past 30 years. Life expectancy is expected to continue to grow, as research and technology continue to make advances on the diagnosis, treatment and cure of diseases. It is likely that most people in Australia will be in retirement longer than their time in productive work. This combined phenomenon of ageing population and increasing life expectancy will have profound social and financial impact on family life, governments and lifestyles in the first half of this century in Australia.

Fortunately, India has a much younger age profile than most Western countries. While countries like Australia will suffer labor shortages in the second half of this century, India will still have a growing labor force. India is well placed to take advantage of this situation. The climate for investing of pension funds in Australia has changed significantly over the past 25 years. Up until 1975, there were severe restrictions on how funds



could be invested. Most funds had to be invested in government bonds and securities with a small amount allowed to be invested in Australian listed shares. Investments outside Australia were not allowed.

Slowly this has been reformed to a point where now all types of investment are acceptable; Australian and international listed and unlisted shares, Australian and international fixed interest and bonds, direct and listed property assets in Australia and overseas, and infrastructure, both local and overseas. There are no restrictions or limitations of any kind.

In fact, some superannuation funds in Australia have invested in infrastructure developments in India through investment vehicles like the Infrastructure Fund of India. This fund was set up jointly by AMP and the Asian Development Bank earlier this year and was specifically designed to help India meet its infrastructure financing needs in the medium to longer term. The Indian investment market will no doubt open up more over the next decade. The Indian stock markets gain depth and substance and there will be less reliance on fixed interest and government securities to deliver investment returns. The government is also likely to open up investment markets to allow some investment into international markets.

The life insurance industry in India has undergone a metamorphosis in the past four years with the opening up of the market once again to foreign players. Since 2000, some 13 new insurance companies have joined LIC. All of these, except for one, are joint ventures between international insurance players and local enterprises. The recent budget announcement allowing foreign ownership of life insurance companies to increase from 26% to 49% will also further assist in the development of a vibrant and competitive industry.

The opening of the market has invigorated the market place, and will continue to speed up the growth and spread of life insurance across India. Competition creates innovation, aggressive pricing and dynamic products. This can only be good for the Indian market place in the long term.

At AMP Sanmar, we are excited about the opportunities for growth in both the Indian life insurance and wealth management markets and how this will over time translate into a greatly improved standard of living for all Indians.

## Australia-India Business Grouping Kicks Off

A key element of the Australian Government's plans to strengthen links between the Australian and Indian IT industries has commenced, four years after it was announced, with the launch of the **Australia-India Information Industries Business Network** in Melbourne last month. Former IT Minister Richard Alston first announced the plan in 2000.

The grouping, chaired by former Fujitsu boss Neville Roach, was announced in 2000 as part of an agreement signed by Trade Minister Mark Vaile and India's then-IT minister Pramod Mahajan.

The agreement expires in October. The Federal Government is considering bilateral negotiations to extend it for another four years. It is believed the delay in getting the network up and running was partly because it received no government funding.

Expected to promote "mutually beneficial trade, investment and business collaboration", the network is backed by peak IT lobbies in both countries the Australian Information Industry Association and India's National Association of Software and Service Companies.

Members of the network are likely to be drawn from these two groups and from the host organization, the Australia-India Business Council.

The network aims at promoting "partnering to provide software services in Australia, India and global markets", export of Australian applications to India to be used by Indian systems integrators, and growth of IT employment in Australia "through leverage of the financial strengths and skilled resources of Indian ICT companies."

Roach said the growing Indian market meant there were opportunities for Australian companies to sell applications there and to partner with Indian IT companies overseas. "The main opportunity is in collaboration, in bidding together," he said. "That is a very big opportunity. It is my firm belief that Australia can have a substantial software development industry, including offshoring work into Australia."

Roach said India's economy was booming and the door was open for Australian exports. The recent election of the Congress Party to government would not change that. The Congress was elected on the back of popular feeling that the benefits of India's economic miracle were not trickling down to the poor.

Although that had spooked business, the party's choice of Manmohan Singh as Prime Minister was widely seen as pro-reform, he said. "In India there has never been a more positive outlook," Roach said.



Kranti Sinha

# Pvt. Firms Make Life Cover Shine

**Life insurance has been in existence in India for the last 125 years. It has evolved with time and the insurance sector has gained momentum since Life Insurance**

**Corporation came into operation. Being the oldest nationalised corporation, LIC today has to face competition from domestic as well as international players, namely, ICICI Prudential Life Insurance, Allianz Bajaj, Birla Sun life, TATA AIG, AMP Sanmar, ING Vysya Life Insurance, and many more. With the increase in foreign direct investment in the insurance sector to 49%, the scenario is going to be different very soon. Explore this changing face of the Indian life insurance sector with Kranti Sinha, Managing Director of the Global Institute for Finance and Education Services (India) Limited (TGI), who, in an exclusive interview with Rojita Padhy, shares his experiences with LIC and evaluates the Indian insurance sector. Excerpts:**

**Could you give us a brief introduction of TGI and its operations in India?**

The Global Institute for Financial & Education Services India Limited (TGI-India) was registered as an Indian company in September 2000 as a wholly-owned subsidiary of the Global Institute for Financial & Education Services, LLC, USA (TGI-USA). Its avowed aim is to bring the best of the insurance and financial education worldwide within the easy reach of the managers, insurance intermediaries, employees and the insurance services personnel. TGI also aims at making available the research and data on the best practices available worldwide in these fields to the trainees and other personnel on an ongoing basis as prescribed by the regulators like IRDA.

TGI (India) offers Indian industry professionals a single gateway to educational programme from many international organizations enabling to choose the one based on personal job responsibilities and interest. These are:

i. LOMA (Life Office Management Association)

founded in 1924 by US & Canadian insurance companies presently having over 1,250 institutional members in more than 60 countries.

ii. MDRT as an international marketing partner for insurance intermediaries world-over.

iii. Financial Services Online (U.S.A.)-An Internet portal guiding the insurance professionals to timely information. iv. Kinder Brothers International--an organization specializing in insurance management, consultancy and motivation.

**You have been in the insurance sector for more than two decades. How has this sector evolved in India and what improvements have been there in recent years?**

I had the privilege of serving Life Insurance Corporation from March 1965 to December 2002. The history of life insurance in India falls distinctly into three phases: (1) Pre-nationalization operations, (2) post-nationalization operations and (3) post-liberalization (opening of the insurance sector) operations since 1998. During the pre-nationalization days, when 253 companies operated at different levels, different approaches were needed towards customers' needs at different levels and different levels of security of customer's money and different levels of ethical practices were also needed.

The reason for nationalization, as stated by the then Finance Minister, became the business philosophy of Life Insurance Corporation, that is, spreading the benefits of life insurance to every level of the customer in India. So the major changes that took place after the nationalization were greater emphasis on social utilization of valuation surplus through investments in infrastructure like power, roads, water and sewage treatment plants, railways and other segments.

From a mere Rs.369.42 crore as on 31.08.1956, i.e., the date of nationalization, the Life Fund stood at Rs.2,73,004.96 crore as on 31.03.2003. In terms of providing independent jobs through a system of intermediaries, it ranks as the largest insurance organization in the world. If I am not mistaken, LIC today has the largest connectivity of its different offices, next only to the Indian Railways.

With the opening of the Insurance sector in 1998 and operationalization of around 12 insurance companies during the course of the last three years as joint



ventures with some of the leading insurance companies in the world, the life insurance market activity has expanded exponentially. Some of the new comers, with their foreign partners, have taken significant roots in metros and large cities. The new companies, with an urgent need to establish their presence, make their name known to customers and to distinguish their uniqueness through their products, advertised heavily thus raising the level of insurance awareness and knowledge amongst general people to a very high level and thus the customer, particularly urban customer has become more demanding and discerning. This, coupled with the fact that the Insurance Regulatory Development Authority (IRDA) has also set certain norms even on publicity and advertising, has made

The difference between the LIC's approach to Insurance market vis.-a-vis private insurance companies has been well demonstrated. It is for this reason that operationally the thoughts of the two sectors remain very distinct. Notwithstanding the fact that LIC has been equally concerned about the returns to the policyholders, another area that distinguishes working of the two sectors is in their approach to rural market. Private insurance companies are mostly focused in metros and large urban centres and their compliance to rural business has been more a 'lip service' than actual foray into rural locations. However, where the private insurance company's score is by way of better visibility of the field personnel and a greater emphasise on their being techno savvy. The third area where innovation has been shown is in marketing of unique linked products. Though the product per se is not new in the Indian market, inasmuch as the UTI had entered into an arrangement with LIC to offer a product called 'U.L.I.P' (with severe restrictions from both the organizations), one has to give credit to private insurance companies to make this product attractive to suave customers by giving better returns.

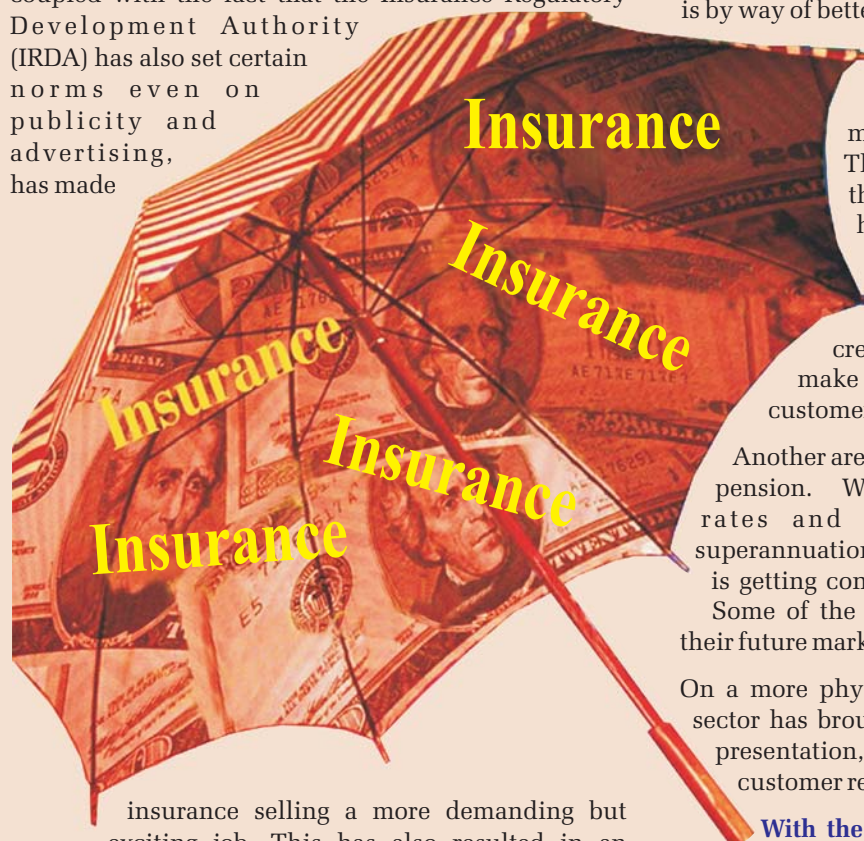
Another area that is now being given importance is pension. With increased longevity, soft interest rates and practically no pension after superannuation, a very large section of the population is getting concerned about their financial security.

Some of the private companies have seen this as their future market and are aggressively pursuing it.

On a more physical level, opening of the insurance sector has brought better offices, in physical layout, presentation, etc. conducive to good work and customer reception.

**With the opening up of the insurance sector, and increase in FDI, how effective it would be for the foreign insurance players to enter into the Indian market?**

All the 12 private insurance companies operating in the market at present, except SBI Life, are joint ventures with foreign insurance companies. The previous limit of 26% holdings by a foreign insurance company is proposed to be increased to 49% as per the current Budget, so that foreign capital could flow into this sector, which has a long gestation period and initially needs large investments to retain the internationally accepted solvency margins to keep expansion and growth level on a fast track. Once this is implemented, I do not see any reason why this sector should not develop. It is only 51% that will change the control of business. Some other foreign Insurance companies



insurance selling a more demanding but exciting job. This has also resulted in an improvement in the knowledge level of insurance intermediaries, particularly because of IRDA's insistence on a minimum 100 hours of training for agents before agency licence can be granted for soliciting insurance business.

The development and improvement in a "Post Open" area has not necessarily been on account of any altruistic motive of the companies but mainly on account of rules/regulations and directives framed and issued by IRDA.

**LIC is the oldest insurance company in India and you were associated with it for a long time. What basic difference do you see between LIC and the other insurance players in the market now?**

may also think of entering the Indian market. The regulatory mechanism that is in existence in India has been able to control investments and fund management activities, which otherwise might not have been there had it been left to self-regulation.

**Which are the primary factors that help an insurance company grow in a competitive environment when the products are the same and packaging is different?**

Largely, all life insurance products have the same basic feature, namely, covering the economic risk of death. The life insurance product was developed to take care of family needs in such a situation only. However, gradually it became a saving instrument also, where money was returned on survival of a person after a particular duration. All the other life insurance products (except pension) are variables of this. It, therefore, becomes important that when the basic features of the product and the target audience are by and large common, what would make the product of one insurance company a preferred choice compared to others depend on its packaging, presentation and the person presenting it. Thus, with the opening of the insurance sector, the role of intermediaries becomes very important as he/she becomes the face of the organization and the centre of influence. It, therefore, becomes important that the intermediaries are equipped with the knowledge of different financial products and has the ability to analyse the customers' needs and is able to empathise with them. This is best taken care of by appropriate training. It is for this very reason that apart from statutory requirements for training, all companies are laying emphasis on constant training of their sales/marketing personnel.

