

**The Voice for
Australia's exporters**



2015/16 Trade Policy Recommendations

*Building capability and capacity
for global expansion*

**Export Council of Australia
(Australian Institute of Export)**

CONTENTS

Purpose	3
Summary of Recommendations	4
Background	7
Recommendations	8
Building Infrastructure & Supply Chain Efficiencies	8
Leveraging Free Trade Agreements	11
Alumni Network.....	12
Advancing Trade Development	14
Improving Trade Facilitation	18
Growing Services Exports	21
Enhancing Investment	22
Appendices	25
Appendix 1: Services Training Centre for International Business.....	25
Trade Policy Advisory Committee.....	27
About the Export Council of Australia	32

Purpose

The purpose of this paper is to:

1. Provide recommendations to enhance trade and investment outcomes as they are crucial for a strong, competitive economy that enables growth.
2. Highlight the policy settings, which will improve efficiencies and promote trade and investment in Australia.

This document will build on the recommendations outlined in the Export Council of Australia's (ECA) 2013 and 2014 Trade Policy Recommendations, as well as address issues critical to the G20—particularly the B20 Trade Taskforce—and the Australian Government's recent inquiries into services exports and businesses' utilisation of Free Trade Agreements (FTAs). The recommendations herein are intended to benefit Australian importers and exporters of all sizes and across all industry sectors, with a particular focus on the SME sector. The following six issues will form the core of this paper:

1. **Addressing Infrastructure Challenges & Improving Supply Chain Efficiencies:** Australia's infrastructure must improve to meet expectations and demand.
2. **Leverage Free Trade Agreements:** Increasing business' awareness and understanding of FTAs is key to delivering outcomes.
3. **Advancing Trade Development:** Investing in trade is investing to grow.
4. **Improving Trade Facilitation:** Improving the processes and regulations that govern the delivery of goods and services will facilitate more seamless trade.
5. **Growing Service Exports:** Services are one of our strengths, we need to deliver to the world.
6. **Enhancing Two-way Investment:** Investment is critical to Australia's future prosperity.

Summary of Recommendations

Addressing Infrastructure Challenges & Improving Supply Chain Efficiencies

- Ensure that *The Australian Infrastructure Plan* is data driven and aligned with a supply chain strategy, which links exporters with markets through efficient ports, road, rail and intermodal facilities. The Plan should recognise the importance of freight and transport infrastructure.
- Widely promote and explain infrastructure priorities at both the federal and state level, with specific reference to the export community. This will allow corporate Australia to respond, fund and deliver projects/opportunities and build community support. The government should focus on facilitation and removing roadblocks to these investments.
- Together with the private sector the government should take a more proactive approach to the creation and promotion of a larger range of traditional and innovative funding options for infrastructure projects. There should be measurable private investment targets for individual projects.
- Project appraisal and selection should involve transparent reporting of cost–benefit analyses.

Leverage Free Trade Agreements

Making FTAs work for SMEs

- Celebrate the success of businesses that have utilised FTAs, promoting their stories and learnings through mainstream media, as well as government and industry channels.
- As part of The Australian Infrastructure Plan, special attention needs to be paid to improving freight infrastructure so the demand enabled by FTAs can be met.
- While retaining a focus on the promotion of recent FTAs, there should also be promotion of the benefits that continue to flow from existing FTAs.
- Support the development—by the private sector—of case studies of exporters that are successfully utilising FTAs, highlighting both the successes and challenges they face.
- Create an Export Awards alumni programme—to be administered by an independent organisation—as part of skills and network development to increase businesses' capabilities, particularly their ability to leverage FTAs.

Delivering outcomes from trade negotiations

- Maintain Australia's active participation in the WTO and take a leadership role in moving the WTO beyond the Doha Round of negotiations.
- Take a more active role in pursuing/defending the interests of exporters under FTAs and in WTO disputes.
- Seek to liberalise the Rules of Origin (ROO) requirements as much as possible in FTAs (and other trade agreements) while adopting a consistent approach to technical issues to help reduce the level of complexity and regulation.
- Continue to improve areas for effective industry engagement on substantive issues during negotiations of FTAs or related trade agreements.

Advancing Trade Development

Creating a National Export Plan

- Develop a five-year National Plan for Export, including services exports, which sets Australia's medium to long-term framework for advancing trade. This should set priorities and policies for export that leverage FTAs and that are clear and outcome driven. The plan should be developed in collaboration with industries, companies and federal and state governments.

Expanding Trade Promotion:

- Austrade should refocus some of its resources in major markets such as the US and UK to develop exports.
- Return on investment can be demonstrated for markets in Africa and Latin America and trade resources should be increased in these regions.
- Negotiate and fund the development and implementation of a coordinated brand strategy for Australia, taking advantage of state, federal and industry brands, for greater impact and consistency.
- Offer training to help SMEs better understand and access opportunities, in particular to be specialists in global supply chains and to leverage e-commerce markets.

Supporting Innovation:

- Widely discuss the recommendations applicable to exporters put forward in the Government's Innovation Statement with the export community and take these into account in the development of the National Plan for Export.
- Develop and adopt a scheme to assist and reward intellectual property development by SME exporters that provides financial and practical support to products intended for export for which existing funding cannot be secured on reasonable terms. This will better enable SMEs to take advantage of their increasing exposure to global supply chains enabled by technology, innovation and specialisation.

Maintaining the Export Market Development Grant scheme:

- Implement the recommendations outlined in the 2015 Review of the Export Market Development Grants (EMDG) Scheme.
- Provide a one off top up to the Scheme to meet the imminent shortfall in EMDG funds for 2015/16 (grant year 2014/15) to ensure certainty and confidence in the scheme is maintained.
- Recognise anti-counterfeiting measures as an eligible expense under the EMDG scheme.

Improving Trade Facilitation

- Prioritise developing a single window electronic platform to process all import, export and transit-related regulatory requirements in Australia.
- Focus on addressing non-tariff barriers (NTBs) to trade. This should include adequately resourcing the Department of Foreign Affairs and Trade (DFAT) and the Department of Agriculture and Water Resources (DAWR) to enable effective progress to be made on removing these barriers.
- Fund the full implementation, following the successful pilot, of the Australian Trusted Trader programme (ATT) starting in 2016, and the Known Consignor Scheme by mid-2017. This should include an education and training outreach campaign to all parties in the supply chain, delivered by the private sector.
- To ensure that the benefits of the World Trade Organisation (WTO) Trade Facilitation Agreement (TFA) are achieved, Australia should continue to help other WTO Member countries' with the ratification and implementation of the TFA. This should be an 'economic diplomacy' priority.
- Support and fund the role of the National Committee on Trade Facilitation, required as part of Australia's TFA commitments, as the peak body overseeing key implementation requirements and coordinating government agencies' initiatives.
- Prioritise investigating and improving the coordination of services across relevant government agencies in response to 'crisis' events that exporters encounter at foreign borders. Government may consider investing in a pilot programme to trial expanding the services provided by the DAWR across other border agencies, following which the merits of continuing the programme can be assessed.

Growing Service Exports

- Provide funding to establish an independent and collaborative "Services Training Centre for International Business". The Centre would provide practical assistance to help promote sustainable services exports and better equip companies to leverage Australia's FTAs.
- Promote export success stories, particularly in the services sector, and rapidly evolving new business models to encourage innovative Australian companies to expand their international operations.
- Cluster and link innovative services companies to better position them to access global value chains.

Enhancing Two-way Investment

- Invest in innovative ways to explain the necessity and benefits of inbound foreign investment to the Australian public.
- Continue to focus on the identification and removal of unnecessary regulatory barriers to two-way investment to ensure Australia's regulatory framework is as attractive to investors as that of our key competitors. Additionally, implement frameworks to ensure inbound investment is into well-regulated industries and investment vehicles, to better ensure compliance.
- Continue to encourage all forms of foreign investment into the Australian economy providing opportunities to broaden sectors of growth, launch new ventures and position Australia to engage more effectively with international markets.

