

## 4 The 47th Australian Export Awards

### PROFILE

## CHOPPER SQUAD SOARS TO SUCCESS

FROM mustering buffalo to romantic mountain top picnics - there's no typical day at work for Chris and Mechele Collins.

The couple behind Alice Springs Helicopters (ANH) also divide their time between filming aerial footage for TV networks across the globe, supporting international mining companies on remote area explorations and helping with search and rescue operations.

Winner in this year's Australian Export Awards small business category, ANH has grown to become central Australia's leading helicopter charter provider, with Mr Collins flying the helicopters and Mrs Collins doing all the ground work.

Its operations are divided equally into tourism and commercial work, with most of its international clients coming from the US, Japan, China, New Zealand and Europe.

Over the past three years, the company has doubled in size, largely due to the increase in international sales.

It has, however, been a rather bumpy ascent. Starting out with a single helicopter, the couple has had to learn on the spot as they've broken into new markets.

"I came in with absolutely no idea what I was doing," Mrs Collins says. "When we started getting into tourism, I had to do a brochure, so I went to the library to find out how to do a brochure. I had no idea how to design a website, so I started by drawing it on a piece of paper."

"When I needed to do more marketing, I'd go and get marketing books out. I went around contacting local tour operators, joined the local regional tourism association, and from there I started joining other groups and attending international trade shows."

"That's when the tourism side of things really got legs. People don't just come and ask for a flight - a lot of work goes into building up relationships with people who are going to sell the product into the international market."

The couple, who previously ran a farm in South Australia, were forced to move to Darwin when the wool price collapsed in the early 90s, so Mr Collins could resume work as a pilot. Initially based on a cattle station doing mustering work, Mr Collins started receiving exploration work



from mining companies, and, as demand grew, the business moved to Alice Springs.

ANH now runs out of Alice Springs Airport and operates up to six aircraft. During the peak tourism season, ANH employs four to five pilots, it also has a part-time bookkeeper and has recently engaged the services of an international marketing consultant.

Employing more staff has enabled Mr and Mrs Collins to start taking Saturdays off, after years of working around the clock - but the business is no less hands-on.

"We breathe it, we eat it and we sleep it," Mrs Collins says. "We'll be eating tea, and I'll say: 'How about we do this, or: 'Why don't we do mystery flights'. It's not as if we just blow in every now and then to oversee things. I'm in the office every day. Chris is flying the planes, they see us at the trade shows, and see that we're the company."

The couple's close involvement with every facet of the business has also enabled them to be flexible in the services they offer and tailor them to their clients' specific needs.

"With the tourism, we want to make sure it's an experience people will lovingly remember forever," Ms Collins says.

An American, for example, requested a flight over Honeymoon Gap so he could propose to his fiancée. Other love-struck travellers have been flown to secluded mountain tops for a picnic.

Another specialised tour request included a visit to a cattle station and the opportunity to join in on a School of the Air lesson.

ANH has also started running Aboriginal art tours and incentive tours for corporate groups. Its television work has included filming aerial footage for Canadian film companies, the BBC and Japan TV, and the company is now receiving enquiries from mining companies as far afield as South Africa. "We get enquiries from all around the world for all sorts of things," Ms Collins says. "Sometimes, there are things we can't do - usually

when people are in town for a few hours and think they can fly out to Ayers Rock and back in time to catch the bus.

"There was one guy who wanted to jump out of the helicopter at 20,000 feet with a bungee cord attached to a balloon - we had to tell him that was impossible."

The couple say preparing their submission for the Australian Export Awards made them realise just how far they'd come.

"I just can't believe the goals we're kicking," Mrs Collins says. "I look back on us in 2003 when we moved down here (to Alice Springs), handing a few leaflets around town, to let people know we were doing flights, and being so excited as we got our first customer in."

"It has been a struggle to get to the point where our momentum builds more momentum, but I think the turning point came when we'd go to sleep at night not worrying about whether we'd have work to do the next day."

### ▶ THE CHINA FACTOR

# Happily, we can snuggle up to the panda

Our exports to China are now worth \$44 billion a year. **TIM HARCOURT** looks at the relationship with Australia's new best customer

THE Airport Economist was in Adelaide recently and noticed lots of toy Pandas alongside the usual toy Australian marshall at Adelaide Airport.

Of course, they were there to celebrate the gift (or lease) of two Pandas to the Adelaide Zoo. But this Pandamonium is not just restricted to the Adelaide Zoo. According to recent economic evidence, it seems that Australian exporters have been doing their fair share of panda-hugging, too.

In fact, while US Federal Reserve Chairman, Ben Bernanke, has been talking about the green shoots of economic recovery, some of the recent trade data out of China shows that in Australia, at least, we can start talking about bamboo shoots.

The latest data shows our exports to China are now worth \$44.4 billion or 15.6 per cent of total exports, and China is now Australia's number one trading partner at \$83 billion (14.7 per cent of total trade) with Japan on \$47.3 billion (13.4 per cent).

This comes on top of national accounts data which has showed Australia to have skipped a technical recession against all odds. This is quite an extraordinary achievement, given that 75 per cent of the world's economies are expected to contract in 2009, due to the high level of synchronisation of the global financial crisis (GFC).

Of course, the remarkable story was on the export side of the ledger. Australia is the only developed country in the world that has not seen export volumes collapse during the GFC. In fact, we're in positive territory.

This result is remarkable, given that global trade is expected to shrink by 11 per cent this year, which, according to Treasury Secretary, Ken Henry, is "a contraction without precedent in the post-war period".

What's driving our remarkable export story? There are three observations that come to mind.