A second area that will be of importance is Customer Relationship Management (CRM) by the companies. Needless to say, due to the large publicity campaign and education program launched by most of the companies, today's insurance prospect is much more knowledgeable and demanding. He has also the ability to compare products of different companies and, therefore, what will clinch the issue at ground level will be the features of the product, sales presentation and customer relationship management by remaining a step ahead of the customers' expectation in areas of service and returns.

**What are the new products that these companies offer, and how far will they be successful in Indian environment?**

As I have said above, the fundamental of an insurance product is coverage of economic loss, which has further developed into returns on the invested amount and, therefore, other than pension, life insurance products are a variation of this very theme packaged differentially. Nonetheless, one must give credit to the new insurance companies for making popular the

product, Unit Link Insurance Plans, where part of the premium paid goes to meet the life insurance risk and the balance in investment to build the capital of the customer.

Another product, which has been made popular at least amongst the metro crowd, is the Term Insurance Coverage of life risk, which means that for a very small amount, a large risk is covered, though no returns are paid on the premiums.

Another product, which is being marketed by many of the private insurance companies, is about multiple options to the customers as 'Riders'. This flexibility does help a customer to choose the best option for one and pay accordingly. In some cases, some of the options can be added later also.

However, the most important product emphasis that has come up with the opening of the sector is on Pension Marketing and making people aware about its need. With increasing longevity, unitary families, soft interest rates and non-availability of any social security to non-governmental/non-public sector employees, awareness to create a regular income during one's sunset years is becoming more and more predominant and it is to this need that some of the private insurance companies have addressed in great measures. No doubt, LIC had products in the form of immediate/deferred annuities, but no effort was made to market them and, therefore, it goes to the great credit of private insurance companies that they are responding to an emerging need and a vast market in a serious way.

Unfortunately, in our country, health insurance is still a matter of non-life business, though both LIC and private insurance companies have been able to overcome these limitations by offering some composite products or as 'riders' to an insurance product. I hope that this will change soon, for which there is already a move. Then a larger number of new products would be able to enter in the market.

**Do you have any idea about the Australian insurance industry? What is your opinion about it?**

Frankly speaking, the influence of Australian insurance companies has been non-existent in India as in the pre-nationalization period. To the best of my knowledge, no Australian insurance company was in operation. However, post-opening of the insurance market, AMP has come to the Indian shores in collaboration with Sanmar Group. However, the market is still limited, by and large, to Tamil Nadu and Kerala. As per the report published by the IRDA, their market share, which was 0.04% in 2002-03, has gone up to 0.15% for 2003-04. Still, in absolute terms, it is a very marginal figure of 1.15% of the First year Premium (FYP) collection by private insurance companies and only 0.15% of the total FYP by all insurance companies.





Neville Roach

## New Areas of Business Emerging – *Neville Roach*

**During his last visit to India as member of an Australian delegation, Neville Roach, Chairman of the Australia-India Business Council, had shared his views with the readers of Indo-Australian Business on the role of AIBC and also spoke about the opportunities that existed for cross country investments by the Australian and Indian companies. In his recent visit to India, he spoke to Rojita Padhy about the improvements he had seen in the Indo-Australian business relations since his last trip. He also discusses the emerging fields like Outsourcing and IT. Excerpts:**

**Since your last visit to India in December 2003, what changes or improvements do you see in the Indo-Australian trade relations?**

Change is an ongoing process. The proof of it is the presence of Invest Australia in India. We have come here to explore the opportunities in India, which could be a primary source of investment for Australia, which should not have happened before three or five years. The manufacturing quality is the area, which has picked up in these days. The example is the new Scorpio vehicle, which has been produced in India. The Indian IT companies have also started earning significant business in Australia. Infosys has acquired an Australian company with 300 to 400 employees. It is a good example. If you look up the Australian government's website, Department of Communication IT and the Acts ([www.dcita.com.au](http://www.dcita.com.au)), you will find the statement on June 8<sup>th</sup> by the Minister of Communication for IT. He was very positive about the IT scenario in India. Not mentioning India in particular, he spoke about the importance of outsourcing and off shoring. He is also sending an IT delegation to India next year. The only country he has mentioned as an important destination was India. He also had mentioned about setting up a task force to understand the quality control measures to check standards. The Minister has welcomed the Indian companies who can join the task force. One of them is a person from Birla Soft. So the linkage is getting stronger and more constructive. There are a few companies who have established their development centers, namely, Satyam, Birla Soft, Tata's, etc. These companies have become part of Australia economy. They are not just coming to take up jobs but also to employ and invest and contribute in the development of the Australian economy. On the investment side, there have been quite remarkable changes. The Indian company, Sterilite Industries, is investing in Australia in building the world's biggest aluminum plant. So the relationship is moving to a new level between both the countries exploring each other's potential. Frankly, the challenge lies in the Australian camp in terms of our image as a highly sophisticated technology-driven, highly

collaborative country, very competitively priced in terms of education, research and development. The country, which is not a dominant power, has people easy to do business. These are the messages, which we have to spread across India. Though India is looking towards the East and West to do business, the competitive advantage of doing business with Australia is higher than any other country. Our job is to make sure that the Indian business community knows about it.

**The Indian economy has registered a record growth recently. What do you feel about it? How do you think it will boost foreign investment in India?**

I am not an authority of foreign investment in India, but the high level of skills and growth of the domestic market explains itself the clear difference. Previously, if you looked at the IT industry, it was almost entirely export to the domestic IT market, which was small. The Australian companies have a few domains with a high skill level; for example, mining. Retail financial services is another area where partnership with the Indian IT companies is possible. For example, a consultancy services company is taking a job from State Bank of India to update the banking software. So I think we are going to see more and more of these things. It is a large market and more effective. Many more



Australians are coming here to do business and many Indians are also going to Australia.

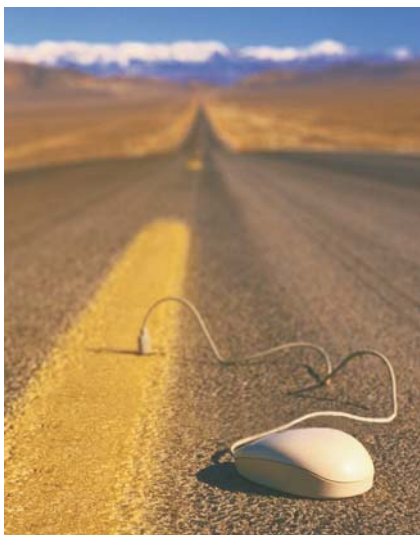
**Outsourcing is the buzzword today. What are your views about it? Could you name the emerging sectors, keeping India and Australia in mind?**

Outsourcing, I think, has been present in each society. Starting from defence production to outsourcing of manufacturing, agriculture and services. Each of them has been quite a productive gain, because you are moving to the economies of scale and specialization. Therefore, it is unstoppable. The important aspect is, Australia also plays a major role in this. As Garry said, we are net exporters of outsourcing services, but the jobs that are coming to Australia are knowledge-based services, mainly financial and banking services.

Call centers in Australia and India are complementary to each other. For example, suppose you have a call center in India, you like servicing the English language-speaking world, but if you have a call center in Australia, you will be servicing the multilingual world because Australia has multicultural and multilingual skills. The diversity in population is a recently developed phenomenon, so we have also highly skilled people who speak foreign languages as their first language. I could imagine a company that can provide services to Japan; Korea and China also can do that for Australia as well. So we have that asset. We also find the complementarity. The main knowledge in the other areas is where we can help each other. Technology at an advanced level has been there for quite a long time in Australia. But India has seen a relatively recent development in IT in the domestic market. So the main achievement was by doing works

in the US and the UK. I think if possible an Indo-Australian combination will be great to compete. Mining software with highly sophisticated technology in Australia and its improvisation, maintenance, implementation and development in India will make this combination very powerful.

**For the benefits of the readers, kindly discuss the concept, "Advantage Australia"?**



The reality is that Australia is one of the most cost competitive countries in the world. Relatively, the costs in IT sector in the US are higher, but the same in Australia is 40-60% lower. Not only have we the competitive pricing, but we also have a high skill base. Australia ranked high in the skills index measured by one of the research organizations; it is a country that implements technology very effectively. It has a strong record of being liable; the sovereign risk is very low as we are able to change governments on a contract. I think it is a very powerful advantage as well. The Australian culture believes in dealing business with equality, that is the specialty. That is our

advantage. The challenge is that you can see what you will get from Australia, which you also find in the US, UK and Europe but the difference lies in these additional advantages.

This is the powerful message, which I would like to convey to the prospective Indian investors investing in Australia. The good example for this competitive advantage of Australia could be education. And the rate at which Indians are now coming to Australia for higher studies is wonderful. Now 14,000 students are studying in Australia with good quality of education, highly competitive and internationally recognized.

## Sharing Thoughts...



**Mike Moignard, Senior Trade Commissioner, Australia, shares his views on Indo-Australian trade relations:**

*The Australia-India trade has reached A\$0.4 billion in two-way trade this year. This is a 20 plus percent rise over last year. Coal, gold and wool are the areas of interest for India. And from India, it is a whole variety of handicrafts and textiles. Secondly, I come from Singapore and there we see an incredible interest for Indian goods in South East Asia, China and Australia. We see it as a great advantage. People are looking at their neighbourhood and not towards the West. Australians are the great neighbours of Indians. The Qantas connection will be starting again from Mumbai to Sydney in September 1, with an eleven and-a-half hours journey. We are in the neighbourhood. And that speaks the future between India and Australia.*




**Rob Meecham**

# Training for Jobs the TAFE Way

*Vocational training has a special place in the Australian education system. The Government of Australia has very well realized this. So there are institutional bodies advocating the training method both at the professional and institutional levels. Western Australia-based Challenger TAFE (The Technical and Further Education) is the main body providing these courses. Rob Meecham, Director, Business Development, of Challenger TAFE, shared the purpose of his visit to India with Rojita Padhy recently and also explained how TAFE could be of help to the Indian professionals. Excerpts:*

## **Please tell us something about TAFE?**

The Government of Australia has a number of training institutions and one of them is TAFE. It stands for the Technical and Further education. This name is associated with the government-training institutions in Australia. I am from Western Australia. There are 10 colleges that are called TAFE colleges and we are called TAFE WA.

## **What is the purpose of your visit to India?**

The WA Government has decided to offer vocational training services in India. We are going to implement a different strategy here. My role is to develop that strategy and develop the training in India. Therefore, I am here. We are interacting with a few prospective partners in India to set up the vocational training courses. In Australia this training refers to technical as well as vocational training, including engineering skills, management skills, IT skills, trade, cooking, beauty, fashion, nursing and a whole lot of these. We are here wanting to deliver that training in partnership with Indian training organizations.

## **You mentioned about the India Strategy. What does that mean?**

The strategy is to define our actions for the next three years. The objective is to establish at least partnership with one Indian training institution, where we will be delivering the Australian qualifications. The strategy focuses on Maharashtra to start with. The WA Government has office here in Mumbai. We have approached the Indian Merchant Chamber to work with its members to provide skill training for individual companies. So I have to identify the skill need in their companies to raise their level and make them on a par with the global standard to meet international competition. We would assist them in their training program to enhance skill of their workforce. This is the second element. The third element is where we would like to have the Indian employers coming to Australia, see what we are doing, and learn so that when they come back they understand how things happen. Australia has been exposed to International competition now for about ten long years. So we have to become efficient to meet the international competition.

We do not have any tariff barriers or any regulations for the companies coming here to do business. So we have to be competitive to help local companies going ahead in business. We are also talking to the Indian Merchant Chamber in the Maharashtra board, and the agricultural marketing board. We are planning to provide a training course in Viticulture. Which is wine making. This course will be given to farmers in the Nasik region who have started growing grapes for the wine industry. As this region is quite active in growing table grapes and exported to Europe, Asia, the US and other countries. The Maharashtra Government is also very keen to see that the farmers' grapes are used in the production of wine. We also have a wine-growing region in Western Australia. We want to offer courses and would like to send some instructors here to work with the Indian farmers and then we will take them to Western Australia, where they will see how it is grown. I think it is a good idea. It is also not cheap. One has to incur a lot of expenses on this.

## **What kind of support are you expecting from the Indian Government?**

Certainly not financial support. The qualification that we will offer through our partnership with Indian institutions is the same that we deliver in Western Australia. That is accepted in all over WA. Therefore, the qualification offered here would be identical to WA. The Indian student who has this qualification will be accepted in Australia. It will also help the Indian student to get credits in Australian universities if it is under the diploma level studies. The way we are working with our partner organizations here with which we are planning to establish education foundation, we are also ready to give the same kind of support to them. Apart from providing moral support by agreeing to register the course under the Indian system, it is fully funded by the students.

## **How was the response since your visit this time?**

For a week we are here and we have been working on this from Australia for quite a long period. Particularly, the WA trade office in Mumbai has been working since four years and helping to get us know how to start working, and forming relationships. I find very good

progress in this visit. We are interacting with organizations that have responded to our proposal. We are looking forward to signing an agreement with one of the organisations and perhaps we can start up by offering to join in the beginning of the school year that is in September.

## Could you name those organizations with which you are planning to sign agreements?

We have not yet signed any MoU, but we are in touch with the Maharashtra State Agricultural Marketing Board (MSAMB) and the Indian Merchants Chamber (IMC). We are also talking with a very prominent organization to be our partner, and it is quite known in Maharashtra and in India. I hope that we are going to have a great partnership.