Background

It has been a busy year for trade and investment in Australia with multiple liberalising agreements reached with key trade partners, creating new market opportunities for businesses. This, coupled with the low Australian dollar, positions Australian companies well to succeed in international markets.

The 2015 Trade Policy Recommendations (TPR) build on the ECA's 2013 recommendations entitled, *International Competitiveness Begins at Home*, and the 2014 recommendations entitled, *Investing in Trade is Investing to Grow*. The previous TPR focused on six key areas:

1. **Improving competitiveness through regulatory reform and trade facilitation:** Unnecessary regulation needs to be cut so we can improve the movement of goods across borders.
2. **Building infrastructure and supply chain efficiencies:** Australia's infrastructure must keep pace with growing demand.
3. **Enhancing Investment:** Investment is critical to Australia's growth and we face tough competition.
4. **Supporting Innovation:** Innovation is the way of the future for advanced economies. We need to lift our game.
5. **Advancing Trade Development:** Australia needs to be stepping on the accelerator, not the brake, in terms of investment in trade.
6. **Leveraging Free Trade Agreements:** We have them, now we need to work on utilising them.

While following similar themes, this year, noting the importance of growing services exports, the 2015 TPR include specific recommendations covering this topic. The ECA believes services exports can be a major growth engine for the Australian economy but a coordinated effort is needed from government and industry to make this a reality.

The ECA applauds the Government's recent achievements and its pragmatic approach to improving conditions for trade both at home and abroad. While significant inroads have been made, the ECA believes that more can be done to build the capacity and capabilities of Australian companies, particularly SMEs, to better leverage opportunities in international markets. Improving hard and soft infrastructure is also key to facilitating more seamless trade across borders. The recommendations herein offer suggestions as to how the conditions for trade can be further improved.

Recommendations

Building Infrastructure & Supply Chain Efficiencies

As stated in the Australian Infrastructure Audit Report, published in April 2015, productive, sustainable infrastructure is essential to driving economic growth, increasing employment and enhancing the quality of life of all Australians¹. Unfortunately, Australia is currently lagging behind in meeting the country's growing infrastructure demand. Indeed, the findings from the same report highlight that infrastructure networks and the systems under which they are managed are not meeting the expectations of the public and industry and that inadequate attention is being given to meeting those expectations.

Results from the Bureau of Infrastructure, Transport and Regional Economics (BITRE) study into traffic and congestion reveal that the avoidable cost of congestion for the Australian capital cities is estimated to be around \$16.5 billion for the 2015 financial year, an increase from \$12.8 billion in 2010. \$6 billion in private time costs, \$8 billion in business time costs, \$1.5 billion in extra vehicle operating costs and \$1 billion in extra air pollution costs make up the 2015 total congestion estimate. Using 'business-as-usual' predictions, the cost is estimated to rise to around \$30 billion by 2030². As highlighted by the Australian Logistics Council (ALC), the ramifications of congestion is that it stifles efficiency and increases costs³.

The ECA strongly believes that in order to address these challenges a bipartisan and de-politicised approach needs to be taken towards infrastructure planning and development. This includes ensuring that the Australian Infrastructure Plan (Infrastructure Plan), which is presently being developed by Infrastructure Australia, is data driven and aligned with a supply chain strategy that links exporters with markets through efficient ports, road, rail and intermodal facilities—as advocated for by NICTA and the Australian Food and Grocery Council (AFGC).

Governments at both the federal and state level must allocate appropriate resources to promote and explain the infrastructure priorities that are outlined in the Infrastructure Plan. This will allow corporate Australia to respond, fund and deliver projects/opportunities and build community support. Implementation of the Infrastructure Plan needs to take into consideration the planning, delivery and management of infrastructure, as well as research and regulation.

Improving soft and hard infrastructure is critical for Australia's international business community in particular because it impacts on their ability to compete at home and abroad. Indeed, 63 per cent of Australia's International Business Survey (AIBS) 2014 respondents indicated that domestic transport/freight costs were an important factor impacting their international competitiveness.

1 Infrastructure Australia, 'The Australian Infrastructure Audit Report: Key Findings', 2015 <http://infrastructureaustralia.gov.au/policy-publications/publications/files/Australian-Infrastructure-Audit-Key-Findings.pdf>

2 Department of Infrastructure and Regional Development, 'Traffic congestion cost trends for Australian capital cities', 2015, http://bitre.gov.au/publications/2015/files/is_074.pdf

3 Australian Logistics Council and ACIL Allen Consulting, The Economic Significance of the Australian Logistics Industry, 2014, <http://austlogistics.com.au/wp-content/uploads/2014/07/Economic-Significance-of-the-Australian-Logistics-Industry-FINAL.pdf>

Table 1 below shows Australia’s rankings in the World Bank’s Logistics Performance Index and the World Economic Forum’s Enabling Trade and Quality of Overall Infrastructure Indices, against some of our international competitors. The results indicate that, while there have been marginal improvements in some areas, there is room to improve Australia’s infrastructure and logistics performance. This was highlighted in an Allen Consulting Report commissioned by the ALC which established that a 1 per cent increase in logistics efficiency would boost GDP by \$2 billion.⁴

Table 1: Infrastructure and Logistics International Rankings

	WB Logistics Performance Index		WEF Enabling Trade Index		WEF Quality of Overall Infrastructure	
	2012	2014	2012	2014	2012	2014
Singapore	1 st	5 th	1 st	1 st	2 nd	3 rd
UK	10 th	4 th	11 th	6 th	28 th	27 th
Canada	14 th	12 th	9 th	14 th	15 th	19 th
Germany	4 th	1 st	13 th	10 th	10 th	11 th
USA	9 th	9 th	23 rd	15 th	24 th	16 th
Australia	18th	16th	17th	23rd	37th	35th

Source: The World Bank, World Economic Forum⁵

Research conducted by the AFGC into the infrastructure priorities for agribusiness highlighted common issues across road and rail infrastructure in Australia. The priorities that were identified through the AFGC’s research and included in its submission to the Australian Infrastructure Audit, are listed below. If addressed they will help drive productivity and reduce costs, which is vital if Australia wants to capitalise on the growing food demand in Asia, or the ‘dining boom’.

4 Australian Logistics Council and ACIL Allen Consulting, The Economic Significance of the Australian Logistics Industry, 2014, <http://austlogistics.com.au/wp-content/uploads/2014/07/Economic-Significance-of-the-Australian-Logistics-Industry-FINAL.pdf>

⁵World Economic Forum, Global Competitiveness Report 2014-2015, <http://reports.weforum.org/global-competitiveness-report-2014-2015/rankings/>

Infrastructure priorities for agribusiness

Rail Transport

- a) Increase rail line capacity (ie upgrade rail to handle higher mass wagons and trains).
- b) Continue gauge standardization.

Road Transport

- a) Greater investment in local roads and key road networks to reduce maintenance and support efficient vehicle combinations.
- b) Regulatory change to enable higher mass/volume vehicles within and across states.
- c) Upgrades to metropolitan road networks to support freight movements.

In order to promote Australia's long term prosperity, the government, together with the private sector, should take a more proactive approach to the creation and promotion of a larger range of traditional and innovative funding options for infrastructure projects prioritised under the Infrastructure Plan. This could include PPP models, new versions of infrastructure bonds or other investment vehicles, such as taxation incentives, to attract increased investment by Australian superannuation funds and other investors.

A report by Rice Warner entitled *Linking Superannuation to Funding and the Broader Economy* identified that of the large and growing pool of national savings, only 7.6 per cent is invested in Australian fixed interest products with even less invested in infrastructure-specific investments⁶. Channelling more of these funds into infrastructure projects in Australia could help fill in the existing funding gap.

