

Working for business.  
Working for Australia



# Office of Trade Negotiations, Department of Foreign Affairs and Trade Soft Power Review

12 October 2019



Australian  
Chamber of Commerce  
and Industry

**WORKING FOR BUSINESS.**

**WORKING FOR AUSTRALIA**

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## Executive Summary and Recommendations

The Australian Chamber welcomes the government's efforts to review Australia's unique soft power strengths and capabilities, delivering upon a commitment established in the 2017 Foreign Policy White Paper.

The Australian Chamber and its member organisations believe there are many opportunities for the promotion and influence of Australian ideas and practices in the global community. As Australia's leading voice for business and employers, the Australian Chamber is a unique member of the International Chamber of Commerce; Business@OECD; International Organisation of Employers; Confederation of Asia Pacific Chamber of Commerce and Industry and the Silk Road Chamber of International Commerce. These platforms allow for Australian business to engage in global rulemaking in the intergovernmental bodies such as World Trade Organisation, the World Customs Organisation; the United Nations, the International Labour Organisation, the Asia Pacific Economic Cooperation organisation, etc.

The Australian Chamber, and Chambers of Commerce around the world, provide an essential service in acting on behalf of national Governments in efforts to simplify and harmonise customs procedures under the "badge of Government" authorisation related to the economic nationality of goods for the purposes of international trade. This essential service assists companies with international border crossing and should not be undermined. The Indian Ocean Rim Association has provided a platform for the Australian government to promote the empowerment of women and girls in the international trade facilitation. The Australian Chamber is uniquely positioned to deliver an ongoing IORA-related Women's Empowerment Initiative.

As the review into 'Brand Australia' continues, the Australian Chamber recommends that the government endorse the Australian Made, Australian Grown as the common brand and symbol. Additionally, Australia's soft power is enabled through the hosting of major international events. As such the Australian Chamber recommends that the government embrace the opportunity to position Australia as a host nation for these events. The Australian Chamber also recognises the impact that international students and international education programs can have when promoting Australian practices and culture, and recommends that education strategies be incorporated into our broader foreign policy. Finally, the Australian Chamber recommends that the government promote Australia as a diverse tourist destination, so as to spread Australian culture and values around the globe.

### List of Recommendations

- Utilise the unique position of Australian Chamber of Commerce and its network of international organisations as a conduit for regional and global influence.
- That the Government work with the Australian chamber to strengthen the international organisational assets under the "Chamber of Commerce" brand.
- Simplify and harmonise border crossing arrangements for business through strengthening the role of Chamber of Commerce in economic nationality related services.
- The Government commission Australian Chamber to deliver an ongoing IORA-related Women's Empowerment Initiative.

- Endorse Australian Made, Australian Grown as a common brand.
- Embrace the opportunity to host major international events.
- Continue to incorporate education strategies into international relationships.
- Continue to promote Australia as a diverse tourist destination.
- DFAT and Austrade should create easily accessed information about Australia that can be utilised by our diaspora to promote Australia while they are “in market” around the world.

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# 1 Introduction

The Australian Chamber of Commerce and Industry welcomes the Office of Trade Negotiations review of Australia's Soft Power capabilities. It is important for a government to review assets at its disposal, and evaluate strengths and weaknesses.

Assessing Australia's Soft Power capabilities has become more important as the world economy becomes increasingly interconnected, particularly through improving digital technologies. The 2017 Foreign Policy White Paper describes soft power as having "the ability to influence the behaviour or thinking of others through the power of attraction and ideas".<sup>1</sup> The Australian Chamber agrees with this definition, and identifies a number of key strengths of Chambers of Commerce that are at the disposal of the Australian government that will assist in this endeavour.

## 2 Unique position of the Australian Chamber

### 2.1 Building on our Institutional networks

Institutions remain one of Australia's key advantages in analysing the soft power influence of Australia in the broader international space. As noted in the 2017 Foreign Policy White Paper, "Australia's systems, institutions and expertise are themselves crucial tools of influence."<sup>2</sup> As Australian businesses and institutions engage with international markets, the influence of Australia grows.