## Is this your first visit to India?

No, before I started working with TAFE, I was involved in a couple of other projects and had visited India many times. I love this country. Mumbai is fascinating and it is an excellent city. The first time I had been to Pune. Since 1993, this is my next visit to Mumbai. Pune is a place where I would like to spend some time and it is an interesting journey from Mumbai to Pune.

## Challenger TAFE and Indian organization coming together, how do you see the future?

We are a government organization and it is important that we cover our costs. We will cover this cost by charging the students who are coming to study, and to generate the revenue, the initial investment will be from our side. By charging for the services, we will cover the costs. Now the government is not in a position to provide money to support this program. However, we think in spite of a few odds, we can work towards improving the level of skills of the work force in partnership with our Indian counterpart. This will not only help the companies to be more productive, but it will also make it successful and it will grow. As it is a partnership with WA, it will form a closer relationship. Trade is about doing business with people whom you know and you trust, understand and conceive the quality of whatever is done. Through training, we feel people in India will get to know more about our services and what we can do in Australia. We will get to know more about India and that will help both the countries and their economies.

## How old is TAFE?

TAFE Australia goes back to the technical colleges, which was started in 1990. For some there were small training institutions in 1960s. It really has grown from there. It is important to have world skilled workforce. Therefore, it has been a feature of our economy that the government has allocated large subsidies into the training systems. The companies and

the students pay a small proportion of the cost of the training and the government pays the other part. Therefore, we have a long history of government support of training in Western Australia.

## After studies, do you also provide them jobs?

The Australian system focuses on helping the students in getting employment after training. The goal is to help them get a job. We will be working very closely with the employers. Our qualification will give them a good job. One of the requirements in Australia is that the training institution giving all courses have to be registered at the national level. And we have to take those courses and discuss with local industries to make sure the course is relevant or not for their workers. The worker coming out with that qualification will be much more productive for the employer.

## Through this program, are you also planning for any student exchange programs?

The Indian students can come to Australia and see the training. This possibility is always there. However, it costs a lot of money. That is why this program helps in providing the same qualification here in India without going to Australia. So we hope we can choose some of them including their experience and we can train many more and help them in further studies. It is a pathway to get a good job. We develop awareness among the employers to recruit such students.

## Apart from India, which are the other countries where you have the operations?

We have a similar arrangement in Vietnam, Indonesia and China and there are some tie-ups in Hong Kong and Singapore. We are also working in the Middle East. However, the difference with India is, earlier we were reacting to opportunity, but in the case of India, we are proactive; we have a strategy and we have a plan as to how to do it. This is developed throughout these years. I think it is an indication of the way the Western

Australian Government is understanding the impact of the relationship with India.

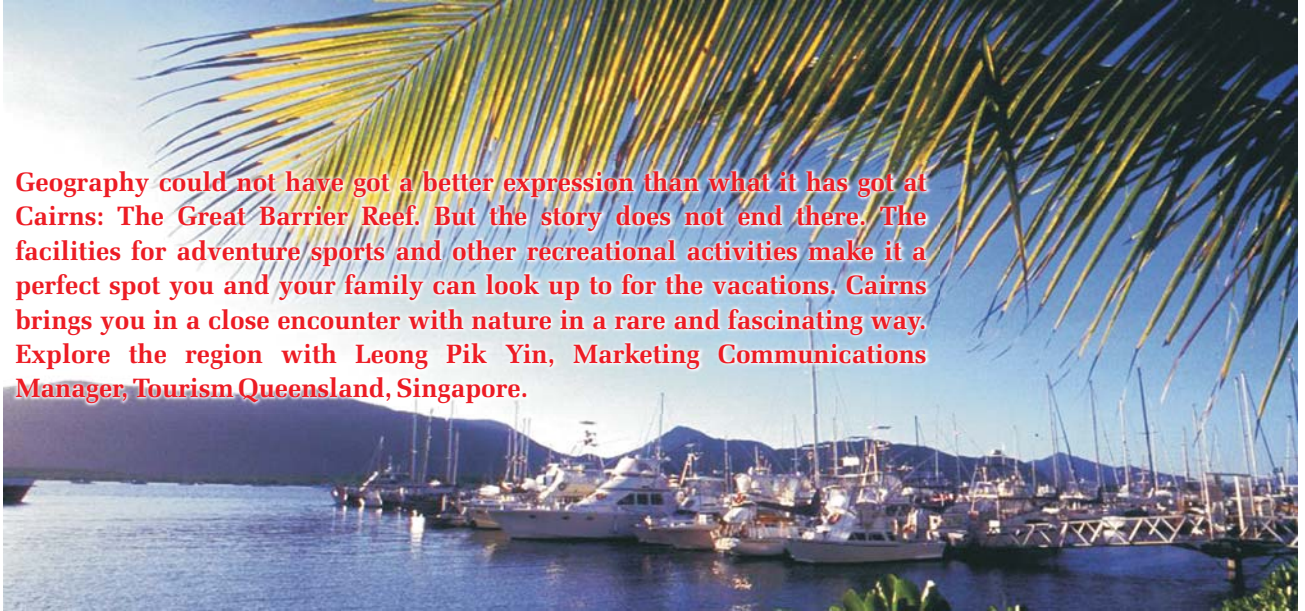
## Any message:

Come and study our courses. I am sure that you all will get good jobs.





# Cairns - Where Exploration Never Ends



Geography could not have got a better expression than what it has got at Cairns: The Great Barrier Reef. But the story does not end there. The facilities for adventure sports and other recreational activities make it a perfect spot you and your family can look up to for the vacations. Cairns brings you in a close encounter with nature in a rare and fascinating way. Explore the region with Leong Pik Yin, Marketing Communications Manager, Tourism Queensland, Singapore.

**Mention Cairns and the first thing that will pop in mind is probably the Great Barrier Reef.**

While thousands of visitors make a pilgrimage to the northern part of Queensland each year to see the reef, the world's largest natural wonder many are also discovering the other hidden gems in Cairns.

From hot air ballooning, skydiving and white water rafting, to World Heritage rainforests, wildlife parks and aboriginal culture, there is something for everyone at Cairns.

Its city life too is vibrant and colourful. Laid-back yet cosmopolitan, it boasts many alfresco cafes and restaurants, interesting shops and markets, as well as relaxing spas and tranquil resorts.

**Exploring the Reef** There are so many ways to explore the Great Barrier Reef. Besides snorkeling and scuba diving, you can marvel at the marine life in glass-bottom boats and semi-submersible boats.

There are also two exciting ways of exploring this underwater wonderland: the "Scuba Doo", an underwater bike fitted with a helmet pumped full of air, and the "Seawalker", a similar concept where you walk on an underwater platform with the helmet on. There are also many gorgeous reef islands nearby, such as Fitzroy Island and Green Island, which are located only 45 minutes from Cairns.

**Cairns Family Fun** Catch the famous Kuranda Scenic

rail from Cairns to Kuranda. The 100-year-old railway travels for 34 kilometres through lush rainforest, delves through 15 tunnels, bends around 98 curves and tip toe precariously over 40 bridges. The view, especially of the Barron River Falls, is awesome.

Besides the rail, you can also catch a ride on the world's longest rainforest cableway the 'Skyrail'. Marvel at the unspoilt rainforest as you silently glide above the tree canopy. There are a host of things to do once the Skyrail or train arrives in the village of Kuranda. The markets are a delight to explore and the attractions such as the Butterfly sanctuary, Koala Gardens and Birdworld offer endless entertainment for everyone.

And at the Rainforest Station, located not far from the village of Kuranda, you can try your hand at boomerang throwing, among other fun-filled activities like watching army ducks, Wildlife Park and Pamagirri Aboriginal dance show.

In the evening, visit the Cairns Night Zoo. After some billy tea and damper by the campfire in the kangaroo pen, and a spot of interactive bush dancing, you can be sure you'll sleep well later.

Tjapukai by Night, an Aboriginal dinner theatre experience, is also not to be missed. As you tuck into a hearty buffet of Australian and Asian cuisine, you will be enthralled by their interactive song and dance. Before you know it, you'll find yourself joining in a corroboree around the campfire.



**Adventure galore** Adventure activities abound in Cairns, which explains why it is widely known as the adventure capital of Australia.

Start your day with a hot-air ballooning ride at sunrise. The view is amazing, plus you round off the experience with a celebratory champagne breakfast.

Go on a full day or half-day white water rafting trip down the Tully River, voted Australia's number one rafting trip. You can be sure this will get your adrenaline pumping! And while you're on a roll, awaken the speed demon in you, as you charge up and down steep hills on an ATV (all terrain vehicle) bike.

For those with younger kids or not so confident in the water, an option is a visit to one of the many reef islands. Both the Fitzroy Island & the Green Island are located only 45 minutes from Cairns and offer accommodation options for a 'reef sleep'.

There's also horse riding, fishing, sea kayaking and more. To end your adventures on a truly high note, take a leap of faith and try Tandem skydiving! It will be an experience you're not likely to forget.

**Shopping & Dining** A great way to reward yourself after a day of exhilarating activities is to indulge in some great seafood and fresh local produce. There are countless wining and dining options in Cairns, some of which overlook the harbour and the distant mountains. You will find everything from coffee shops and ice-creameries to bistros, wine bars, and seafood restaurants.

Shopaholics will also not be disappointed. Those who like trawling large malls can check out Cairns Central Shopping Centre and The Pier Marketplace, which offer a broad range of international and local wares.

The markets are another must-see. Rusty's Bazaar sells organic fruit and veggies, aromatherapy, clothes and books, among other things, while the Esplanade's Night Markets offer charming finds such as didgeridoos, cheap surf wear and Australian arts and crafts.

Then if you are feeling lucky, head over to The Reef Hotel Casino, a small but friendly outfit where you can try your hand at roulette, blackjack & baccarat.

**Self Drive** A great way to explore the region is by hiring a car. If you have a large family, then hire a Tarago so that there is plenty of space for luggage and people. An hour's drive over the range west of Cairns is the Atherton Tablelands. With its waterfalls, lakes and vast areas of farming land, the tablelands makes a great day trip or overnight stay in one of many quaint Bed & Breakfast or rainforest chalets.

Don't forget to sample the local products such as locally grown coffee at the Coffee Works (Be sure to try the Chocolate Macadamia coffee!) and the unique, refreshing Mango Wine at the Golden Pride winery.

If you prefer to stay close to the coastline, head north and take in the spectacular coastline views while driving to Palm Cove and Port Douglas. If you are lucky, the local hang gliding club might even be cruising the sky in front of you.

**Palm Cove** Just a 20-minute drive north of Cairns, Palm Cove looks a picture of charm and is an idyllic holiday destination in its own right. From international standard resorts to self-catering holiday apartments, it offers terrific accommodation for all. Many boast spectacular views, such as Angsana Resort, which has spa and massage rooms with ocean views.

In addition to great facilities, Palm Cove has groves of huge paperbark trees, a palm fringed beach and a host of bird and wildlife. This self-contained little village boasts award-winning restaurants, art galleries, horse riding, golf and much more.

**Port Douglas** The picturesque resort town of Port Douglas, just an hour's drive north of Cairns along a spectacular coastal road, is a unique combination of cosmopolitan cafés, sophisticated resorts and a close-knit village community.

Start the day by having 'breakfast with the birds' at Port Douglas's Wildlife Park Rainforest Habitat. Then soak up the sun by hiring a bike to ride along the Four Mile beach or hit a round of golf on a choice of international standard courses.

Be sure not to miss the popular local village-style markets held every Sunday morning on the grassy area beside the quaint local church overlooking the picturesque Port Douglas inlet.

Whatever activity you choose for your family while in Cairns, they are sure to have a great time!



## News Flash

**Sundaram Business****Services bags Rs. 10 crore  
Australian outsourcing deal**

Sundaram Business Services (SBS), the Business Process Outsourcing (BPO), division of Sundaram Finance Group, a Member of the Chamber, has bagged a Rs. 10 crore outsourcing deal from Total Super Pty. Ltd, an Australian company, to handle its administration and accounting services for superannuation funds (pension funds).

The Australian firm has over 2,000 funds, and the entire delivery will take place out of SBS's Chennai office.

SBS plans to hire about 200 professionals during the next 12 months for its Chennai center, to take the company's total staff strength to about 550 in a year.

SBS is moving from being a captive unit of Sundaram Finance Group to a full-fledged BPO firm to serve more external clients.

SBS is also expanding its presence in Asia Pacific and Europe with plans to set up marketing offices in Singapore and United Kingdom in the next six to twelve months.

## Scaling New Heights in Indo-Australian Business

**T**he Chamber's Mission to

Australia has now become an annual feature. The Mission 2004 was more ambitious and covered a lot more ground than the previous ones. Whereas the earlier missions lasted one week and covered two cities, this time the visit extended to

10 full days from May 15 to 25 and covered three cities – Perth, Melbourne and Sydney – and in each of these places, a full range of programs consisting of seminars, networking sessions, visits to business sites and one-to-one meetings awaited the delegates.

Every such mission has been a building block to bring Australia and India closer and to strengthen business ties between the two countries.