The ECA Recommendations that government:

- Ensure that The Australian Infrastructure Plan is data driven and aligned with a supply chain strategy, which links exporters with markets through efficient ports, road, rail and intermodal facilities. The Plan should recognise the importance of freight and transport infrastructure.
- Widely promote and explain infrastructure priorities at both the federal and state level, with specific reference to the export community. This will allow corporate Australia to respond, fund and deliver projects/opportunities and build community support. The government should focus on facilitation and removing roadblocks to these investments.
- Together with the private sector the government should take a more proactive approach to the creation and promotion of a larger range of traditional and innovative funding options for infrastructure projects. There should be measurable private investment targets for individual projects.
- Project appraisal and selection should involve transparent reporting of cost-benefit analyses.

⁶ Rice Warner, *Linking Superannuation to Funding and the Broader Economy*, May 2014, http://ricewarner.com/media/94539/ABA-Report_Linking-superannuation-to-fundgin-and-the-broader-economy.pdf

Leveraging Free Trade Agreements

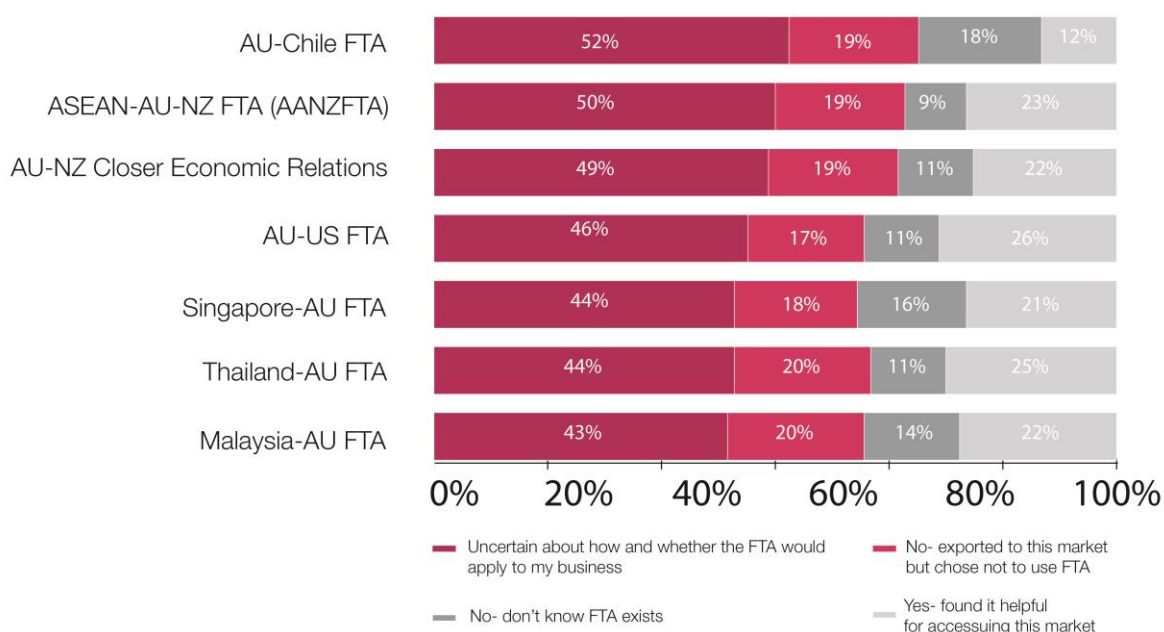
Making FTAs work for SMEs

The Australian Government has recently signed trade agreements with three of the nation's top trade partners and concluded the highly anticipated TPP negotiations. These agreements open up new opportunities for Australian business across a wide range of sectors. While the ECA applauds the governments work in successfully negotiating these landmark agreements, there is more that can be done to increase businesses' awareness and understanding of Australia's FTAs, particularly with regard to SMEs.

AIBS 2015 reveals that there are significant knowledge gaps in the international business community that need to be addressed if the agreements are going to be fully leveraged (see Figure 1)⁷.

Figure 1: Use of FTA by individual FTA

Survey question: Please specify your use of FTAs in the markets exported to?



No. of respondents: ASEAN-AU-NZ FTA = 555, AU-Chile FTA = 172, AU-US FTA = 465, AU-NZ Economic Relations = 468, Thailand-AU FTA = 352, Malaysia-AU FTA = 389, Singapore-AU FTA = 439

© AIBS 2015

The Joint Standing Committee on Treaties' report on the China-Australia Free Trade Agreement (ChAFTA) states that to take full advantage of ChAFTA, and other FTAs, Australian business and industry must be provided with the education and support required to understand, navigate and comply with the FTAs' complexities⁸. Moreover, following the inquiry into business utilisation of Australia's FTAs, the Joint Select Committee on Trade and Investment Growth's report notes that while the business community supports the government's pursuit of FTAs, potential reforms to

⁷ Export Council of Australia, Australian Trade Commission & Efic, *Australia's International Business Survey, 2015*, <http://www.austrade.gov.au/news/economic-analysis/key-publications/australias-international-business-survey-2015>

⁸ Joint Standing Committee on Treaties, Report on the China-Australia Free Trade Agreement, October 2015, http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Treaties/17_June_2015/Report_154

improve awareness of their advantages could help improve businesses' ability to benefit from the Agreements⁹.

The ECA appreciates that businesses need simple and practical information about FTAs that they can utilise quickly and easily. As a result, this year the ECA developed an FTA Tool with ANZ Bank, and content partner Hunt and Hunt Lawyers, which it believes is an excellent starting point for businesses wishing to understand the basics about FTAs. The FTA Dashboard being developed by DFAT will complement the ECA's work in this space and offer businesses a deeper level of detail.

These online tools are helping businesses to understand and navigate FTAs but there is room for greater collaboration between government and industry in terms of offering ongoing support and information. For example, government and industry could work together to celebrate the success of businesses that have utilised FTAs and promote their stories and learnings through mainstream media, as well as their own channels. This could be in the form of case studies developed by the private sector—that would help disseminate knowledge among the business community and encourage others to follow their lead.

In addition to encouraging and informing companies through online channels, businesses could receive some of the support they need to navigate FTAs through interaction with their peers. Leveraging existing platforms, such as the Export Awards, and creating an alumni programme could provide companies with networks and support needed increase their capabilities.

Alumni Network

As part of the Advancing Trade Development report one of the ECA's six key recommendations was to improve engagement with Australia's international business network by providing mentoring and internship programmes that leverage the expertise of Australia's international business community. One way of achieving that is through the development of an Export Awards alumni network.

The National Export Awards programme, which is now in its 53rd year, produces an alumni network that encompasses some of Australia's top exporting companies. As the ECA has found after managing the NSW Export Awards for over 25 years and the QLD Export Awards for three years, the network of businesses that come through the programme are often very willing to offer their expertise to help other Australian businesses succeed internationally.

Developing a formal programme to harness the experience and goodwill of National Export Award winners and finalists through an alumni network would facilitate the sharing of knowledge amongst the export community. The alumni network could assist in promoting the benefits of FTAs to the media, business community and industry, and importantly, could serve as mentors to SMEs that have the capacity, capability and appetite to internationalise and grow.

⁹ Joint Select Committee on Trade and Investment Growth, Report to the Inquiry into Business Utilisation of Australia's Free Trade Agreements, October 2015, http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Trade_and_Investment_Growth/Free_Trade_Agreements/Report

Making it easier for businesses to utilise FTAs would be advantageous and could be achieved in part by reducing the complexity and costs involved. It is the view of the ECA that the government should seek to liberalise the ROO requirements as much as possible in FTAs (and other trade agreements) while adopting a consistent approach to technical issues to help reduce the level of complexity and regulation.

Moreover, to better inform trade negotiations, the ECA believes that there is room for continued improvement in areas for effective industry engagement on substantive issues in the process of negotiating FTAs or related trade agreements, as recommended in the Joint Select Committee on Trade and Investment Growth's report on the Inquiry into Business Utilisation of Australia's FTAs.

From a broader trade perspective, the ECA would like to stress the importance of Australia's ongoing active participation and leadership in the WTO. With the WTO Ministerial Conference in Nairobi signaling that there is no realistic prospect of concluding the remaining issues under the current Doha Round negotiating framework, the ECA believes Australia should take a lead role in shaping how the WTO moves forward. While it has become clear that completing a multilateral agreement—dealing with a broad and contentious range of issues—in that forum is near impossible; finding a workable alternative should be a priority to ensure the integrity of the multilateral trading system remains.

