



25 February 2016

Australia-European Union Free Trade Agreement  
Europe Division  
Department of Foreign Affairs and Trade  
RG Casey Building  
John McEwen Crescent  
Barton ACT 0221

Re: Invitation for Submissions Regarding Negotiations on an Australia - European Union Free Trade Agreement

To whom it may concern

Thank you for inviting interested individuals and groups to submit considerations and comments on an Australia-EU FTA.

The German-Australian Chamber of Industry and Commerce (GACIC) is the official representation of German business in all of Australia and represents over 400 company members active in the bilateral business relationship, as well as various industries and company sizes, particularly SMEs and German medium-sized companies ("Mittelstand").

The GACIC is supportive of initiatives that are intended to remove barriers to trade and investment between Australia and the European Union. Most of our members have multinational operations and are affected by a number of tariff and non-tariff barriers, which currently preclude the development of the full potential of the trade and investment relationship. This also means that the potential for creating additional jobs in both Australia and the European Union is currently not fully realised.

We support the negotiation of a comprehensive agreement that addresses all relevant barriers to trade, investment and for service industries. Therefore, there are areas that should be included in the negotiations, such as goods market access (tariffs and quotas, including the luxury car tax and the wine equalisation tax), movement of labour including visa regulations and skills recognition, biosecurity and food safety issues, other regulatory issues such as standards, customs procedures, investment barriers, intellectual property, government procurement, cross-border service trade and competition policy.

#### Specific comments

The GACIC is in constant dialogue with its members and the wider bilateral business community with regard to barriers to trade, services and investment. In 2015, a formal survey with regard to tariff and non-tariff trade barriers was conducted and received a strong response rate. The far-reaching survey and further discussions showed areas of particular concern and the effect that those barriers have. Half of all respondents state that they would be more likely to increase their business activities in Australia if those trade barriers were reduced or removed entirely.

Areas of particular concern are:

- Visa regulations for overseas workers: Most surveyed businesses face challenges finding employees with the right specialist skills, particularly in engineering and technology. This is of greatest concern for companies that require the transfer of highly specialised technical experts from the EU to Australia for the installation or maintenance of advanced manufacturing machinery or to train local staff to use the machinery.  
As the highly specialised installation or maintenance tasks often do not provide sufficient workload for a permanent Australian position, it is essential that visa rules with appropriate work rights in Australia are relaxed, as there are usually a significant number of Australian positions depending on easy access for the overseas specialists. As this often affects mid-sized German companies that are world-leaders in their particular product niche (“Mittelstand”), a reliable, less bureaucratic administration process for the relevant work visas is very important and directly affects the willingness of some of the companies to invest in the Australian market.
- Recognition of overseas qualifications and skills: Advanced Manufacturing and sophisticated services often require highly qualified staff. Complications with regard to mutual recognition of qualifications and relevant industry experience can be a significant barrier to trade and investment. This can generally affect qualifications gained from any provider, but some GACIC members indicated particular problems with getting qualifications from overseas private training providers and specialist in-house training institutions recognised in Australia. Another important area of skills recognition is the legal sector.
- Product standards and specifications: Often international standards used in the EU such as the CE marking, some ISO International Standards, IEC standards and EU vehicle standards are not fully adopted and accepted in Australia. For medical device and pharma companies, having to gain approval through the Therapeutic Goods Administration in Australia can be a trade barrier.
- Customs: Import duties and similar trade barriers such as the luxury car tax, the wine equalisation tax and country-of-origin rules significantly affect companies importing products from Germany and make it harder to offer the latest innovations, safety systems and low-emission products in Australia. This also affects companies importing capital goods and associated equipment from Germany who currently are disadvantaged by the import duties against overseas competitors; this can be a major trade barriers especially for SMEs.
- Quarantine rules: We understand the importance of a robust quarantine regime. However, a large number of German importers is affected by Australian quarantine regulation, particularly food, agriculture and drink manufacturers. Quarantine rules are often labour-intensive, bureaucratic and can cause delays. We support strong quarantine rules and propose a risk-based approach on country-of-origin principles.

- Foreign investment rules: The current foreign investment rules in Australia for investments in Australian businesses, commercial and residential property as well as urban land proof in some cases are very difficult. Regulation should be less bureaucratic and tested not to present a barrier to beneficial investment and the creation of employment opportunities.

The GACIC is encouraging the negotiating parties to remove such barriers affecting trade, services and investment between Australia and the European Union to the greatest extent possible. Wherever possible, less bureaucratic solutions should be agreed upon, for example by not requiring a Certificate of Origin (COO) to prove country-of-origin.

Recent progress in the Australia-Germany bilateral relationship through initiatives such as the presentation of the 59 recommendations of the Australia Germany Advisory Group or the signing of the new Australia Germany Tax Treaty, should be complemented with the removal of tariff and non-tariff trade and investment barriers in the Australia - European Union Free Trade Agreement.

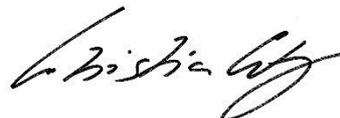
The German-Australian Chamber of Industry and Commerce is looking forward to working with the Australian Government and the European Commission, in order to achieve an agreement that advances the trade and investment relationship between Australia and the European Union in a significant and comprehensive way.

Please do not hesitate to contact us if we can be of further assistance in this matter. Our Director of Policy, Dr Michael Zettinig, will continue his engagement with you in order to provide you with further information and relevant examples of trade barriers.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Ron Koehler', written in a cursive style.

Ron Koehler  
Chairman of the Board  
German-Australian Chamber of  
Industry and Commerce

A handwritten signature in blue ink, appearing to read 'Kristian Wolf', written in a cursive style.

Kristian Wolf  
Executive Director  
German-Australian Chamber of  
Industry and Commerce