### PERTH

The delegation's first stop was Perth. The activities there were coordinated by the high-profile Chamber of Commerce and Industry of Western Australia (CCIWA), in association with the Department of Industry and Resources. The program began with a briefing session on Monday, May 17, held at the CCIWA, which turned out to be a very productive brainstorming session. Mr Phil Nixon, Chairman, International Trade Committee, CCIWA, welcomed the delegation and observed that there is a special relationship between India and Western Australia, as both are Indian Ocean Rim countries. Mr. Keith Seed, Director-Trade Services, explained the activities of the Chamber and said that the two chambers could identify areas, where they can interact in close cooperation with each other. Mr. John Nicolaou, Senior Economist (CCIWA), made a presentation on the



Members of the Delegation seen together in Sydney

Australian economy, which was followed by an analysis of the Australian market by Ms Clare Taylor, Trade Officer. Mr. C Sarat Chandran, Director of IACC, who led the mission, introduced the delegates and thanked CCIWA for the warm hospitality the delegation received in Perth. A lively discussion followed to identify the promising areas where Australia and India could collaborate. Among the potential industries, fruits & vegetables and dairy products are the areas, where Australian technology for processing, packaging and storage could add tremendous value to Indian agro industries. It was also felt that organizations like TAFE (Technical and - Further Education) could help India's vocational education. Of particular interest to Indo-Australian Chamber was the Kwinana Skill Center where CCIWA, working along with Western Australian industry, has created a very successful project for skill development with an industry focus.

The briefing session was followed by a trade session where representatives of over 45 Western Australian companies interacted individually with the delegates to explore possible business associations. In Perth, the delegation was guest to a dinner hosted by Ms Sushma Paul, Honorary Consul for India in Perth, in association with the Australia-India Chamber of Commerce. The evening

proved a lively one and members of the delegation had an opportunity to interact with a number of Indian expatriate businessmen and professionals. The delegates also attended a dinner and networking session organized by the Australia-India Business Council.

The Perth program concluded on the evening of May 18, and its success owes a great deal to Mr. K. V. V. Rajan, Senior Marketing Advisor of Western Australian Trade Office in Chennai, who was present in Perth throughout the mission.

## MELBOURNE

The delegation arrived in Melbourne on the afternoon of May 19 and spent the next following three days in the city. The activities started with a visit to the IMPEX Trade Fair. Later in the evening, the Australia-India Chamber of Commerce, based in Melbourne, hosted a dinner for the visiting team. The evening provided an opportunity for the delegates to interact with the Melbourne-based Indian business community. The dinner was also attended by Dr T J Rao, India's widely respected Hon. Consul General in Melbourne.

On the morning of May 20, the South East Melbourne Manufacturing Alliance (SEMMA) arranged a breakfast meeting when presentations were made on the business opportunities in the city of Greater Dandenong, which is one of the fastest growing regions in Victoria State. Those who spoke on the occasion included Ms. Sandra George, representing the City of Greater Dandenong, Mr. Paul Downg, Executive Officer of SEMMA, and Mr. Douglas Maxwell, Managing Director of Steel & Lincoln Foundry (VIC) Pty Ltd. In the afternoon, several delegates visited the Australian Trade Centre (ATC) and its showcase of Australian export products. Mr. Craig Cherry, Managing Director, and Mr. Bruce Esler, Export Development Manager of ATC, took pains to explain how Indian importers could benefit from ATC's extensive data base on Australian suppliers in a variety of high-quality products.

The highlight of the Melbourne program

was a well planned and very useful interactive session with Mr. David Thomas, General Manager, and his colleagues at *Tendersearch*, an organization which offers services-related to tendering. *Tendersearch* describes itself as "Your Complete Tendering Resource Center" in relation to an extensive range of tenders released in Australia. *Tendersearch* specialists continuously collate and update information on tenders, quotes, expression and registrations of interest from around the world.

The delegation had detailed discussions with Mr. David Thomas, Mr. Ted Brown and other members of the *Tendersearch* team. The discussions focused on how these services could be of use to Indian companies interested in Australian business opportunities and may want to respond to many of the tenders.

The Melbourne part of the mission concluded with a sightseeing trip on May 22, before the delegates took the flight to Sydney.

## SYDNEY

A busy and event-packed program awaited the delegates in Sydney. The programs began with a relaxed and enjoyable sightseeing trip around Sydney, followed by lunch on a cruise on Sydney waters.

The business part of the activities started on the morning of Monday 24, with an interactive session at "Greater Western Sydney Trade and Investment Centre". Western Sydney is Australia's fastest growing region representing 10% of Australian economy. Mr. Greg Evans, Director of Greater Western Sydney Economic Board, welcomed the delegates and made a presentation on the economic profile of Western Sydney and the investment opportunities in the region. Prof David Lamond of the Sydney Graduate School of Management, provided an introduction to the School of Management and the Asia business connection. The delegates were then taken on a bus tour to the business sites of Paramatta, a fast growing hub for services, manufacturing, shipping in the Western

Sydney region. The visit covered Harris Farm Markets and Lincraft, a major chain stores and also Business Park, part of Sydney Olympic Park. The site visit provided the delegates a first-hand view of the Australian market for a range of products, including textiles, homeware and farm products.

The major event of the Sydney program was the high-profile and well-attended seminar and networking session organized by the Australia India Business Council (AIBC) in association with the Australia India Chamber of Commerce in New South Wales, held at the impressive Conference Hall of the NSW Department of State and Regional Development on the evening of May 24. It was a lively session and more than 50 NSW-based businessmen and professionals participated in the event and many of them were from the expatriate Indian community. Among those who spoke on the occasion were Mr. Neville Roach, Chairman of AIBC, Mr. M Ganapathi, India's most popular Consul General in Sydney, Mr. Robert Krakowiak, who has an intimate knowledge of the Indian consumer market, Mr. Les Baxter of IDP Education, Mr. Rony Kurian, who presented a case study of exporting apples to India, and Mr. David Gottlieb, Project Coordinator of Australia-India Young Leaders Program. Mr. Sarat Chandran, in response, made a presentation on the evolving trends in Indo-Australian business.

The seminar was followed by a networking session, which provided an opportunity for the delegates to interact with the participants, exchange notes, and in many cases fix follow-up meetings.

The evening brought to a close an event-filled and highly rewarding 10-day visit to Australia. Many of the delegates stayed back for a few more days to complete their engagements and to follow up on some of the business leads generated during the earlier days.

At the end of it all, there were tired faces, but the sense of satisfaction among the team was unmistakable at having discovered a world of opportunities and



some new friendships.

## Workshop on Wasteland Development: Role of Corporate Sector

In an effort to broaden the scope of its activities and to bring Australian technologies relevant to India, the Indo Australian Chamber of Commerce organized a high-profile workshop on the application of Australian know-how for wasteland development in India with a special focus on Tamil Nadu. The workshop was organized in association with the M S Swaminathan Research Foundation (MSSRF), the Tamil Nadu Government and the University of Sydney and jointly sponsored by NABARD and Bharat Overseas Bank Ltd.

The inaugural address by Dr. M.S. Swaminathan, Chairman of MSSRF, turned out to be a defining presentation. He pointed to the successful reclamation of wasteland at the Jordan Valley in Israel and Imperial Valley in California. He suggested that the corporate groups could come forward to set up genetic gardens and extend greater support to self-help groups. He also suggested innovative policy initiatives like the Gujarat Government scheme for individual farmers to reclaim their own wasteland as part of food-for-work program. He commended ITC Ltd. which has agreed to adopt one lakh villages nationwide for wasteland development.

Prof Kevin Parton, Dean and Campus Director and Prof. David Goldney, visiting Professor, Faculty of Rural Management, University of Sydney, Orange, made presentations on Australia's experience in wasteland development through community centered land care management. Mr. R Rajagopal, IAS, Special Secretary, Agriculture Dept., Tamil Nadu Government, said that land was not merely an economic asset, but an emotional property for a large section of farmers. Ms. C K Gariyali, IAS, chairperson and Managing Director of the Tamil Nadu Corporation for

Development of Women Ltd. (TNCDW), said it planned to seek the help of NGOs as an instrument of interface between women's self help group under a program for cultivation of neem, cashew, mushroom, flowers, etc. on degraded land.

ITC's success on social forestry was explained by Dr. H D Kulkarni, Deputy General Manager, while Mr. S K Vettivel detailed the progress made in the past few years by the TNCDW or CAFARD, a voluntary organization, in cultivating jatropa and cashew in degraded land.

The workshop's main thrust was on evolving an effective policy on wasteland development. It was clear that this involved some tradeoffs and compromises between -

- Economics and ecology
- A technical view of development and a social economic focus, and
- A corporate led model and a community led model.

Earlier, Mr. N C Sarabeswaran, President of the Chamber, welcomed the participants and speakers and observed that the chamber looks forward to working closely with the M S Swaminathan Foundation and the University of Sydney in creating a model for wasteland development, which could be recommended to the Tamil Nadu Government. The technical session was followed by a lively panel discussion with all speakers and Dr B F Hulagur, General Manager, NABARD, under the chairmanship of Dr. M Velayudhan, Director, MSSRF. The panel addressed queries of corporates and industrial houses interested in wasteland development programs. The workshop concluded with a vote of thanks by Mr. P Gopalakrishna, secretary of the chamber.

## Indian Fashion Guru pays Tribute to Australia

In a spectacular ceremony in Bangalore on March 13, Indian fashion couturier **Hemant Trevedi** received the **Australian Alumni High Achiever Award for 2004** from IDP Education

Australia, India and the **Australian Alumni Association**, India. **Mr. Vinod Kaul**, Executive Director of Fashion Design Council of India, presented the award to Mr. Trevedi.

The Australian Alumni High Achiever Award was launched in 2003 by IDP Education Australia, India, and the Australian Alumni Association, India. It recognizes the achievement of an Indian graduate from any Australian education institution, who has made an outstanding contribution to the Indian industry and society.

Mr. Trevedi has been conferred this award in recognition and appreciation of his exemplary contribution to the Indian fashion industry as an editor, academic, choreographer, fashion stylist, visualizer and consultant. His trend-setting designs have placed India on the international map, making him one of India's most sought-after designers. The 43-year old fashion designer has clad some of the most beautiful women in India, including several former beauty queens.

After completing his senior secondary education at Applecross in Perth, he did a Diploma in Fashion Design at the Western Australian Institute of Design also in Perth. He was the first male student to graduate in the history of the college. "I'm happy and grateful that IDP has chosen me for the High Achiever Award. **"I owe much of my success to the training and education I received in Australia"**, he said with a lot of passion.

The function was attended by representatives from the corporate sector, education ministry, local education institutions, representatives from nearly 20 Australian institutions, the media and the Australian alumni. The live fashion show showcasing Mr. Trevedi's collection, and the telecast of the video recordings of messages from his family in Perth as part of a presentation titled "Milestones" were some of the highlights of the event.

# Jennifer Hawkins gives Indian Fabric A 'Universal' Look

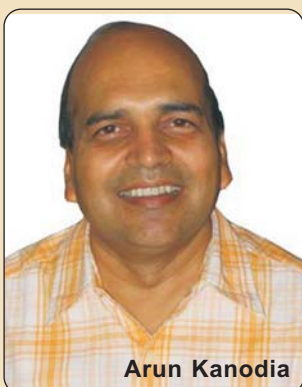
**T**he Indo-Australian textile business relations attained a new height when the Australian beauty Jennifer Hawkins was crowned Miss Universe 2004. Jennifer's success was largely due to the unique dress she was wearing on the stage - the beaded fabric designed and made by the Indian company, Silk'n Fab is based in Gurgaon. And the name behind the design of the beadwork is **Arun Kanodia**, an entrepreneur engineer.

On June 1, 2004, at the glittering beauty pageant at Quito, Ecuador, Jennifer Hawkins, an Australian 5'11" blonde with blue eyes was chosen from amongst the 80 beauty queens from around the globe as the most charming lady on the universe wearing an Indian fabric. An Australian Daily Newspaper has reported the price of the 10-kg garment at A\$ 25,000 (approximately Rs. 9 lakh).

Silk'n Fab are exporters of plain and embellished fabrics to fashion and bridal-wear manufacturers all over the globe and have a showroom in Australia wherefrom the beaded fabric was bought. With the reigning Beauty Queen of the Universe choosing to wear Arun Kanodia's fabric, it certainly speaks for the company's designing capability, which has brought laurels and pride not only to the company but also to our country. Interestingly, Arun Kanodia is an electrical engineer from Banaras Hindu University and an alumnus of the Scindia School in Gwalior. He attributes much of his success to his alma mater. "The art and crafts I learnt at my school, coupled with engineering design, helped me greatly later on," says Kanodia, who is on the board of governors of the school.



*In an exclusive interview with Indo-Australian Business correspondent, he shares his views.*



Arun Kanodia

**How did you opt for this trade and what exactly motivated you?**

The family has been in textile trade for over a century. It runs in the blood!

**What are the quality standards you had in mind when you chose the fabric for Miss Universe?**

The fabric was not designed specially for Miss Universe; it was just like any other fabric designed by our team and it took the fancy of Miss Universe.

**Which fabric enhances most the personality of a woman in your perception?**

There is not a set rule in our opinion. However, something rustic and an antique look is most suitable for a pageant like this.

**The latest developments in the Indo-Australian textile business/industry?**

Textile trade with Australia has surely increased over the last few years.

**How far do you think will such opportunities be helpful in boosting the textile and fashion business between India and Australia?**

The general awareness about Indian fabrics across Australia ought to be given more impetus.