The ECA is of the view that there is significant merit in Australia having recourse to the mechanisms to resolve trade disputes between nations, whether they be pursuant to the WTO Dispute Settlement Understanding or pursuant to the dispute resolution provisions in various Free Trade Agreements of other agreements. The ECA understands that for many years, Australia has chosen not to initiate such proceedings and has confined itself to being a third party to WTO disputes brought by other nations. However, many ECA members have recently expressed their hopes that Australia should be prepared to initiate the proceedings directly both to protect the interests of Australian exporters and importers and also to ensure that those Australian interests are not disadvantaged compared to their competitors (such as the US, NZ and Brazil) whose governments are prepared to initiate proceedings directly. The ECA also believes that national relationships between countries are not adversely affected by being directly engaged in such disputes and that, in fact, the ability to conduct such disputes in a sensible manner according to agreed procedures represents evidence of a sound trading relationship.

The ECA recommends that government:

Making FTAs work for SMEs

- Celebrate the success of businesses that have utilised FTAs, promoting their stories and learnings through mainstream media, as well as government and industry channels.
- As part of The Australian Infrastructure Plan, special attention needs to be paid to improving freight infrastructure so the demand enabled by FTAs can be met.
- While retaining a focus on the promotion of recent FTAs, there should also be promotion of the benefits that continue to flow from existing FTAs.
- Support the development—by the private sector—of case studies of exporters that are successfully utilising FTAs, highlighting both the successes and challenges they face.
- Create an Export Awards alumni programme—to be administered by an independent organisation—as part of skills and network development to increase businesses' capabilities, particularly their ability to leverage FTAs.

Delivering outcomes from trade negotiations

- Maintain Australia's active participation in the WTO and take a leadership role in moving the WTO beyond the Doha Round of negotiations.
- Take a more active role in pursuing/defending the interests of exporters under FTAs and in WTO disputes.
- Seek to liberalise the ROO requirements as much as possible in FTAs (and other trade agreements) while adopting a consistent approach to technical issues to help reduce the level of complexity and regulation.
- Continue to improve areas for effective industry engagement on substantive issues during negotiations of FTAs or related trade agreements.

Advancing Trade Development

Creating a National Export Plan

In 2015 the ECA published the *Advancing Trade Development* report, which highlights the trade promotion activities offered by 10 of Australia's key export competitors including the United States, United Kingdom, New Zealand, and Singapore. As a result of this examination of international best practice, the ECA is calling for the creation of a National Strategy that sets Australia's medium to long-term framework for advancing trade development. A National Plan for trade should then be developed and involve a broad consultative group consisting of representatives from government, peak industry bodies and the business community in setting the priorities and policies for trade.

The *Advancing Trade Development* report provides six key recommendations for Australia under the National Plan for trade:

1. Increase support for training and skills development in international trade to increase Australia capability
2. Increase targeted support for high-potential companies (those with the capacity, capability and appetite) to internationalise and grow, including expanding financing options and greater involvement of diplomatic representation where appropriate
3. Create online resources and programmes that are easily accessible, user friendly and current
4. Ensure the performance of Australia's trade programmes and services are measured and there is independent analysis of the outcomes of the National Plan for Trade
5. Improve engagement with Australia's international business network
6. Coordinate a brand strategy for Australian trade

A recent report released by the Committee for Economic Development of Australia (CEDA) echoes the call for a broader trade strategy. Indeed, CEDA highlights that a strategy should be developed that includes, "options for multilateral, bilateral and non-discriminatory reductions in trade barriers; provide a component that looks to the future development of Australia's trade liberalisation measures; and ensure that appropriate governance protocols are part of the FTA approval process". Furthermore, the report stresses that Australia needs to articulate a clear vision to help improve the public debate, which is a sentiment the ECA strongly agrees with¹⁰.

¹⁰ CEDA, Global networks: transforming how Australia does business, November 2015, page 13, http://adminpanel.ceda.com.au/FOLDERS/Service/Files/Documents/28469-GlobalNetworks_researchreport.pdf

Expanding Trade Promotion

Resourcing for key markets outside of Asia

With three major trade agreements signed recently with Japan, South Korea and China, as well as the successful conclusion of the Trans-Pacific Partnership Agreement (TPP) negotiations, now is the time for Australia to focus on diversifying its export base.

As a nation we need to invest in long-term strategies that leverage best practice in trade promotion and create value for Australia. Strategic investment in trade promotion can be used to effectively assist companies looking to take advantage of the many global opportunities that are being created through Australia's liberalising trade agreements.

Austrade has reduced its international trade (export) focus over recent years as its charter has again expanded. Its international region 'footprint' and country resource allocation have increasingly been focused on investment promotion and Asian markets.

The remaining trade activity around assisting exporters and access to supply chains has prioritised Asian and South Asian markets. Traditional trade promotion activities supporting exports, including services exports, have been severely cut back across the US and throughout Europe.

Australian exporters need the support of experienced Austrade trade professionals in the US and parts of Europe. Austrade records demonstrate the return on investment for 'in country' export assistance and both the US and Europe are a priority for Australia's 'high end' and services exporters.

As a priority, opportunities enabled by the ratification of the recently negotiated TPP highlight the need for reinvestment in Australian Government trade support for companies in the US. There is historical support for this - demonstrated by investments in additional resource when the Australia-United States FTA was signed, which delivered results and return on investment.

The trade focus has also been lost from Austrade in Europe. Additional resource to focus on export opportunities should be restored to the office in London. The second priority would be to restore resource based in Germany working with exporters, including service exporters, in the advanced manufacturing, medical technology and aviation sectors.

Moreover, the ECA believes the government should allocate additional resources for trade promotion activity in priority markets outside of Asia, including in Latin America and Africa, where a return on investment can be demonstrated. Africa is the second fastest growing region in the world behind Asia, and has enjoyed an annual average growth rate of more than 5 per cent over the past decade. By 2020 it is estimated that 128 million Africans will have disposable income and by the middle of the century Africa will have the largest workforce in the world. Australia's trade focused footprint in the continent is small compared to our peers and should be expanded to reflect Africa's increasing importance.

Opportunities enabled by the ratification of the recently negotiated TPP also highlight the need for additional locally based staff in Mexico, in order to facilitate inward investment and promote trade, particularly in key growth sectors, such as energy, mining and METS, agriculture and advanced manufacturing. Similarly, consideration should be given to increasing the allocation of resources to Austrade offices in Peru and Canada—two countries party to TPP with which Australia does not currently have a trade agreement.

Global supply chains and e-commerce

Given that international production, trade and investment are increasingly organised within these global value chains (GVCs), it is imperative that Australian SMEs in particular have the information and skills they need to better understand and access opportunities to be specialists in GVCs. As the Minister for Trade and Investment, the Hon. Andrew Robb AO MP, highlighted at the launch of the OECD GVCs Report, the income from trade flows within GVCs has doubled between 1995 and 2009; for China it has increased six-fold and India five-fold and Brazil three-fold¹¹. GVCs are now integral parts of the global economy and the ECA believes empowering companies to be able to leverage these opportunities should be a priority.

Likewise, with the rise of e-commerce as a medium for facilitating international trade, similar attention needs to be given to working with industry to develop resources that will educate SMEs on how leverage e-commerce markets and avoid common pitfalls.

A National Brand

There are numerous government (federal and state), as well as industry brands used in the promotion of Australian goods and services abroad, which can be coordinated for greater impact. Australia needs a strong, cohesive branding strategy to position ourselves effectively internationally and clearly communicate our capabilities and competitive advantages.

The ECA strongly agrees with the recommendation made by the Chair of the Select Committee on Trade and Investment Growth in the report tabled for the Inquiry into Business Utilisation of Australia's Free Trade Agreements. The Chair recommended that Austrade, in consultation with Australian business, facilitate the creation of a recognisable 'Brand Australia' logo and marketing campaign that would assist businesses capture the premium generated by Australia's reputation for producing high-quality, clean, green products¹².