As the peak representative body for Australian employers, the Australian Chamber of Commerce and Industry (as well as the broader Chamber of Commerce network) is uniquely placed to promote the interests of Australian business. The Australian Chamber has international networks that are formally recognised by multiple international organisations. In particular, the Australian Chamber is a member of multiple international organisations, such as the International Organisation of Employers and the International Labour Organisation. Through both of these platforms, the Australian Chamber can promote Australian employment standards and practices to an international audience. In addition to broad international networks, the Australian Chamber and our regional network partner, the Confederation of Asia Pacific Chamber of Commerce and Industry (CACCI), engages with regional institutions such as Asia-Pacific Economic Cooperation (APEC) and the Indian Ocean Rim Association (IORA). Accordingly, this ensures that Australia's business practices and commercial interests are being represented in those rule making bodies in our immediate sphere of influence.

Finally, the Australian Chamber, is the "national Committee" of the International Chamber of Commerce (ICC), the "world business organisation", that represents private sector interests and business practices at the highest levels of intergovernmental decision-making, at the World Trade Organisation (WTO), the UN and the G20.

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<sup>1</sup> 2017 Foreign Policy White Paper, <https://www.fpwhitepaper.gov.au/foreign-policy-white-paper/chapter-eight-partnerships-and-soft-power/soft-power>

<sup>2</sup> Ibid;

The Australian Chamber of Commerce and Industry and its international networks, is uniquely placed to assist the Government to promote Australian business interests around the world.

**Recommendation 1: Utilise the unique position of Australian Chamber of Commerce and its network of international organisations as a conduit for regional and global influence.**

## 2.2 Building on the international Chamber of Commerce network

Apart from our formal links to international peak bodies, Australia also has a groups of Australian Chamber bodies (AustCham) in international locations (mainly across Asia). These are not formally linked to the Australian Chamber of Commerce and Industry but we do have informal links.

We have observed the more structured system deployed by the US where the US Chamber of Commerces' International Affairs Division<sup>3</sup> has 70 policy experts and advocates based in Washington, D.C. as well as in Belgium, Brazil, China, Ghana, India, and Korea.

The American Chambers of Commerce Abroad, part of the U.S. Chamber Federation, includes more than 117 American Chambers of Commerce in 103 countries all around the globe.

The Chamber's bilateral business councils work to advance commercial relations between the United States and key markets around the globe, including Bahrain, Brazil, Côte d'Ivoire, Egypt, India, Japan, Korea, Pakistan, South Africa, and Turkey.

It would be possible to create a stronger formal linkage between the Australian Chamber, bilateral business councils in Australia and their reciprocal sister organisations and offshore in market "Auscham" groups through which to share and disseminate information relevant to each location and so rationalise and strengthen the informal network of pro-business organisations under the banner of "Chamber of Commerce" which has special meaning around the world.

**Recommendation 2: That the Government work with the Australian Chamber to strengthen the international organisational assets under the "Chamber of Commerce" brand.**

## 3 Trade Facilitation

Trade is an important component of soft power. By engaging in trade with another state, Australia can not only promote diplomatic relations, but also increase economic influence. Formally, trade can be solidified through the use of trade agreements that allow Australian businesses to enter into foreign markets with preferential tariff rates. There are many bilateral and multilateral trade agreements to which Australia is a party. The 2017 Foreign Policy White Paper acknowledges the

<sup>3</sup> <https://www.uschamber.com/international-affairs-division>

potential benefits that trade agreements have on Australian business, and that Free Trade Agreements “strengthen commercial links”<sup>4</sup> between states.

The Australian Chamber and our members provide a wide range of support services for existing and impending exporters. These services include technical products of international model contracts, dispute resolution services, understanding of trade terminology and international trade finance.

### 3.1 Certificates of Origin and Non-Tariff Barriers to trade

The Australian Chamber plays an important role in supporting Australian exporters looking to trade under the WTO provisions of “Most Favoured Nation” or take advantage of trade agreements. In all cases, the establishment of the “economic nationality” of goods is essential to the application of tariffs or sanctions, preferential trade arrangements and the collection of trade statistics. This needs to be done in a way that satisfies the national laws on accurate statements. These are often supported by an attested statement as the authenticity of the product origin by the Government of the exporting nation. In many nations, such as Australia this is a service that has been outsourced to chambers of Commerce who issue these documents as an authorised body representing the Australian Government. As Australia’s largest authorised issuing body of Certificates of Origin, the Australian Chamber plays a considerable role in verifying claims of Australian Origin and validating Australian businesses using a Free Trade Agreement and for non-preferential trade. By supporting and protecting Australian businesses in their claims for preferential treatment, the Australian Chamber and its members promote Australian interests with its trading partners. Additionally, through the Chamber’s relationship with the Department of Foreign Affairs and Trade and Department of Home Affairs, the Australian Chamber is committed to promoting the highest standards and practices of Certificate issuance amongst our trading partners in line with international best practices and the Revised Kyoto Convention on Simplification and Harmonisation of Customs Procedures.<sup>5</sup>

It is important that non-tariff barriers are reduced in order to improve the facilitation of trade, and allow Australian businesses to take full advantage of trade agreements that are in place. The World Trade Organisation’s Trade Facilitation Agreement (TFA), to which Australia is a party, promotes the reduction of non-tariff barriers to trade. The Australian Chamber (as well as its member organisations) through the ICC has a strong relationship with the WTO and is committed to promoting the reduction of non-tariff barriers to trade.