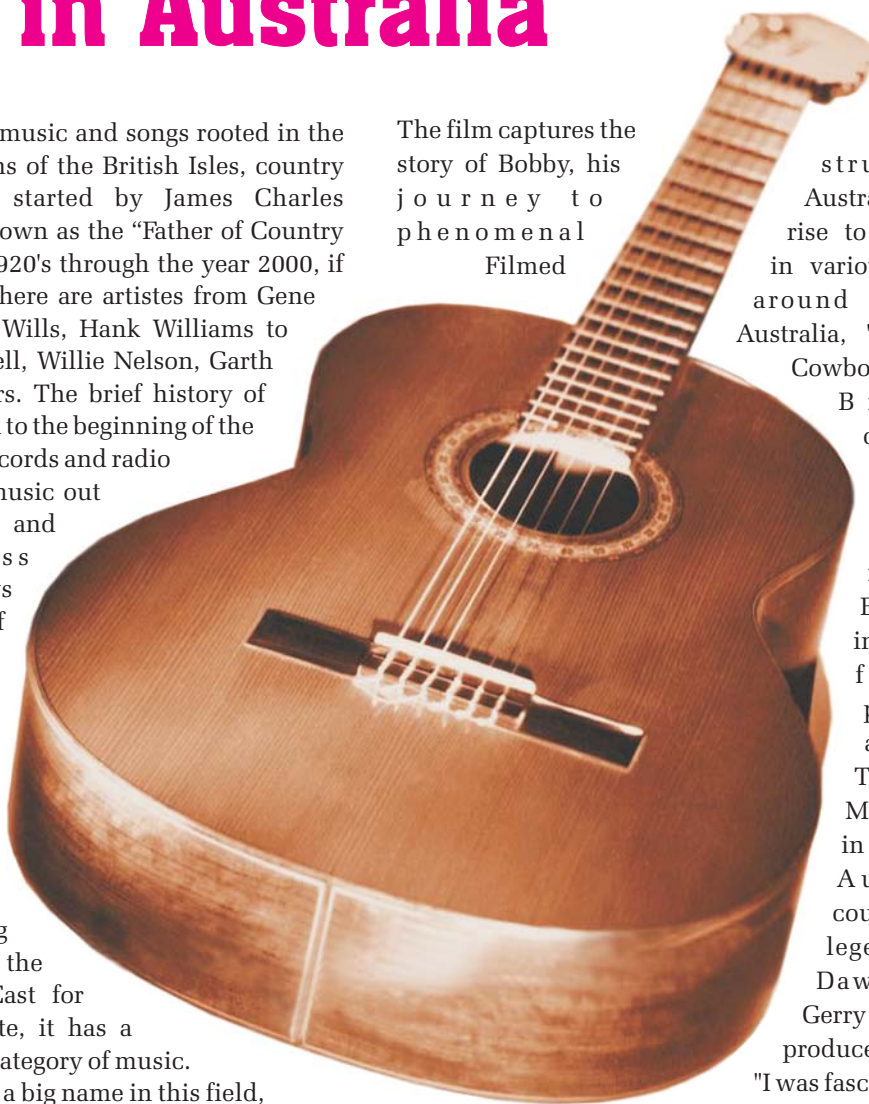
# An Indian 'Cowboy' Makes It Big in Australia

**W**ith soothing music and songs rooted in the folk traditions of the British Isles, country music was started by James Charles Rodgers, who is also known as the "Father of Country Music". From the late 1920's through the year 2000, if you will look around, there are artistes from Gene Autry, Roy Acuff, Bob Wills, Hank Williams to Patsy Cline, Lefty Frizzell, Willie Nelson, Garth Brooks and many others. The brief history of country music goes back to the beginning of the '20s. The first country records and radio programs brought the music out of the rural heartland and into homes across America. Radio shows made national stars of many performers. The early records, covering a broad range of musical styles, told of train wrecks and shipwrecks.

Apart from the Western World, there were also a growing interest seen among the music lovers in the East for country music. Till date, it has a significant place in the category of music. Though India never had a big name in this field, recently a singing star has emerged. His name is Bal Kishor Das popularly known as Bobby Cash. Born and brought up in a musical environment in a North Indian family, he had developed passion for the country music since childhood. His success reached new heights when he became the first Indian to enter the Top Ten in the Australian country music charts. Today, he performs in sellout concerts at Melbourne, Bendigo, Canberra, Sydney, Tamworth and Shell Harbour, singing his most famous song "Baby So Are You".

Recently, Discovery Channel has showed a movie on Bobby Cash in its Discovery India series. After Pandit Ravi Shanker, he is the second Indian to be featured by Discovery. The movie, "The Indian Cowboy, One in a Billion", is a depiction of his extraordinary talent with Australia's warmth and generosity to him.

The film captures the story of Bobby, his journey to phenomenal  
Filmed



motivating struggle, his Australia and his rise to star status. in various locations around India and Australia, "The Indian Cowboy, One In A Billion" captures some of the most dramatic moments in Bobby's life, including his first performance at the Tamworth Music Festival in front of the Australian country music legend Smoky Dawson. Said Gerry O' Leary, co-producer of the film:

"I was fascinated by the fact that somebody from

India played country music, a music native to America and Australia, so well." Colin Bromley, another co-producer, said: "I knew it would be an interesting story but I never dreamt it would get this interesting." Recently, another dream of Bobby came true when he recorded his first country music album - "Cowboy at Heart", including duets with Australian country music singers Smokey Dawson and Tania Kernaghan.

In an exclusive interaction with **Indo-Australian Business** Correspondent, he reveals a few aspects of his journey so far:

The journey so far has been amazing. When I went to Tamworth to perform, people asked me, "What would you get out of it"? I said, "I am not here to get anything. I





I am planning to sing Hindi Country Music also very soon. And my Hindi is quite good.

Be it the US, Australia or India, music knows no barrier. Though in Australia the country music is not that popular, the Australians love it. Country music is making its presence felt everywhere. Increasingly young people are following it. Willie Nelson, Jimmy Cash and a lot more are my inspirations.

I was glad to see the response for music in Australia, which is like

a second home for me. This could work as a connection between millions of hearts of Indians and Australians.

have come here to listen to the great singers. The movie shot on my life by Discovery Channel was like reality for me. I have been named as the 'Desi Cowboy'. I feel happy to be recognized with this name. Colin (the co-producer of the film from Discovery Channel), knew when not to shut the camera off. He had captured all the real moments, which happened during the period from my leaving India to coming back from Tamworth. I went to Australia, got love, affection, and recognition from people there and the greatest aspect about all these is, I never lost my identity. And I am happy about it. The country music singer of India and Indian Cowboy are the names, which make me feel proud of.

The main aim of mine has been to revive the country music. That is why I am here. The young generation in Australia surprisingly is quite attracted towards it. They are regularly in touch with me and have inspired me to move forward.

**Answering about how popular it could be in India, he says:**

Definitely there is a huge space for the country music in the hearts of the Indian music lovers. This society is quite close to its roots and they are sentimental. And country music is all about the folklore and folk music. This has existed in each nook and corner of India for hundreds of years in the name of regional folklore.

**About acceptance of this music?**

I feel Indians are quite open and adaptable as well as acceptable to any of the new things happening around.

**Can we have country music in Hindi as well?**



# Success on Many Fronts

Health and health services in Australia was rated as a "very good to very good plus" for 2004 according to the nation's two-yearly health report card. *Australia's Health 2004*, the 530-page biennial health report of the Australian Institute of Health and Welfare, says reasons for the rating include continuing improvements in life expectancy, falls in death rates from many diseases and health conditions, and high quality health services.

The report was launched by the Minister for Health and Ageing, Mr. Tony Abbott, at the opening of the AIHW's two-day 'Vital Statistics Vital Signs' conference, at the National Library of Australia.

The report also shows that while the Australians should be pleased with the overall improvements in health, lifestyle-related risk factors such as insufficient physical activity, obesity and Type-2 diabetes are taking their toll, smoking remains a public health challenge, and there is still no evidence that the health of Aboriginal and Torres Strait Islander people is improving.

In terms of life expectancy, often called the "Universal Health Indicator", Australia is among the best in the world, with an average life expectancy of 80 years, 77 years for men and 83 years for women. Australia has continued to see declining death rates from cardiovascular disease and cancer, although these diseases are still the nation's biggest killers. There has been a steady decline of the incidence of asthma in children since the early 1990s, and continued improvements in vaccination rates. Injury death rates continue to fall, with the rate of suicide for 15-24-year-old males in 2002 the lowest since 1984. However, lifestyle factors may limit the extent of further improvements, says Dr Paul Magnus, the AIHW's Medical Adviser and editor of *Australia's Health 2004*.

"We have seen a doubling of the prevalence of diabetes over the past 20 years, one in five adults are now classed as obese, one in two have high blood cholesterol levels and one in five are still smoking daily. "Australians are also enjoying the couch too much, with more than 50% of adults not exercising enough to have any real health

benefit. About one in six adults report doing virtually no leisure-time exercise at all. 'At least with smoking we have been gradually moving in the right direction for decades. The challenge, and no-one is saying it is easy, is how to get the nation as a whole moving their bodies more, and eating better.' In the meantime, Australia's ageing population is shifting the dynamics of problems managed and services offered, says AIHW Director Dr Richard Madden. "*Australia's Health 2004* includes a special chapter on the health of older Australians. This age group, currently 12.7% of the total population, is projected to nearly double over the next 20 years.



"The lifespan from 65 onwards covers a large age range and potentially very diverse needs, so in our publication we have resisted treating all people over 65 as one group, and instead have covered the 65 to 74s, 75 to 84s, and the 85 and overs." Dr Madden said that 11% of people aged 65-74 and 26% of those aged 75-84 had a severe or profound disability. "This demonstrates the need for emphasis on healthy ageing as we address issues around health and welfare services for older people." Resourcing and performance of health services is comprehensively covered in *Australia's Health 2004*.

Expenditure, workforce issues and use of all types of health services are fully described.

"Overall, the picture that emerges is of a high quality health system serving the bulk of the population well, but under pressure to deliver even more," Dr Madden said.

'Internationally, Australia's health system rates very well. We need to work hard to maintain and improve our performance, but at the same time keep our difficulties in perspective.

"*Australia's Health 2004* coherently describes all aspects of Australia's complex health system and its performance in one volume. It brings issues together in a way designed to inform policy makers, service providers, consumers and interested citizens alike."

Source: [www.aihw.gov.au](http://www.aihw.gov.au) (Australian Institute of Health and Welfare)



## Thanks to AHA, Health System Scores on Many Fronts



A healthy citizenry is as important to a country's development as a sound economy. In fact, the latter is rendered ineffectual in the absence of the former. The Australian Healthcare Association (AHA) is a live example of this dictum. Committed to the cause of health and working with a strong vision, this national industry body for publicly-funded hospitals and healthcare organizations has been a major contributor to Australia's successful health policy. A report.

The membership of AHA is wide and varied and includes the governing bodies of area and district health services, regional health authorities, community health services and hospitals as well as a number of associate and individual members. AHA has affiliated state associations and branches and its governing board comprises CEOs, Board Chairs and directors.

The main help that AHA provides is high-level advocacy and representation for its members as well as offering comprehensive information and support services.

The vision that motivates AHA is to give to every Australian access to effective healthcare services that are appropriate and responsive to their needs in all settings, delivered safely by capable personnel providing continuity across the spectrum of healthcare settings (home, residential facility or hospital).

### The following are AHA's objectives:

- \* To advance excellence in Australian public healthcare services in all settings by promoting the development and implementation of well-resourced evidence-based policies;
- \* To support a national industry network of hospital and healthcare organisations and to provide high-level representation and information for members;
- \* To be an independent source of advice, input and analysis for government agencies, media, other industry groups and the community on issues affecting the delivery of healthcare;
- \* To create a stimulating environment for analysis, review and development of health policy and practice through strategic planning alliances with stakeholders.

### Certain tasks that feature in the priority list of AHA are:

- \* To change the relationship between the Federal and State/Territory Governments to ensure a genuinely shared approach to health policy development and service delivery regardless of borders and payers;
- \* To have the Australian Healthcare Agreements cover the totality of publicly funded healthcare services to be delivered as a 'National Healthcare Package';
- \* A national approach to quality and safety;
- \* Improvements in the coordination of care across

different settings, particularly between acute care and primary health care/general practice and aged care;

\* Workforce and hospital reform.

AHA is governed by the National Council. The Councilors are senior healthcare executives and industry leaders from across Australia.

The think tank at AHA comprises a group of highly esteemed professionals in the health system and related areas. It discusses, analyses and recommends innovative policy solutions on the structure of the health system to present to Australian governments. The group's current topic is 'Options for Financing of Australia's Health System'.

### Some of the latest developments at AHA include:

- The visit of its ED to South Australia to learn about the issues and concerns there and to provide local and national help.
- AHA joins the National Aged Care Alliance in launching its federal election package.

The four priority areas are: getting aged care funding right; getting the aged care workforce right; facing the dementia epidemic; and getting the link between aged care and health right.

### AHA's top five priorities for 2003-08:

By 2008, all Australian governments will adopt a nation-wide approach to health

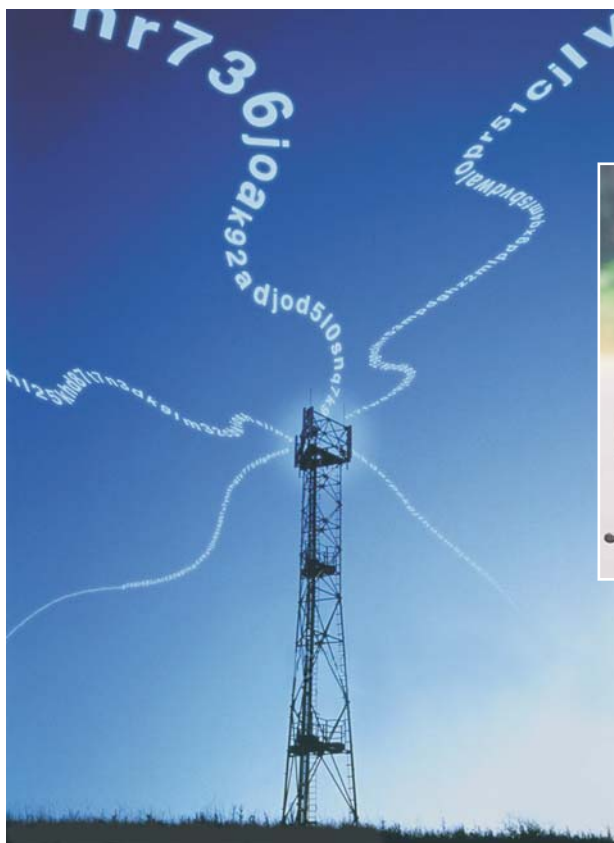
Policy and service delivery and will develop strategies to implement a National Health System to be reflected in the 2008-13 Australian Health Care programme.

