



Submission No 15

Inquiry into Australia's Defence Relations with the United States

Name: Peter Goon

To: The Chair of the Joint Standing Committee for Foreign Affairs,
Defence and
Trade

Dear Sir,

This submission is directed to a particular opportunity in relation to one aspect of the Committee's terms of reference, being:

"the level of Australian industry involvement in the US Defence industry".

As stated at the hearing of the Defence Sub Committee of the Senate FADT Committee in Adelaide on the 27th of June 2003 (see attached extract from Hansard), the ability for Australian SMEs to be recognised as coming under the Small Business Rules of the US Federal Acquisition Rules under the Code of Federal Regulations (CFRs), as a result of the now forming Free Trade Agreement (FTA), would be of considerable benefit to this Industry Sector and its clients (current and prospective) in the USA.

Such benefits would not just be limited to the Defence Industry.

Such recognition would remove many of the barriers and other impediments currently faced by Australian Industry in trying to gain access to markets in the USA.

The Small Business Rules under the US CFRs are quite robust; are a recognition of the importance of small businesses as the breeding ground for such things as initiative and innovation; and, go some way to creating market environments in the USA where niche players can gain and maintain a foothold and grow.

An interesting aside to this may be found in title 13 of the CFR's, namely Title 13 - Business Credit and Assistance, Chapter 1 - Small Business Administration, Part 21 - Small Business Size Regulations wherein, based upon the sizing regulations, a large number of Australian businesses would qualify as small businesses in the USA under these regulations.

Refer to US Govt web site -
<http://www.sba.gov/library/cfrs/13cfr121.html>

Access to the extensive US markets under the same rules as US based small

businesses, if this could be achieved through the FTA process, would create large opportunities that would be realisable through the 'level playing field' facilitations of the US Small Business Administration legislation and procedures. The benefit to the Americans would be the simplification of their access to the highly prized (at least in the USA) innovations, initiatives and skills of Australian Industry.

Yours sincerely,

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