Supporting Innovation

The ECA supports the domestic policy reform recommendation made by the Productivity Commission in its December 2015 release, 'Barriers to Growth in Service Exports- Research report'. The Commission specifies that one of the main priorities for the Australian Government should be domestic policy reform. Chiefly the Commission suggests that the focus should be on domestic policy reform promoting competition and incentives for innovation and productivity. Barriers relating to visa processing arrangements for short-term visitors and international students and Australia's practice of withholding taxes for investments may be improved through domestic reforms that simplify Australia's current regimes and reduce over-regulation.

The ECA is encouraged to see the current Australian Government elevating the importance of innovation to the Australian economy. Our prosperity as nation will result from an economy focused on innovation and productivity. Australia is seen internationally as an innovation leader; our innovation input (such as research and human capital) is ranked 10th in the 2014 Global Innovation Index, while we rank 22nd in innovation output. Australia's Innovation efficiency ratio ranking however, sits at 81st— indicating that we are not fulfilling our innovation potential.

¹¹ Minister for Trade and Investment, Launch of the OECD Global Value Chains report, July 2014, http://trademinister.gov.au/speeches/Pages/2014/ar_sp_140717.aspx?w=O%2F%2FeXE%2BIYc3HpsiRhVl0XA%3D%3D

¹² Joint Select Committee on Trade and Investment Growth, Report to the Inquiry into Business Utilisation of Australia's Free Trade Agreements, October 2015, http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Trade_and_Investment_Growth/Free_Trade_Agreements/Report

The Department of Industry's Australian Innovation Systems Report 2015 finds that there are areas for improvement in terms of Australia's innovation system such as cluster development, corporate culture and access to early stage finance. In the ECA's view, it is important the government's Innovation Policy Statement's recommendations, which are applicable to exporters are widely discussed with the export community and taken into account in the development of the National Plan for Export. Australia needs to be able to exploit our R&D internationally, and exporters are the key enablers of international commercialisation.

Indeed, the government should develop and adopt a scheme to assist and reward intellectual property development by SME exporters that provides financial and practical support to products intended for export for which existing funding cannot be secured on reasonable terms. This will better enable SMEs to take advantage of their increasing exposure to global supply chains enabled by technology, innovation and specialisation.

Maintaining the Export Market Development Grant Scheme

As outlined in the ECA's submission to the 2015 Review of the EMDG scheme (the Review), the EMDG scheme has for many years helped businesses, especially SMEs, overcome market failures associated with expansion into international markets. AIBS 2015 indicates that from a pool of 1,237 exporters, 45 per cent had received an EMDG in the past. Of those, 63 per cent state that it was very important to their international marketing efforts, while a further 31 per cent state it was moderately important. Unsurprisingly, the Review concluded the grants helped exporters create, develop and expand their markets overseas. Furthermore, economic analysis conducted by consulting firm KPMG found:

- EMDG is effective in conferring a net benefit on the Australian economy and community.
- The scheme increased community welfare by \$58 million due to its inducement effect in terms of increased exports.
- The welfare gain rises to \$193 million when the survey-based positive spillovers to other (non EMDG) firms are taken into account, and to \$644 million when survey-based productivity effects are also taken into account.
- Each EMDG dollar generates an economic benefit of \$7.03 when industry spillovers and productivity gains are taken into account.

The ECA welcomes the Government's aim to increase the number of total EMDG recipients to 4,000, which close to the 10-year average. However, the 2015 Federal Budget did not allocate any additional funding to compensate for the expected increase in recipients. Indeed, the scheme was oversubscribed in the last grant year and is expected to be oversubscribed again this year, which decreases certainty and confidence amongst applicants. As called for in the ECA's submission to the Review and as recommended by the Review, the EMDG scheme should be allocated additional funding to service demand but also upgrade its IT systems to improve efficiency and useability.

The ECA Recommends that government:

Create a National Export Plan

- Develop a five-year National Plan for Export, including services exports, which sets Australia's medium to long-term framework for advancing trade. This should set priorities and policies for export that leverage FTAs and that are clear and outcome driven. The Plan should be developed in collaboration with industries, companies and federal and state governments.

Expand Trade Promotion:

- Austrade should refocus some of its resources in major markets such as the US and UK to develop exports.
- Return on investment can be demonstrated for markets in Africa and Latin America and trade resources should be increased in these regions.
- Negotiate and fund the development and implementation of a coordinated brand strategy for Australia, taking advantage of state, federal and industry brands, for greater impact and consistency.
- Offer training to help SMEs better understand and access opportunities, in particular to be specialists in global supply chains and to leverage e-commerce markets.

Support Innovation:

- Widely discuss the recommendations applicable to exporters put forward in the Government's Innovation Statement with the export community and take these into account in the development of the National Plan for Export.
- Develop and adopt a scheme to assist and reward intellectual property development by SME exporters that provides financial and practical support to products intended for export for which existing funding cannot be secured on reasonable terms. This will better enable SMEs to take advantage of their increasing exposure to global supply chains enabled by technology, innovation and specialisation.

Maintaining the Export Market Development Grant scheme:

- Implement the recommendations outlined in the 2015 Review of the EMDG Scheme.
- Provide a one off top up to the Scheme to meet the imminent shortfall in EMDG funds for 2015/16 (grant year 2014/15) to ensure certainty and confidence in the scheme is maintained.
- Recognise anti-counterfeiting measures as an eligible expense under the EMDG scheme.

Improving Trade Facilitation

As recommended by the 2015 B20 Trade Taskforce, the ECA believes that the Australian Government should create a single window for trade. This is defined by the United Nations Economic Commission for Europe as, "a facility that allows parties involved in trade and transport to lodge standardised information and documents with a single entry point to fulfil all import, export, and transit-related regulatory requirements." Many countries already have a single window for trade including the US, New Zealand, Mexico, Singapore and South Korea. Implementing such a facility could serve to improve trade facilitation by simplifying procedures and formalities for document submission and data collection saving government and business time and money. Indeed, the South Korean Customs Services estimates that introducing its single window generated roughly \$USD 18 million in benefits in 2010. Singapore's single window was created in 1989 and brings together more than 35 border agencies providing significant productivity and monetary gains¹³. The ECA believes that, among others, these examples provide an indication

¹³ United Nations Economic Commission for Europe, Trade Facilitation Implementation Guide, Single Window for Trade, <http://tfig.unece.org/contents/single-window-for-trade.htm>

that there is value in developing a single window for trade in Australia to reduce complexity for businesses and improve efficiency.

Many international barriers to exports are implicit barriers inherent in domestic regulations within the destination country¹⁴. As recognised in the Joint Standing Committee on Treaties' report on ChAFTA, non-tariff barriers (NTBs) will continue to present the biggest impediment for many sectors wishing to take advantage of ChAFTA. These NTBs can sometimes be addressed in FTAs, however, they are often complex obstacles to break down.

In the agrifood sector, for example, the AFGC's International Trade Report on NTBs facing Australia's agri-food exports identifies that NTBs have been increasing over the past decade in the following ways:

- Growth markets, particularly in Asia, have been increasing the range, level, sophistication and coordination of NTBs.
- For established markets, particularly in Europe and North America, there has been an observed push to entrench their domestic approaches to food regulation and standards into international trade.

As noted in the Productivity Commission's Report on Barriers to Growth in Services Exports:

Realising benefits from trade depends on governments committing to further reducing barriers at and behind the border. No one mechanism will be sufficient to address international barriers to services trade.

Trade agreements can be a precursor to market access, including establishing a commercial presence abroad, but realised benefits may be limited without supplementary measures, such as mutual recognition. The Australian Government can help by putting in place a framework in trade agreements for developing mutual recognition agreements.

The 2015 B20 Trade Taskforce Policy Paper also called for G20 countries to reaffirm the standstill commitment and roll back existing protectionist measures, especially NTBs. As noted in the 2014 B20 Australia Trade Taskforce, NTBs can have a much greater negative impact on GDP growth than tariff barriers.