Firstly, taking a walk on the supply side, in the North West Shelf, the next LNG train is now on line and that has had a major impact on resource exports. These capacity constraints or bottlenecks that we worried about during the global commodity boom, are being fixed in places, right when we need it.

Secondly, again on the supply side, rural exports are improving, thanks to climatic factors (with heavy rain in some parts) and the overall strong competitiveness of Australia's agribusiness

“BEIJING'S STIMULUS PACKAGE IS TAKING HOLD, PARTICULARLY IN THE SECOND AND THIRD TIER CITIES OF INNER CHINA, AND THE MOVE FROM EXPORT-LED DEVELOPMENT TO DOMESTIC CONSUMPTION IS STARTING TO HAVE AN IMPACT

sector. Productivity gains really bear fruit when global competition stiffens during a crisis.

Thirdly, yes, it's those bamboo shoots coming from China. Beijing's stimulus package is taking hold, particularly in the second and third tier cities of inner China, and the move from export-led development to domestic consumption and investment is starting to have an impact on domestic activity. Also, China is substituting some local production in the energy sector, with countries like Australia and Brazil filling the void.

There's almost been a repeat of the Asian Financial Crisis of 1997-99, when trade was diverted from South East Asia to the Middle East and elsewhere, but now China is picking up a lot of the slack. Is it sustainable? Perhaps, it's too early to tell, but the stimulus from Beijing has definitely had an effect and Australia is a major beneficiary.

China's trade story with Australia is quite remarkable. While we assume it's all rocks and crops (minerals and agriculture), some of the surprise stories have come from professional services areas like architecture, education and tourism and advanced manufacturing.

In fact, new Austrade research shows that there are more than 4200 Australian companies exporting to China, and more than 3000 companies with a presence in the middle kingdom.

In fact, more Australian small and medium sized enterprises (SMEs) export to China proportionately than to Continental Europe.

In terms of investment, too, there is more China action, albeit from a low base. Chinese investment stock in Australia equated to \$46.2 billion in 2008, a 6.8 per cent share of total investment and more than double the level of five years ago. (Note Chinese investment includes Hong Kong as a large proportion of Chinese investment flows through there).

In terms of FDI, Chinese stock was \$412.5 billion in 2008, giving China a 3.2 per cent share of total inward investment stock in Australia (again including Hong Kong). Most of it is in rocks and crops, although advanced manufacturing especially in the automotive sector is now receiving growing levels of Chinese investment. On the other side of the ledger, Australia invested \$427 billion in China in 2008. Australian FDI stock in China was \$49.7 billion, up more than 60 per cent over the last five years.

In conclusion, we can thank the bamboo shoots for helping us to deal with the downturn.

But of course, there are risks to the outlook, especially if there's another financial shock like a Lehman Brothers (or another factor X even from within China itself) looming on the horizon.

But because of our panda-hugging exporters, Australians can be thankful that we are faring better than most of our counterparts in the GFC and we can expect more Panda action than just in the Adelaide Zoo!

● Tim Harcourt is author of *The Airport Economist* ([www.theairporteconomist.com](http://www.theairporteconomist.com)).

### PROFILE

## NO STRIFE ON THE OCEAN WAVES

### ROBERT WILSON

PARKING a ship is not an undertaking to be taken lightly. A bulk carrier can displace up to 350,000 tonnes and measure 340m from stem to stern - and it hasn't got brakes.

That's where Pivot Maritime comes in. The Tasmanian-headquartered company specialises in marine simulators. Similar in basic concept to Playstation or computer games, but configured for accuracy and training rather than thrills, they allow mariners to build their skills on anything from a speedboat to a Capesize bulk carrier.

The 11-year-old company's name comes from the style of movement used in parking, or, to give it its correct name, berthing, a ship, says founder and chief executive, Jeff Hawkins.

"A ship doesn't turn - it pivots," he says. "Berthing is one of the most critical and difficult phases of a voyage and how we can help is by simulating it." Pivot makes bridge simulators with tilting and



Parking practice: The Pivot Maritime simulator

vibrating floors that are so realistic they have made users seasick.

"When we have professional mariners in our simulators and we're simulating a rough sea, they often tend to be holding on to the sides all the time," Mr Hawkins says.

A typical simulator will involve five 100cm flat-screen plasma monitors giving a 200-degree field

of view. Smaller monitors emulate bridge features, such as radar screens and electronic charts, while the controls are the same as those used in ocean-going ships.

Pneumatic rams under the floor simulate the subtle bump of a successful berthing or the impact of a less than successful one. It's a serious piece of equipment, priced at up to \$300,000. Yet Pivot

has established a reputation for value in the world of maritime simulation.

Before it started offering its portable simulators, even the cheapest bridge simulators took up an entire room, were fixed to one address and cost at least \$15 million. Now simulators are small enough to go to sea. A luxury yacht was fitted with one to allow its crew to practice arriving at unfamiliar ports.

Simulators are calibrated to reproduce the feel of individual ships. A mathematical model of the ship's expected behaviour is checked against the sea trial data of the real ship. "It's a matter of tweaking the model to make it consistent with the sea trial data and that's where our maritime experience comes in," Mr Hawkins says.

He says Pivot's reputation comes from its focus on three related areas: simulators, training and consulting.

Being a maritime company that develops technology rather than a technology company that attempts to adapt technology for maritime use is the key point of difference, he says.

Training involves specialised courses tailored to meet specific client needs and is done on ships, client premises, online or other locations.

A recent development is running sessions anywhere in the world on the internet from its headquarters at Legana, near Launceston.

A recent exercise simulated what would happen if a ship lost its steering and power in a critical part of a port's channel.

"Because of the accuracy of the simulator we were able to train for that situation and two weeks later the situation actually happened to the pilot and tug master who were part of the training," Mr Hawkins says.

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