Planning on a nation-wide basis by all governments working together to prevent duplication and service gaps and to overcome competitiveness. Sufficient resourcing through cost share agreements to ensure services have the capacity to be safe and National standards governing delivery of services to ensure consistency in quality, confidentiality, outcomes and data; integration and coordination across state/territory borders, program boundaries and care delivery settings (home, residential facility or hospital); nation-wide evaluation of outcomes facilitated by data collections from all levels of government that are timely and based on consistent protocols and formats; enhanced health service networking and coordinated administration.



# Telecom Rides on the Fast Lane

**Telecommunications is now one of the fastest growing industries in India. It is obvious that the fast track of development of this industry will have a far-reaching impact on the national economy. In this context, the government's move to hike FDI in the telecom sector from 26% to 74% is significant. The following write-up analyzes some of the aspects pertaining to this growing sector.**



It is not surprising that this year's theme for World Telecommunication Day is 'ICTs: Leading the Way to Sustainable Development'. Telecommunication and socio-economic development go hand in hand. Information and Communication Technologies ( ICTs) allow people to access information and knowledge instantaneously. And this benefits not just the individuals but also organizations and communities. This fact stands well attested by the report of the World Summit on the Information Society.

The need of the hour is to enhance research and development in ICT if its benefits are to be garnered for the betterment of the economy and society. This should be coupled with cooperation at the global level between and among the developed and developing countries in R&D, technology

transfer and manufacturing and utilization of ICT products and services.

The usage and deployment of ICTs should aim at touching every aspect of our daily life, namely, government operations and services, healthcare, education and training, employment, creation of job opportunities, business, agriculture, transport, protection of environment, management of natural resources, disaster prevention, eradication of poverty and other developmental goals. They should also be made to contribute to sustainable production and consumption, to reducing traditional barriers and providing an equitable access to local and global markets.

There should be participation by the private sector too in developing and implementing a comprehensive national e-strategy .The civil society too should have a consultative role in devising such strategies.

Two entities that have been rendering valuable service in this direction are the Mahanagar Telephone Nigam Limited (MTNL) and the Bharat Sanchar Nigam Limited (BSNL).



According to Mr. R S P Sinha, Chairman and Managing Director of MTNL, it has been providing a wide range of services, namely, fixed line telephony, GSM and WLL-based mobile telephony, internet services, data services, leased line services, etc. keeping in mind not only the consumers but also the promotion of socio-economic development. It goes to the credit of MTNL to add certain value-based services like SMS-based services, web-based services, broadband, Garuda 1x, Internet telephony and virtual telephone to enable a cheap and efficient communication. In the near future, MTNL plans to make a foray into areas like video, voice and data on copper lines, digital certification and m-commerce.

BSNL, on the other hand, credits itself with having bridged the digital divide. Telecom providers for a long time, one third of their services cater to the rural India, where they are the providers of communication and infrastructure.

The future of telecom sector in India is surely bright as can be seen with the increase in the use of mobile phones. This can be said more so, as India is a fast developing country with soaring business and mobiles offering that much needed fast and efficient connectivity.

# End-End Tool: Globe Telecom Impressed

**End-End Software is a leading technology company that provides the only independent tool that gives an actual insight into the end-user perspective of user-response time to allow enterprise to set service level agreements (SLAs) and key performance indicators (KPIs). The company has teamed up with Globe Telecom, one of the largest telecommunications providers in the Philippines, to boost the latter's service level management in order to hasten productivity and effectiveness among its users' personal computers, networks and applications. Here is a report:**

**W**ith more than 3,000 desktops to manage internally and hundreds of thousands of transactions being carried out by various departments, like customer service, treasury systems, billing work stations, finance work stations and business centers, handling and managing user response time of the transactions and proactively understanding where the bottlenecks are happening become critical for Globe to ensure top quality service to their clients.

The Manager of Network Services and Facilities Management Information Systems Group, Globe Telecom, said, "Our team had found End-End Software a very useful tool that gave us actual statistics and data related to setting Service Level Agreements from the end-user perspective and had been used as a Key Performance Indicator tool to determine bottlenecks and also allow us to view the performance of our applications, network and system proactively, saving us important resources that could be more effectively deployed elsewhere."

Brian Peck, Managing Director, End-End Software™ (Asia Pacific), said, "We are delighted to have the opportunity to prove our capabilities to value-add Globe. Our solutions are clear and have attractive graphical and tabular reports are a plus to allow Globe's team to present results to their management during meetings. In addition, the reports filter and guide users to identify bottlenecks depending on the period and data, which are classified according to group, applications and systems. This feature had proved to be extremely important for our clients when it comes to capacity planning and understanding the actual resource utilization of the desktops, network and system. In the past, such statistics are often not completely available to the IT teams. However, we have managed to successfully overcome this challenge through either working independently or working with system management leaders like BMC to generate data for IT supervisors to find out issues like status of processes, CPU utilization and memory."

## About End-End Software™ (Asia Pacific)

End-End Software™ is a leading technology company

committed to developing independent IT solutions with a difference. The company's success in Asia Pacific, Europe and USA is based on its pioneering technology development and proven commitment to working closely with its clients to resolve service and application service delivery problems.

The flagship product, End-End Software™ is the only independent tool that provides end user-centric monitoring of applications performance, response time and experience. Thus, providing enterprise with an insight into setting Service Level Agreements from an end-user perspective, and understand the resource utilization of every desktop to enable more accurate capacity planning so as to improve bottom line for the organization.

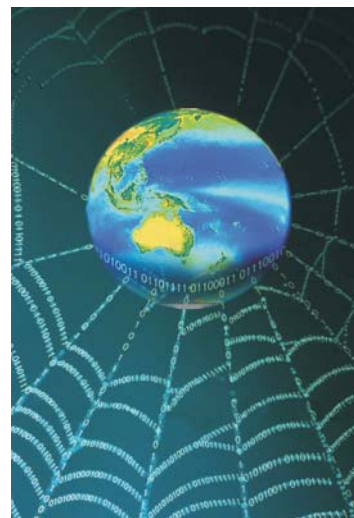
For more information on End-End Software, please visit [www.end-endsoftware.com](http://www.end-endsoftware.com)

## About Globe Telecom

A listed company on the Philippines' Stock Exchange (Phil SCE: Globe), Globe Telecom has a long history of uniting people by forging strong links of communication throughout the country and with the world. In 1993, Singapore Telecom International and Ayala Corporation pooled their resources to further expand Globe's capability to service the increasing telecommunication needs of a growing and vibrant economy. With additional capital and expertise, Globe widened its reach through its various services and boosted the nation's capacity to participate in the worldwide traffic of information exchange.

Today, Globe Telecom intends to build on the legacy of its pioneering past, transforming the world into a global community just as Filipinos in centuries past were in constant and direct communications with every family in the community.

For more information on Globe Telecom, please visit <http://www1.globe.com.ph/default.aspx>



# Sea Dragon Set to Conquer the World with Calendula



**The skin has always been a matter of concern for the health conscious. And there could not have been a better cure than the Australian herb, Calendula. The Western Australia-based company, Sea Dragon, has recently secured a deal with an Irish distributor to stock its all-natural skin products with chemists and in health food shops across the island. Let us take a look at the reason for this spate of success.**

Says owner and partner Jasper Trendall, "The healing properties of this herb are well known in Europe; however, we discovered there were a few products that combined the qualities of Calendula with the unique aromatic properties of distinctive essential oils from the Australian bush." Trendall and partner herbalist Lindy Leggett developed their signature product "Skin Repair Balm Calendula" into a range of functional formulas. This includes 'Nursery Formula' for nappy rash, 'After Sun Formula' for sunburn and 'Farmers and Gardeners Formula' for outdoor work. They have set their eyes on the international market, however.

It all began with their participation in the natural products trade show in Amsterdam. This weaved magic for them, as it brought them in contact with like-minded people, who shared the same vision for the value and benefits of products that used only natural ingredients. They established at this point relationship with the distributor in Ireland, who has supported the product and taken upon himself to promote it strongly. Of particular interest to the Irish market is the "Farmers and Gardeners Formula".

This deal means that exports are likely to make up nearly 50% of sales to date for the company. "When we first got started, we were cautious about

investing a lot into promoting ourselves internationally, especially to new markets we weren't sure would be receptive to our product," Trendall said. "As a small business, we simply don't have that sort of money to waste and can't afford to make trips around the world all the time hunting down buyers who may or may not be reliable." "Austrade has helped us to overcome these early worries and has been an invaluable resource in setting us up with new contacts, exposing our products to potential buyers and researching new markets."

Commenting further upon the help provided by Austrade, Trendall said that it has helped them realize that export is not as complicated as it sounds. It provides assistance for businesses that are looking for expansion abroad.

Enrolled in Austrade's New Exporter Development Program (NEDP), Sea Dragon Medicinal Herbs is also a lucky recipient of a Qantas award for registering to receive Austrade's monthly publication Export Update electronically.

For more information about Sea Dragon Medicinal Herbs e-mail at [cdragon@iinet.net.au](mailto:cdragon@iinet.net.au).

(Courtesy: Trademark, e-newsletter of Austrade)





**Anil Karia**

## TMSTC Aims at Spotting Mutual Strengths

**E**ven as the world is “going global”, it is also “growing” smaller. Technology is playing a key role in making real-time contact with anyone, anywhere, anytime commonplace. It also enables us to discover what we have in common as well as the differences between us and in this newly connected world, shared interests are priceless. It is this view of the new environment for business that lies at the core of the thinking behind the formation of the Mumbai Sydney Trading Company -- a “bilateral business community” rather than just a simple trading company or distributor. It all started with a simple question when, earlier this year, Sydney-based David Keig and Mala Dixit asked themselves, “With so much in common, why is trade between India and Australia not greater than it is?” Their answer was equally simple: Both countries need to understand and recognize the complementary strengths of the other and it became clear to them that a catalyst was needed to stimulate trade by matching suppliers to customers and vice-versa. Out of this came the idea of The Mumbai Sydney Trading Company (TMSTC).

India and Australia may be very different countries in many ways, but they do share many common interests and are moving ever closer together. “It seems strange,” says David Keig, “India and Australia are the two countries that share a considerable amount of common history, but seem to have been at arm’s length for too long.” Direct travel between the two countries is increasing -- Indian tourism in Australia is growing at 16% a year and, in September, Qantas will start direct flights between Mumbai and Sydney. These direct flights are an important part of the equation, argues Mala Dixit of TMSTC. “Australian business people have a very limited and narrow view of Indian business and India as a market. They are wary of the unknown and India is a big unknown for them. Having direct flights will make the country seem more accessible.”

An obvious link between the two countries is the shared passion for cricket, but there is far more to it than this. There is much that is shared by the two countries that has arisen from their parallel histories

over the past 200 years. This gives each a common foundation consisting of the English language, legal systems, standards, institutions and so on. This common ground should make business dealings between Indian and Australian companies less subject to the sort of hassles and problems often encountered elsewhere, but trade between the two countries has not been as great as it could be. It seems that many Australian business people seem to have had their eyes more set on Japan, China and the South East Asian economies than on India and, conversely, Australia has not really been ‘on the radar’ for a great many Indian companies. But this is changing and the changes are happening on many fronts as interests converge.

Technology is one area of mutual interest -- not only in terms of communication but also in terms of India’s success in this field and Australia’s importance as a market for ICT. But Australian businesses need to wake up to what India has to offer here. “I don’t think most Australians have the first idea about how astonishingly accomplished the Indian ICT industry is,” says David Keig. “It is so very wrong to see it in terms of simply being a low-cost supplier, which is how too many Australian business people see it.”

Greater levels of awareness and understanding are needed on both sides, and higher levels of personal contact will speed, this process. They may be very different countries in many ways (especially economically), but they have complementary strengths with each offering the other tremendous opportunities.

The Mumbai Sydney Trading Company aims at enabling both Indian and Australian businesses make the most of these opportunities. In essence, the company is an international sales, marketing and business development company that seeks to act as a “pipeline” between Mumbai and Sydney channelling goods and services between the two. “Mumbai and Sydney are very much the gateways to the Indian and Australian economies,” Says Mala Dixit “Each accounts for almost 40% of the trade in and out of their national economies. Hence, the name.” The company is based in both Australia and India and will grow through a series of partnerships. In June 2004, Mumbai businessman

Amit Karia joined David and Mala as a partner providing the company with its first formal representation in India. Another partner from Mumbai is about to join TMSTC and will specialize in the field of IT and web development. What sort of opportunities is TMSTC looking for? The simple answer is anything and everything that can be supplied by the one country to the other. The founders' expertise is in sales and marketing. It is primarily through this that they aim to help companies from each country build their businesses in the other.