The ECA believes there should be a focus on addressing NTBs to trade, is supportive of initiatives that aim to harmonise standards across countries and agrees that the government should build stronger frameworks for developing mutual recognition agreements. To enable effective progress to be made on removing these barriers, however, the government needs to invest in adequately resourcing the DFAT and the DAWR. Prioritising this will help break down NTBs and ensure the desired benefits of trade are delivered.

The conclusion of the WTO TFA negotiations and Australia's subsequent donation of \$1 million to help developing countries and least-developed countries implement the TFA are both welcomed steps towards more seamless international trade. The 2015 OECD Trade Facilitation Indicators find that the implementation of the TFA could reduce worldwide trade costs by between 12.5 per cent and 17.5 per cent¹⁵. Moreover, it is estimated that implementation of the TFA will contribute

¹⁴ Productivity Commission, Barriers to Growth in Service Exports - Research report, 7 December 2015, <http://www.pc.gov.au/inquiries/completed/service-exports/report/service-exports.pdf>

¹⁵ OECD, Trade facilitation indicators, June 2015, http://www.oecd.org/trade/tradedev/WTO-TF-Implementation-Policy-Brief_EN_2015_06.pdf

up to \$1 trillion (or one per cent) to world GDP¹⁶. Therefore, the ECA strongly supports the recommendations put forward by the 2015 Turkey B20 Trade Taskforce in relation to the TFA, which call for the:

- Prompt ratification of the agreement by WTO Member countries.
- Establishment and strengthening of the national trade facilitation committees.
- Prioritisation of implementation plans, including adopting the single window approach.
- Implementation of UN and World Customs Organisation tools and guidelines.
- Coordination of support- financial and otherwise, for developing countries to ratify and fully implement the agreement¹⁷.

The ECA believes that further efforts by Australia to assist countries to ratify and implement the TFA will help accelerate its entry into force and achieve the delivery of the agreement's benefits.

To facilitate Australia's coordination and implementation of the provisions of the TFA, the National Committee on Trade Facilitation (NCTF) was established in early 2015. It is the view of the ECA that Government should ensure that relevant trade facilitation programmes operate in an efficient and coordinated way. For these purposes, the ECA believes that the NCTF should be tasked to act as a national co-ordination and oversight body so that the various agencies developing trade facilitation programmes should be required to report on the framework and progress of their work. The NCTF can then consider how the work can be properly compared, contrasted and perhaps revised to ensure appropriate and efficient trade facilitation by the government agencies and minimise competing work.

However, that would clearly require the government to invest heavily in and provide additional resources to the NCTF rather than seeking to extract additional work from members who are already heavily engaged in many other forums.

The ECA has been a strong supporter of the introduction of the ATT, which will expedite cargo clearances for Australian companies engaged in international trade. In the 2015 Federal Budget, \$5.6 million was allocated for the following 12 months to implement the pilot phase. The ECA believes that, from 1 July 2016, the Federal Government should commit to provide funding and other resources required to fully implement the ATT—so it can become fully operational and open to all participants in the international trade supply chain—as well as other related programs advancing trade facilitation, such as the Known Consignor scheme under the Office of Transport Security. This should include an education and training outreach campaign to all parties in the supply chain, delivered by the private sector.

While ATT and agreements such as the TFA help improve the efficiency of the movement of goods across borders, companies will still encounter unexpected complications when entering foreign markets. The ECA believes the Federal and State Governments should prioritise investigating and improving the coordination of services across relevant government agencies in response to 'crisis' events that exporters encounter at foreign borders. Government may consider investing in a pilot programme to trial expanding the services provided by the DAWR across other border agencies, following which the merits of continuing the programme can be assessed.

¹⁶ WTO, cited in a speech by Director-General Pascal Lamy, February 2013, https://www.wto.org/english/news_e/sppl_e/sppl265_e.htm

¹⁷ B20 Turkey Trade Taskforce Policy Paper, September 2015, <http://b20turkey.org/%20policy-papers/>

The ECA welcomes the announcement in the *Agricultural Competitiveness White Paper* that the Department of Agriculture and Water Resources (DAWR) will receive additional funding of \$30.8 million over four years to address technical barriers to trade in agricultural industries. Additionally, the ECA supports the appointment of five new agricultural counsellors as a result of the funding, who will be placed in key trading markets overseas with the aim of reducing barriers to market entry.

The ECA recommends that government:

- Prioritise developing a single window electronic platform to process all import, export and transit-related regulatory requirements in Australia.
- Focus on addressing NTBs to trade. This should include adequately resourcing the DFAT and the DAWR to enable effective progress to be made on removing these barriers.
- Fund the full implementation, following the successful pilot, of the ATT starting in 2016, and the Known Consignor Scheme by mid-2017. This should include an education and training outreach campaign to all parties in the supply chain, delivered by the private sector.
- To ensure that the benefits of the WTO TFA are achieved, Australia should continue to help other WTO Member countries' with the ratification and implementation of the TFA. This should be an 'economic diplomacy' priority.
- Support and fund the role of the National Committee on Trade Facilitation, required as part of Australia's TFA commitments, as the peak body overseeing key implementation requirements and coordinating government agencies' initiatives.
- Prioritise investigating and improving the coordination of services across relevant government agencies in response to 'crisis' events that exporters encounter at foreign borders. Government may consider investing in a pilot programme to trial expanding the services provided by the DAWR across other border agencies, following which the merits of continuing the programme can be assessed.

Growing Services Exports

As the Minister for Trade and Investment, the Hon. Andrew Robb AO MP, stated in his 2015 Ministerial Investment Statement, growing Australia's services exports is important as we move beyond the boom cycle of resource investments. Our services will be increasingly in demand among Asia's emerging middle class in particular over the coming decades. Currently, while services constitute 80 per cent of Australia's GDP, services only constitutes around 20 per cent of exports¹⁸; there is plenty of room for growth.

The ECA believes that there is a justified need for government and the private sector to work collaboratively to deliver a suite of research, skills development, and consultation tools to help build the capability and capacity of Australian businesses to export their services.

Not-for-profits, such as the ECA, do not have the funds to develop the breadth of research, skills development and consultation tools that would be required to holistically address the existing information gaps. Strategic investment would be needed to create a *Services Training Centre for International Business* to address the delivery gap in the market.

¹⁸ Australian Government, Productivity Commission, 'Barriers to Growth in Service Exports' Research report, December 2015, <http://www.pc.gov.au/inquiries/completed/service-exports/report/service-exports.pdf>

Given the importance of services to Australia's economy, the Minister for Trade and Investment is well placed to take the lead in funding the establishment of a Services Training Centre.

The Services Training Centre would have to be designed to meet the needs of specific services sectors—a one size fits all approach to research, education and training would not be effective. The Centre could act as a platform for government, industry bodies, academia and the private sector to collaborate and develop innovative solutions that will help break down barriers to growth in services exports while preparing services companies for success in a global market place.

In developing the Services Training Centre, the Minister for Trade and Investment should work closely with organisations that already have the capability to deliver skills training and other services. The government should not look to replicate what already exists in the market but should provide funding to organisations with the existing skills to develop the necessary tools and resources. In doing so, a duplication of effort and resources will be avoided and a collaborative ecosystem will be fostered. Further information regarding the proposed Services Training Centre can be found in Appendix 1.

To complement the Services Training Centre, it is important to raise the profile of successful exporters, especially services exporters, to encourage innovative Australian companies to expand their international operations. As mentioned in the Advancing Trade Development section of this paper, the government should prioritise clustering and linking innovative services companies so as to better position them to access global value chains; this can be an effective mechanism to grow services exports.

The ECA recommends that government:

- Provide funding to establish an independent and collaborative *Services Training Centre for International Business*. The Centre would provide practical assistance to help promote sustainable services exports and better equip companies to leverage Australia's FTAs.
- Promote export success stories and rapidly evolving new business models to encourage innovative Australian services companies to expand their international operations.
- Cluster and link innovative services companies so as to better position them to access global value chains.