TMSTC is very much a bilateral trading company -- looking at opportunities for Indian companies in the Australian market and, conversely, opportunities for Australian companies in the Indian market. Both David Keig and Mala Dixit are based in Sydney and each has an extensive background in sales, marketing and advertising. Amit Karia, based in Mumbai, has equally extensive and complementary experience in sales, manufacturing and international trade. It is this blend of experience in sales, marketing and business development that the company brings to this new venture. TMSTC has a simple approach. Find the market opportunity. Find a company that can supply the products or services that fill that gap. Then work together with suppliers and distributors to realise the business opportunity.

"We aim to cover four main areas of business," says David Keig, "the first is trading of goods and products, the second is IT and web related areas, the third is media and new media and the fourth is marketing and other services".

Each of these areas is quite different in the way in which they conduct business and so the TMSTC will operate in a flexible way. In some cases, acting as a distributor or an agent will be most appropriate. While,

in other cases, TMSTC will act as a marketing consultant or simply as a business 'match maker'. "We will look at any proposal for trade between the two countries," they say, "and work out how we can assist rather than just say we have such and such a way of working that a company has to fit in with."

Furthermore, TMSTC will do more than just facilitate deals and act as distributors, agents or consultants. "We want to stimulate cultural exchange between the two countries as well as business relationships," they say, "so one thing that we are looking at is some form of media transfer or exchange." They are planning press coverage of the opportunities in the different markets

and are looking promoting music and the arts from one country in the other. "The closer Mumbai and Sydney feel on a human level and the more varied exchange there is between the two, the more comfortable will people feel in doing business," they say.

Mala Dixit is currently the Managing Director of Grey Healthcare, Australia. She has extensive background in advertising, marketing and sales, having previously worked for Smith Kline Beecham Consumer Healthcare, Colgate and Reckitt & Coleman Pharmaceuticals.



David Keig & Mala Dinit

Keig was originally a mathematician and has extensive advertising background in both the UK and Australia. He now operates as a Strategic Planner and Consultant to a wide range of companies. Amit Karia is the Managing Director and founder of Sears Phytochem Ltd. based in Mumbai, India. He has extensive background in sales, manufacturing and international trading.

Please feel free to contact David Keig or Amit Karia at 'the Mumbai Sydney Trading Company'.

**Sydney:** Tel: +612 9361 0311. Fax +612 9331 7959

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# Follow Queensland's Picturesque Wine Trail

Known for its vast stretches of golden beaches, emerald rain forests and dazzling reefs, Queensland's burgeoning wine trail remains one of the most picturesque sites. Plump grapes are grown on its fertile soil and these go into making the best wines that find a ready market all over the world. Here is a region-based description of the wine-growing areas in Queensland that a tourist can visit and enjoy:

**Southern Downs:** The beauty of South-East Queensland Country and its Granite Belt of the Southern Downs is captured in every drop of wine produced from over 35 wineries in the region. Drink in the ambience through gold medal winning Chardonnays, Verdelhos and rich reds; pleasure the palate with fresh local berries, apples and cheeses, or simply escape into the verdant tranquillity of the glorious Girraween National Park.

**South Burnett:** Nestled among the rich, red paddocks of Kingaroy and the Great Diving Range, the South Burnett, northwest of Brisbane, is the fastest developing wine area in Queensland. Large-bodied chardonnays and award-winning shiraz wines are produced in the region whose 25 vineyards over 600 acres are framed by the beautiful Bunya Mountains, the setting of ambient accommodation and a bush walker's paradise.

**Toowoomba and the Western Downs:** A scattering of boutique wineries in Toowoomba is heralding a spectacular renaissance of wine producing on the Darling Downs, a flush wine area at the turn of last century. Follow the sunset to Roma and Romavilla, Queensland's first winery, where the Western Downs has carved a reputation for quality-fortified style wines, such as Liqueur Muscat, Port and Sauterne style sweet dessert wines. Combine the fertile slopes of the Great Diving Range and the wide-open spaces of the west with a stay in a quaint B&B, country pub or grand Victorian mansion.

**Central Queensland/Bundaberg and Districts:** Boasting several established wineries at Mt Perry, Gin Gin, Gladstone and Hervey Bay, the region is poised to become an expansive wine making area through the innovation of several wine makers currently trying different grape styles. The Bundaberg region, world famous for its rich rum and elegant turtles, which each year grace its Mon Repos beach, has 17 vineyards and wineries across the Hinterland and Coral Coast to match a host of accommodation options.

**Sunshine Coast and Hinterland:** Undulating green hills offering panoramic views of the ocean provide the perfect backdrop for

Queensland's newest wine tourism destination where the place names of Flaxton, Montville, Maleny, Kenilworth and Eumundi roll as easily off the tongue as the wine. From the sea resort of Noosa to the old-time heritage appeal of the Hinterland, the region's wine industry is poised to take its place as a premier tourism destination with world-class accommodation options and attractions at its doorstep.

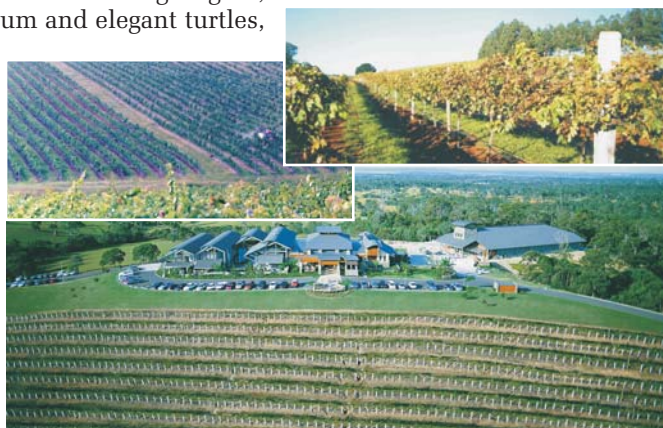
**Gold Coast Hinterland:** Encompassing the rainforest beauty of Mt. Tamborine and the emerald countryside of Albert River and Canungra, the Gold Coast Hinterland is a spectacular wine region featuring boutique wineries and vineyards. One of the fastest growing and most diverse wine regions in Queensland, from the cooler climate of its mountains to the milder temperatures of its valleys, it offers Verdelho, Chambourcin and Semillon, through to Merlot, Cabernet Franc, Shiraz and Chardonnay - all located approximately half an hour from the fabulous beaches of the Gold Coast.

**Around Brisbane:** Lush gardens, magnificent countryside and spectacular views characterize the wineries and vineyards, which have been established close to Brisbane from Mt. Cotton on the bay side to the picturesque Brisbane Valley including Ipswich, Samford, Harrisville, Mt. Alford and Boonah. Located less than an hour's drive from Brisbane, cellar door sales enable the tourist to literally drink in the delights of the surrounding countryside peppered with quaint cottages and B&B's.

**D'Aguilar Ranges:** From the leafy hideaway of Woodford, which comes alive each year with its annual folk festival, to the peanut paradise of Kilcoy and the quaint ambience of Caboolture, a number of wineries

are set amid the framework of the spectacular D'Aguilar Ranges. Behind the glorious Glasshouse Mountains, the vast expanse of Brisbane Forest Park protects a priceless tract of bushland at the capital's back door, offering a wealth of picnic areas and scenic lookouts.

(For more information go to: [www.queensland.com.sg](http://www.queensland.com.sg))





# VFS Sets Its Vision Larger

When it comes to protecting industrial buildings from fire hazard, Vision Fire & Security is the first name that comes to one's mind. Its products are well-known all over the world and through constant innovations the company has been able to hold on to its sizeable chunk of the world market. In an exclusive interview with Indo-Australian Business, Gan Meng Hwa, Marketing Manager - Asia Pacific speaks of this and a few other aspects of the company's business. Excerpts:

**Could you tell us about the operations of Vision Fire and Security?**

Vision Fire & Security (VFS) is a global organisation committed to providing a continuous flow of intelligent, sophisticated products that significantly improve the safety and security of its customers. VESDA advanced smoke detection and ADPRO security technologies position Vision Fire & Security as a leading manufacturer of innovative system solutions for global industry application.

**How are your operations and association with the Australian market?**

Vision Fire & Security is a member of the Vision Systems Group. Vision System is based in Melbourne and has been listed on the Australian Stock Exchange since 1985.

The objective of the Vision Systems group is to actively grow international sales in key markets with innovative products and services, driven by ongoing investment in the company's technology base. Although headquartered in Australia, Vision System achieves majority of sales from overseas markets.

**What major difference do you see in the Indian and Australian markets?**

Australia is considered as a mature fire and security market, governed by industry standards and codes; whereas India is still at its infancy stage. Customers in Australia prefer and adapt to the latest and most advanced technologies, but in India most customers are still very price conscious and choose the lower-end products.

**VESDA and ADPRO are quite famous products of VFS. How is the response for these in the Australian market? Also, please highlight other product ranges of VFS.**



Both VESDA and ADPRO brands are very well recognized in the Australian market. VESDA is regarded as the market leader in very early warning smoke detection and ADPRO products have been installed in many commercial/industrial

applications to protect mission-critical facilities. We also have a PROACTIV brand of fire alarm control panels and accessories products, to provide a fully integrated solution with the VESDA range of aspirating smoke detection system.

**Which are the countries where you operate?**

We have operations worldwide; our business is geographically split into three regions:

- Asia Pacific (headquarter in Melbourne, Australia)
- Americas (headquarter in Boston, USA)
- Europe (headquarter in London, UK)

In Asia Pacific, we have offices in Singapore, Hong Kong, Taiwan, Beijing, Shanghai, Brisbane and Sydney.

**Do you have plans to tie up with any Australian company or to have any joint venture in near future?**

Vision Systems has two other business segments, apart from Vision Fire & Security, which are Vision Bio Systems and Invetech. Vision BioSystems provides an integrated offering of cancer diagnostic products to pathology laboratories worldwide; and Invetech is a contract engineering services company, which provides the research and development capabilities to both the Vision Systems Group and to external customers globally. We continue to minimise risk through exposure to a variety of markets and revenue types by strategic acquisition and partnership.

For more information about Vision Systems, contact Ratnesh Gupta, India Representative at: [ratnesh@greenchannel.biz](mailto:ratnesh@greenchannel.biz)



## AUSTRALIA-INDIA FOCUS

# Tourism: India Emerging as a Big Player

The Australia India Business Council (AIBC) held a tourism and business entry seminar in Melbourne recently to discuss two-way India-Australia tourist trade and strategies for business entry to India.

The seminar was supported by Asialink, India Tourism and the Australian Tourist Commission and was held to coincide with the largest tourism convention in the southern hemisphere: Australian Tourism Exchange.

The speakers were Mr. Ganapathi, Indian Consul General, Ms Maggie White, General Manager of Australian Tourist Commission, Ms. Charmaine Fernz, Indian Express, and Mr Anil Oraw, Director, India Tourism, Sydney.

Ms Maggie White presented the ATC strategy for India, while Anil Oraw presented the "Incredible India" campaign and highlighted the investment opportunities in the Indian tourism sector. Mr Ganapathi commented on the results of the recent elections in India.

Despite vast differences in population, economic growth and industry structure, tourism is a key industry sector for both Australia and India.

India is seen as a key growth market for tourists to Australia. In 2003, there were over 45 000 visitor arrivals from India. Of these, 44% of Indian tourists traveled to Australia on holiday, while around 22% came on business and 20% to visit friends and relatives.

In 2003, foreign tourist arrivals in India totaled 2.75 million. Arrivals from Australasia were around 68,000, reflecting 23% growth in tourists from Australia and 45% growth in tourists from New Zealand in 2003. Tourism is the third largest foreign exchange earner for India.

Mr Shabbir Wahid, Vice Chairman of the AIBC Victoria chapter, said that ATC's strategy had worked successfully to raise the profile of Australia amongst the target group of India's population as something special and aspirational.

Shabbir added that it is focused on building awareness of the destination as evidenced by the Indian TV audiences being exposed to Melbourne landscapes and lifestyles through a series of episodes of the No. 1 weekly TV serial, entitled *Kahani Ghar Ghar Ki* (Story

of Every Home). This series screens on Channel Star Plus, is beamed to 63 countries and is watched by 47 million people in India, and millions in South East Asia. The show has topped Indian television ratings for the past two years. Indian production company Balaji Telefilms Ltd., which produces *Kahani Ghar Ghar Ki*, turns out 12 programs that account for 25 of India's Top 50 on-air slots weekly.

"Melbourne locations have been beautifully interwoven into the main plot of this top Indian soapie," said Black Cat Production's producer, Ms Mitu Bhowmick Lange. "It was a unique and fun experience to combine our absolutely beautiful scenery and urban landscapes with this riveting top-rating television series." Melbourne based Black Cat Productions assisted with production of the Indian television series in Melbourne.

### Executive Committee of the Australia India Business Council

The Australia India Business Council held its 2004 annual general meeting in June. Two new Executive members have joined the executive committee:

**Mr Ravi Bhatia** (Melbourne) Ravi is currently the Chairman of ACMS, a start-up venture capital company in the ITES BPO sector. He is the former Chief Executive Officer of the Virtual Communities Group of companies. Ravi is also the founder of Primus Telecommunications and PRIMUS in Australia and was the Chief Executive Officer of that company for six years. Prior to Australia, Ravi has worked in senior management positions with major global telecommunications organizations in the U.S., Europe and Asia, including MCI, Siemens and OTC. He is a graduate electrical engineer from the IIT, New Delhi.