Enhancing Investment

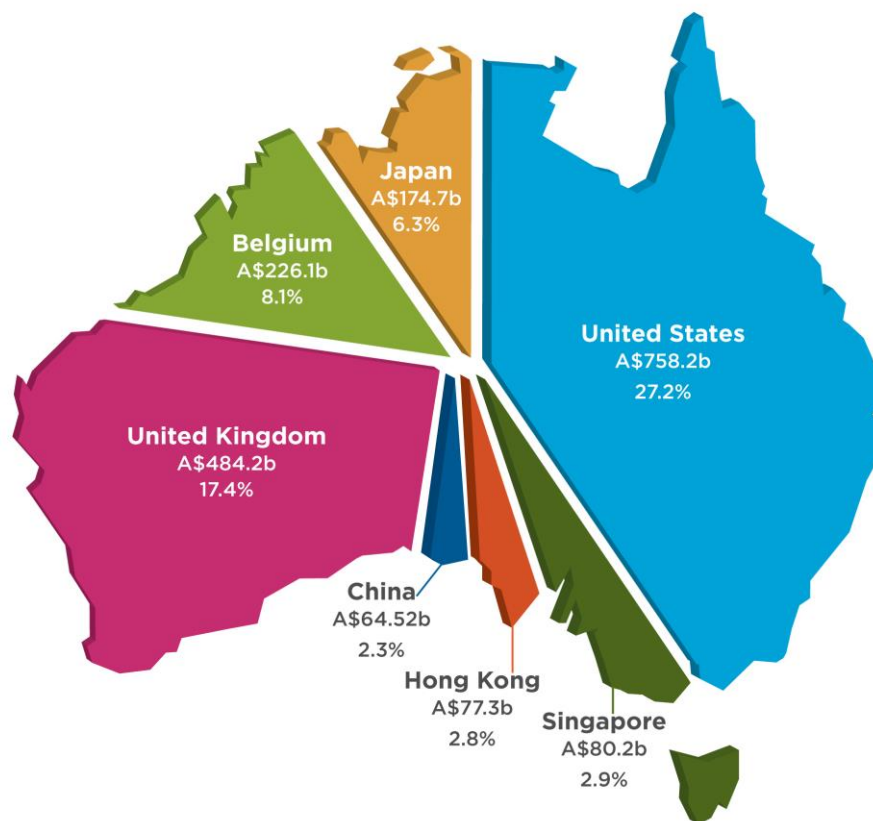
Research by the Economist Intelligence Unit confirms that Foreign Direct Investment (FDI) has a positive, causal impact on employment in Australia. As the Minister for Trade and Investment, the Hon. Andrew Robb AO MP, stated in his 2015 Ministerial Investment Statement, modelling based on data since 2000 shows that a \$1 billion increase in FDI would result in the creation of around 1,000 Australian jobs. These jobs are created through investment that expands industries, develops Australia's resources and contributes to international exports.

Historically, Australia has been the regional headquarters for investment but in recent years we have seen Singapore and Hong Kong taking its place. To remain an attractive destination for FDI Australia needs to better communicate its benefits to the public and ensure that changes to domestic a legislation aren't seen as discouraging foreign investment. New tough foreign investment rules are currently acting as a disincentive to much-needed offshore investment in agriculture.

Popular media also plays a powerful role in shaping the public's perceptions of foreign investment. While some reports would have the public believe that China is buying up the country, the reality

is quite different (as per Figure 2 below). The International Investment Australia Report 2014 reveals that the largest sources for the stock of foreign investment in Australia in 2014 were the United States (valued at \$758.2 billion), followed by the United Kingdom (valued at \$484.2 billion), while investment from China was valued at \$64.5 billion (ranked 7th)¹⁹. While the ECA applauds the government's efforts thus far, more can be done to better communicate the benefits of foreign investment to individual Australians, businesses and the economy more broadly, regardless of where it originates.

Figure 2 Top Foreign Investors in Australia
(including direct and portfolio investment)



Source: INTHEBLACK Magazine; ABS; ECA

¹⁹ DFAT, International Investment Australia Report, 2014, <http://dfat.gov.au/about-us/publications/Documents/international-investment-australia.pdf>

It is the view of the ECA that the Government should continue to focus on the identification and removal of unnecessary regulatory barriers to two-way investment to ensure Australia's regulatory framework is as attractive to investors as that of our key competitors. Continuing to encourage all forms of foreign investment into the Australian economy will provide opportunities to broaden sectors of growth, launch new ventures and position Australia to engage more effectively with international markets. At the same time, however, adequate resources should be focused on implementing frameworks to ensure inbound investment is into well-regulated industries and investment vehicles, which ensure compliance with Australian standards.

The ECA welcomes Australia's decision to become a founding member of the Asian Infrastructure Investment Bank (AIIB) as membership can help create synergies between the opportunities presented through the AIIB and the G20 Infrastructure Hub. As a member of the AIIB, Australia will also benefit from better and more secure trade routes and new opportunities for trade; investment and trade are two sides of the same coin.

The ECA recommends that government:

- Invest in innovative ways to explain the necessity and benefits of inbound foreign investment to the Australian public.
- Continue to focus on the identification and removal of unnecessary regulatory barriers to two-way investment to ensure Australia's regulatory framework is as attractive to investors as that of our key competitors. Additionally, implement frameworks to ensure in bound investment is into well-regulated industries and investment vehicles, which ensure compliance.
- Continue to encourage all forms of foreign investment into the Australian economy providing opportunities to broaden sectors of growth, launch new ventures and position Australia to engage more effectively with international markets.

Appendices

Appendix 1: Services Training Centre for International Business

Creating a pathway to export for services companies

Why is it important to encourage more services exports?

- Australia is a knowledge economy with services constituting roughly 80% of GDP yet accounting for only 18% of total exports. Service exports can play an important role as Australia's new 'growth engine'.
- Encouraging greater trade in services through open markets and non-discriminatory treatment can lead to higher employment levels, higher incomes and higher standards of living.
- The opening of certain sectors to competition provides consumers with access to a broader range of services and a greater depth of expertise from here at home and overseas. Freer trade also encourages local providers to be more innovative and efficient in delivering competitive services.

The importance of services to global trade

- Trade in services is an important part of global trade. In 2012, global services exports were valued at US\$4.4 trillion and accounted for 19.4 per cent of the world's total exports. Given the importance of this sector to the Australian economy, Australia takes a leading role in services negotiations in the WTO, including with the Trade in Services Agreement, and promotes improved services exports through APEC. Australia's Free Trade Agreements (FTAs) are increasingly focused on delivering outcomes for services exporters.

Services Training Centre for International Business - DRAFT Concept

Aim:

- To increase the number of services companies exporting.
- To ensure that services companies have access to the educational tools and information they need, in one place, to succeed in international markets.
- To help existing services exporters expand into new markets and/or increase their market share in existing markets

Objective:

- Undertake research to inform the development of educational tools and programmes designed to build the capability and capacity of services companies, empowering them to leverage international market opportunities.
- Offer forums that facilitate people-to-people links, where businesses can connect with their peers, subject matter experts and potential buyers/partners.

Delivery Method:

- Undertake **comprehensive research** to fill gaps in existing data on the services sector, identify barriers and opportunities in international markets, and gather detailed market insights.
- Undertake a **capability audit** of Australia's services sector, culminating in an online capability directory.
- Offer **educational tools and information** to build the capability of services companies. This will include a "how to export your services" guides and sector specific education offerings.
- Facilitate a **mentoring programme** where companies new to export can learn from the experience of more seasoned services exporters.
- **Demystify FTAs** for services companies, including highlighting the benefits of the GPA, TISA, the TPP and Australia's bilateral FTAs.
- **Provide one-on-one consulting services** where exporters can access advice from subject matter experts.
- **Run business missions to key international markets** for small groups of companies, tailored to the needs of their specific service sector.
- **Benchmark Australia's services capability** against that of key competitors to learn from their past and current experience.