**Ms Kerry Ryan** (Sydney) is a partner in the corporate and commercial group at Deacons. Kerry has extensive experience advising on general corporate and commercial matters, the acquisition and disposal of private companies and businesses and cross-border transactions. In addition to her Australian experience, Kerry has spent a total of six years working in India, Indonesia and Singapore, advising clients on issues

affecting their offshore investments and trading arrangements, including entry strategies, joint ventures, anti-trust issues, protection of intellectual property and compliance with local regulatory requirements. Kerry is co-principal of Deacons' Indian practice group. At its first meeting on July 12, 2004, the Executive Committee appointed Rakesh Ahuja to the committee as Vice-Chairman responsible for the AIBC Chapter in Canberra.

**Mr Rakesh Ahuja** (Canberra) Rakesh served for 28 years with the Australian Department of Foreign Affairs and Trade. His diplomatic postings included China, the then Soviet Union, Vietnam and India. Appointed Director of the Department's South Asia Section in 1992, he was subsequently posted as Deputy High Commissioner to New Delhi (1994-1999). Rakesh now heads a consultancy group, which facilitates Australia-India business ventures by formulating trade strategies, undertaking political and economic risk analyses and by providing training on inter-cultural issues. He is an Adjunct Professional Associate at the School of Creative Communication, University of Canberra. Rakesh writes regularly on developments in India.

"I am delighted to have Kerry, Ravi and Rakesh on the Executive Committee. They bring significant and diverse skills to the committee which will add considerable value to the development of the council," said Chairman of the AIBC Neville Roach AO.

These members join existing members on the Committee:

Mr Neville Roach AO; Ms Lindy Hyam (IDP Education); Mr Shabbir Wahid (Asiaworld Shipping); Mr Rana Pala (BDO Chartered Accountants); Mr Paul Dominic (Dominic Stamfords); Mr Mohan Moneiro (Ernst and Young) Mr Anupam Sharma (films and casting TEMPLE Pty Ltd); Mr Harvi Chugh; and Ms Gayle O'Brien (Dept of Premier and Cabinet QLD)

## Board Appointments ~ Australia India Council

Mr Darren Gribble has been reappointed and Ms Suzanne Davies appointed to the AIC Board for a period of three years commencing July 8, 2004.

As Australia's High Commissioner to India from 1994 to 1997, Mr Gribble has made a substantial contribution to AIC activities since he was first appointed to the Board in 1997. Mr Gribble will continue to bring an astute understanding both of India and of Australian government policy to Board deliberations.

Ms Davies joins the Board with broad experience in the arts community, including as Director and Chief Curator of RMIT Gallery in Melbourne and President of

Musuem Australia (Victoria). Her expertise will be a valuable asset in strengthening Australia's cultural ties with India.

## 18th IDP AUSTRALIAN INTERNATIONAL EDUCATION CONFERENCE, Sydney 5-8 October 2004

IDP Education Australia will host the largest international education conference in the Southern Hemisphere. From October 5-8, more than 1300 delegates will gather in Sydney to discuss international education and development issues.

The conference provides world class content and special interest forums featuring 200 expert speakers and excellent networking opportunities with more than 1,300 delegates from countries including Australia, US, UK, Canada, China, Asia, Middle East and Gulf States.

The theme of the conference is *Cultural Understanding and Development through International Education*. Amongst the many participants at the event will be delegates from the Middle East and Gulf States and the focus of the conference will be on the ways in which individuals and the organizations to which they belong can broaden their understanding of Islamic culture and beliefs.

There are many global issues, which have an impact on international education and development. The conference will look at important topics, including the Australia/US Free Trade Agreement, government immigration policies and the WTO General Agreement on Trade in Services. Delegates can also catch up with the latest research on areas such as the increasing value of the Australian dollar on the demand for international education in Australia, UK's Vision 2020 forecasting international student mobility and whether employers consider overseas study an asset.

*IDP Education Australia is pleased to offer AIBC members a 15% discount on the standard registration rate. To register, please complete the registration form online ([www.idp.com/conference](http://www.idp.com/conference)), mark "AIBC member 15% off full conference registration" at the top of the completed form and fax to IDP Conference team (02) 8251 2780. For more information on the Conference and pre-conference workshops addressing topical and current international education issues visit: <http://www.idp.com/conference>*





Prof. Ujjwal K Chowdhury

## ENTERTAINMENT: THE NEXT MILESTONE IN THE GREAT INDIAN OUTSOURCING JOURNEY



In 2003, India has produced above 900 films (all Indian languages together) and had above 40 crores of viewers of its films on the Indian soil and abroad. It has also crossed Rs.100 crores foreign exchange earnings by exporting films. In contrast, Hollywood has produced 628 films and had lesser than 30 crores viewers in USA and outside, but earned close to a trillion dollars at home and abroad!

Further, a study by PNC Ltd shows that a Hollywood film can be produced in India at one-fifth the costs of producing the same in the USA. The film which won the Oscars in the year in which *Lagaan* made it to the finals of the prestigious awards, *No Man's Land*, was produced at seven times the cost of *Lagaan* while Amir Khan's master-piece has been a costly film by Indian standards.

It is now proven that India does not lack the talent or the creativity, but has an unorganized entertainment industry, lacks professionalism and corporatization, and is poor in technology and investments. But times are changing also, more since 2000.

And, one of the emerging trends is that the entertainment industry is emerging as the next milestone in the great Indian outsourcing journey that began with the ITES out-sourcing. In recent times, India is winning animation contracts and has become a hot outsourcing destination for reasons not hard to identify: lower costs (often at a quarter charged by US companies), a large English-speaking workforce, a track

record in meeting western companies' technology needs, huge IT manpower and technical expertise, and the quality offered by the technical and creative workforce.

More than 2.5 million people are involved in this cauldron of creativity with movies being produced sometimes without a trace in the box-office, and others that make an international mark. This has resulted in cities such as Mumbai, Hyderabad, Bangalore offering a state-of-the-art mix of software skills, production and animation expertise and studio infrastructure.

Even a recent NASSCOM study corroborates these facts. India being the home for the second largest entertainment industry in the world and a vast pool of talent, it is emerging as an important destination for offshore animation industry. The strong base of English speaking skills, low production costs, a vast reservoir of talent, well-equipped studios and a rich heritage of traditional literature form the inherent strengths of India to make it the most favoured destination in Asia Pacific region, says the study.

Set on a higher growth trajectory, the global animation production market was likely to touch \$50-\$70 billion by 2005 while Indian market was expected to go up from \$0.6 billion in 2001 to \$1.5 billion, Nasscom said in its report. Noting that the cost of animation production in India was the lowest compared to USA, Canada, South Korea, Taiwan and Philippines, the report recommended co-production partnership



arrangements with major animation film producing countries to take advantage of the growing market.

On an average, the cost of production of a 30-minute TV animation programme in US and Canada would be in the range of \$250,000 to \$400,000 while in India it would cost \$60,000, the study points out. The compelling reasons that are shaping the development of animation industry in India include demand for animation production services from overseas animation studios due to India's lower costs of 2-D and 3-D animation production and technical manpower.

In order to increase global and domestic demand for Indian animation content, Nasscom recommended development of national brand identity in subject matter and style of animation and strengthening interface between local studios, producers and international distributors.

The report also suggests co-production treaties with countries like USA and Canada.

There is also a need to develop and strengthen supply base of animation production studios by importing hardware and software equipment to make Indian animation industry internationally competitive, the report says.

Let us look at some recent deals which prove this emerging trend.

- A \$14-million deal between Italy's Mondo TV, Europe's No. 2 cartoon producer and distributor, and India's Padmalaya Telefilms
- Ramoji Film City in Hyderabad has been involved in making of seven Hollywood motion pictures over the past six years by way of providing equipment, crew, sets and post-production facilities.
- In Mumbai, ace director Subhash Ghai's Mukta Arts now boasts of worldwide clients.
- In Delhi, Sandeep Marwa's Noida-based film city studios has struck deals with several big names across the world.
- Pentamedia Graphics has implemented 3-D animation films such as Sindbad and Alibaba and its clients include players from Japan, Korea and France.
- Kerala-based Toonz Animation India has clinched a co-production deal with the UK-based Treehouse Production for a fun, spook animation series.
- Animation company Color Chips has entered into an alliance with a South Korean government agency to explore possibilities of Korean filmmakers tapping low-cost

technical expertise in India.

- Turner Network's Cartoon Network has bought seven locally-made shows from Pentamedia, Toonz and CB Media Ventures for broadcast in India.
- Foreign firms have offered cartoons such as Mondo's "The Legend of Zorro" and "Sandokan."
- India's Sony Network, meanwhile, is about to launch an all-Japanese animation channel.
- Padmalaya will make 104 cartoon episodes for \$14 million and distribute Mondo's library for \$15 million in cash and stock. Padmalaya, a unit of India's largest listed media firm, Zee Telefilms, will also set up a 3D animation studio in Bombay to make cartoons for \$7,000 a minute -- a third of costs in Europe.

Till now post-production of movies from the US has been outsourced to locations such as Japan, Taiwan and Korea. India is the new entrant. So far, analysts estimate Indian companies have won some \$50-\$100 million in business, a small slice of the \$10 billion global animation industry. Nasscom forecasts huge revenues in this segment of the entertainment industry. By 2008, the digital content development, animation and engineering and design industry would touch \$ 1.5 billion, employing about 300,000 people. According to some other industry estimates, the cost of outsourcing one hour animation work to India is estimated to be close to \$ 60,000, versus the \$ 1,60,000 to \$ 200,000 that other leading animation centres in Korea, Taiwan and the Philippines in Asia charge. In the US, this would cost between \$250,000 to \$ 300,000 to produce one hour of animation. Global entertainment and media giants such as Walt Disney, Fox Entertainment, Time Warner are looking to tap Indian resources.





Industry experts say that the business being generated can be broadly classified into two areas – special effects, animation, editing and post-production work at Indian studios, including work for TV soaps as well as commercials. The second area includes strategic as well as back-office IT related work sourced from Indian software giants such as Infosys, Wipro, TCS, Cognizant to plug specific requirements that are a result of the convergence era. These include low-end jobs such as digitizing visual content to tools for restricting unauthorised online video and music downloads and protecting misuse of DVDs.

The total animation outsourcing market in India is valued at \$ 100 million and it is exploding by 200 per cent per annum. Some Indian companies are: Pentamedia Graphics in Chennai, Jadoo Works in Bangalore, CD India in Chandigarh, UTV Toons in Mumbai, Moving Picture Company in Film City, Noida, Heart Entertainment Ltd and Color Chips India in Hyderabad, and Toonz Animation India in Thiruvananthapuram in Kerala.

However, amidst all this, there is one cause of concern though. In the initial rush to meet demand from North America and Europe -- the biggest animation markets besides Japan -- Indian firms took on low-end production work. But that's not the lucrative end of the market, and most have not yet moved on to invest, co-produce or retain intellectual rights -- the areas where bigger profits can be made. Analysts say Chinese companies are quickly becoming competitive in the animation sector as they have in other industries. China's lower costs, coupled with a shortage of skilled Indian animators due to a lack of training institutes, may soon negate India's temporary low-cost advantage. Another limiting factor is that local demand for animation projects remain low and without a strong domestic market, one cannot sustain a growing industry.

The **Convergence** of information, communication and entertainment would make India a hub of global entertainment business process outsourcing in the next few years. Increasingly, it is being observed that India would emerge as a major back operations destination for special effects and animation, with rushes of films shot in United States and United Kingdom being brought to India for processing and editing. This would result in creating more job opportunities in India, as the global entertainment industry would encash on technical advancement, low-cost and 1.1 billion population of the country. Moreover, box office attendance in US posted an all-time high last year, despite a slowdown in its economy and the growth of the US film industry will indirectly translate as profits to Indian software firms. The country would witness an emergence of digital theatres, which would help in

eliminating the burden of taking multiple prints. Moreover, entertainment will not be restricted only to television and theatres, as people will turn to mobile phones for movie clips and games. Indeed, the emergent technologies held out the copper lining on the entertainment horizon. There are now scopes to bring in newer technologies in areas like broadband and digital services to leverage music distribution in the country, and to utilise India's human resource and indigenous talent in cinema.

Recently, in Mumbai, a path-breaking step was taken through the timely establishment of e-Entertainment Alliance, under which the IT and entertainment industries would work and network in tandem for venture funds, technology development, job creation, intellectual property issues and regulatory changes. It is a partnership among FICCI, India's infotech ambassador Nasscom and entrepreneurship agent TiE. It is expected to take care of the three basics in the entertainment industry, talent, finance and technology, and the venture capitalists have already started showing interest. And, this is important in the context of the fact that Indian media appears to have caught the fancy of media houses in countries ranging from New Zealand to Japan and Dubai.

The convergence of IT, communications and entertainment is also opening up huge opportunities for IT service providers in the media and telecommunication verticals. An opportunity is also emerging in the e-games industry. The key is specialisation. Companies need to select one or two verticals to establish a presence and develop their distinctive/niche capabilities which will help them get a substantial share of the revenue pie.

One limiting factor that inhibits the growth of the industry is the absence of a Convergence Approach in media and IT training in India. Education even now is largely in water-tight compartments of media creativity, management principles and IT skills, and not aiming to create an integration between the fundamentals of these three which is the need of the hour. The growing entertainment outsourcing from India and the growth of the Indian domestic entertainment market shall depend on creating a pool of techno-savvy creative professionals who understand media markets and marketing and according to the needs of their consumers design their media products. Unfortunately, except a handful of institutes, this approach is usually non-existent in the professional educational institutes of the country.

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