Trade Policy Advisory Committee



Andrew is a Partner in the Corporate Advisory & Tax team at Gadens in Melbourne, specialising in International Trade & Customs. Andrew is a regular presenter at industry forums on legal and trade developments and media commentator on such legal and trade developments.

Andrew practices in the area of commercial law with a focus on customs and international trade. He has provided legal services to all parties involved with industry, including importers, exporters, licensed customs brokers, freight forwarders, shipper, marine insurers and trade financiers. This has involved advice on legal and procedural matters together with actions seeking judicial and administrative review of the actions of various government agencies including the Department of Immigration and Border Protection, the Australian Border Forces (ABF), the Department of Agriculture and Water Resources, the Office of Transport Security, the Department of Export Controls and the Australian Taxation Office (ATO).

He has provided advice covering all aspects of trade ranging from international trade conventions, arbitrations to resolve disputes, trade financing options, commodity and freight contracts to dealing with inquiries and prosecutions by Customs and other Government agencies in such matters as dumping and alleged underpayments of customs duty, alleged breaches of licence conditions by service providers such as licensed customs brokers together with all related litigation.

Andrew is a member of the board of directors of the Export Council of Australia and the Food and Beverage Importers of Australia. In those capacities he is a member of many of the peak industry consultative and advisory groups conducted by the government agencies operating at the border.



Lisa has worked in international trade over the last decade and prior to joining the Export Council of Australia she was working as Marketing Manager in the financial services. Her passion for International Trade and respected voice in the industry puts her on the AmCham Trade Advisory Group. Lisa's current term as CEO has seen the organisation focus on research and advocacy projects that place Australian SME's global competitiveness at the heart of all ECA's projects.



Mr Peter O'Byrne is an independent Director involved with governance and advisory boards for Macquarie University, Export Council of Australia, Chamber of Australian India Trade, South Asia Forum and International Governance and Performance Research Centre. He has held board and chief executive roles at Austrade, Australian Hearing Services, and Reckitt & Colman Asia as well as Board roles with the Export Finance and Insurance Corporation and a cooperative research centre. Peter's public policy experience includes Australia's Trade Policy Advisory Committee, Asian Trade Promotion Forum, Australian International Cultural Council, Council for Australian-Arab Relations and Council on Australia Latin American Relations.



Ian Smith is Founder & CEO of CargoHound – Australia's first online marketplace for international freight. Ian has extensive experience in international trade in both private and public sectors across a broad range of industries and multiple disciplines. Smith is a former Australian Trade Commissioner for the Midwest region of the United States and former Chairman of the Chicago International Trade Commissioners' Association (CITCA) based out of Chicago. More recently he successfully launched an online platform called United States Connect that provides a one-stop-shop for companies to access the information, advice and contacts they need to succeed in the United States.



Michael Rogers is Manager, Agribusiness Forum at the Australian Food and Grocery Council (AFGC) – the peak industry body for the food, beverage and grocery manufacturing sector. Michael has extensive experience in international trade policy gained through positions at the Department of Foreign Affairs and Trade, and the Department of Agriculture and Water Resources focussed on international trade negotiations, and engagement with multilateral organisations. Michael's current role at the AFGC Agribusiness Forum is focussed on highlighting the opportunities for agri-food exports, particularly high value, processed food exports.



James Hogan is Country Head of Commercial Banking for HSBC in Australia. In this role, which he assumed in October 2011, James is responsible for all aspects of HSBC's Commercial Banking activities in Australia. In more than 25 years of experience with HSBC, James has served in a variety of positions in Asia-Pacific, the Middle East, Europe and the United States. Prior to assuming his current role, he held the position of Chief Executive Officer for HSBC Iraq and was based in Baghdad. Before that, he served as Executive Vice President for HSBC USA and was responsible for HSBC's Commercial Banking businesses in North America. During his career, he has held senior management positions in Commercial Banking, Global Banking and Markets, Transaction Banking, and Strategic Planning.

James is Irish and grew up in Dublin where he earned a Bachelor of Commerce degree from University College (UCD). He is also a graduate of London Business School.



With a successful, 20-year career leading food export businesses and Agrifood industry development teams, in both the private and public sectors in Australia, Najib Lawand is well positioned to identify and share new revenue opportunities. Najib is known for his capabilities in opening new markets at a business and industry cluster level and has worked across the Middle Eastern, North and South East Asian markets in this capacity. As Export and Operations Director for two businesses between 1993 and 2010, Najib implemented market entry strategies for leading Australian food and beverage brands and designed his own brand of fruit & nut bars specifically for the Asian markets. Since 2010, Najib has worked for NSW Trade and Investment, strategically advising businesses and government on factors that lead to growth in the Agrifood sector. In Najib's current role at Food Innovation Australia Ltd (FIAL), he collaborates with key stakeholders to identify new revenue opportunities for industry and encourages companies to compete for these by providing connections, market insights and capability building tools and workshops.



Kirsten Sayers is CEO of RedR Australia, the only United Nations' Standby Partner in the Asia Pacific and Southern Hemisphere. Former lawyer and senior diplomat, Kirsten has extensive experience in a range of commercially-oriented government, corporate, and advisory roles. She was most recently Australia's Senior Trade & Investment Commissioner to Singapore, and Australia's Investment Commissioner to ASEAN. During this period she was also Vice President of the Australian Chamber of Commerce in Singapore.

Kirsten previously held senior diplomatic and commercial appointments in Paris, Bangkok and Taipei. She was Australia's Chief Negotiator and Delegation Leader to the APEC Women Leaders' Network meeting and Gender Focal Point Network APEC 2009. A specialist in Asian laws, she speaks English, Mandarin, French, Vietnamese, Norwegian and Swedish to various degrees. Kirsten is an Asia Literacy Ambassador, a Companion of Engineers Australia, and member of the Trade Policy Committee of the Export Council of Australia.



Rob Fitzpatrick has an extensive background in business and technology in the ICT sector globally, as a management consultant, corporate executive and entrepreneur. He has an active portfolio of information and communications technology (ICT) businesses, is an advisor to Australia's research and higher education sector, and is Director of Infrastructure, Transport and Logistics at NICTA (National ICT Australia).

At NICTA, Rob works with some of the smartest brains on the planet to infuse fact-based decision-making into the way we increase utilisation of existing assets and plan new infrastructure wisely. This takes shape through the redesign of core infrastructure assets including energy, water, transport and freight.

Rob has been involved in major projects and infrastructure delivery for nearly 3 decades: starting as national research manager with the Property Council of Australia before spending 8 years with worldwide management consultancy McKinsey & Company.



Matthew McKenzie is Director of The Export Group and is currently leading the Sanitarium business in China and export business across the world. Matthew has had a long career leading the export businesses of Arnott's Biscuits, Dairy Farmers and Sanitarium. He is currently based in Shanghai and has a high degree of passion for the development of sustainable value-add export opportunities for Australian food producers.



Stacey Mill-Smith is the Trade Policy and Research Manager at the Export Council of Australia. In this role she works with industry and government to advance the interests of Australian businesses engaged in international trade.

Stacey graduated from the University of Queensland with a Bachelor of Economics and a Bachelor of Arts. Following her graduation she worked for PricewaterhouseCoopers in their Economics and Policy division. Later, her interest in international trade saw her join Trade and Investment Queensland as a business analyst and gain international experience working in Santiago, Chile. Stacey joined the Export Council of Australia in 2013.

About the Export Council of Australia



The Export Council of Australia (ECA) is the peak industry body for the Australian export community. Owned by its members and steered by a Board and Council of industry specialists, the ECA is a not-for-profit organisation that has the development of Australia's resources via the promotion of Australian industry in international markets as its primary goal.

Through engagement with members and in consultation with its Advisory Councils, the ECA endeavours to:

- Lead trade policy research
- Develop international trade skills
- Break down barriers to trade
- Build global networks
- Assist Australian companies to amplify global trade success

The ECA is the voice for Australia's exporters.

Think global, think ECA! www.export.org.au