**Recommendation 3: Simplify and harmonise border crossing arrangements for business through strengthening the role of Chamber of Commerce in economic nationality related services.**

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<sup>4</sup> 2017 Foreign Policy White Paper, <https://www.fpwhitepaper.gov.au/foreign-policy-white-paper/chapter-four-our-agenda-opportunity/securing-opportunity-globally>

<sup>5</sup> [http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf\\_revised\\_kyoto\\_conv/kyoto\\_new.aspx](http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf_revised_kyoto_conv/kyoto_new.aspx)



### 3.2 The Indian Ocean Rim Association and Women's Empowerment Initiative

Australia has led an initiative under the auspices of IORA to promote the advancement of opportunities for women and girls. Australian Chamber has been a willing partner and held a supportive event aligned with the Perth meeting of IORA Ministers in October 2014 followed up throughout 2015 and 2016 in selected IORA member countries.

Following on from this we have been in discussion with DFAT about a potential project to deepen the engagement with a practical program of support trade facilitation, particularly for women with the Indian Ocean region. This initiative would also leverage the influence and connectivity of the international chamber network and its affiliates and assist nations to implement the WTO Trade Facilitation Agreement.

**Recommendation 4: The Government commission Australian Chamber to deliver an ongoing IORA-related Women's Empowerment Initiative.**

## 4 Strengthening Australia's overseas market efforts

At present the Government is undertaking a review of the fragmented approach to "Brand Australia". We support the Government's attempts to streamline these initiatives which will also reduce costs to the budget. There is a clear role for the Australian Government in coordinating jurisdictional and industry promotion efforts and developing an underpinning set of messages that can be used by all stakeholders.

### 4.1 Australian Made, Australian Grown as a common brand

Australian Chamber is a founding member of the Australian Made, Australian Grown (AMAG) Campaign and we support the use of this initiative and its registered and trademarked logo systems in support of identification of "Australian" products. We recommend that the Government endorse this campaign as THE brand Australia symbol. We would be delighted if the Government would redirect its current investment in brand development and instead focus on a partnership with Australian Chamber and the AMAG initiative. We note the domestic discussions on "Country of Origin Labelling" and we are pleased that the AMAG symbol has been taken up to assist that cause. However we have reservations about the wider labelling initiative and its costs to business being potentially high compared to comparatively low benefits to consumers.

**Recommendation 5: Endorse Australian Made, Australian Grown as a common brand.**

The Government should endorse the Australian Made, Australian Grown campaign and its logo as the common brand for Australian international promotion and cease investment in the current range of alternates across its agencies.

## 4.2 Australia as a host nation for major events

It is important that the government build upon work done by Tourism Australia, particularly in the leisure and business event space. Business and leisure events promote international interaction, foster diplomatic relationships and provide a platform for cultural exchange and knowledge sharing. There are numerous opportunities to promote Australia as a host nation for international events, including government meetings (APEC, G20), international congresses and association meetings (e.g. on topics such as health, agribusiness, technology) and major trade and consumer expos (Land Forces, Fine Food Australia). These events support local businesses, as well as promoting trade and investment. It is important that the Australian government position itself as a host nation for such events.

### **Recommendation 6: Embrace the opportunity to host major international events.**

Major international events and summits promote international diplomacy, knowledge sharing, cultural exchanges and provide an opportunity to showcase Australian culture to the world.

## 5 Education

An important tool in improving relations with and understanding of other countries, particularly our Asian neighbours, is the development of more people-to-people links, facilitated by students and tourists, both inbound and outbound. This leads to greater international collaboration, better bi-lateral relations and greater opportunities for trade and investment.

### 5.1 International Students

International students do not just contribute to Australia's economy (\$28 billion contribution in 2017)<sup>6</sup>, but also facilitate cross-cultural exchange and build long-term cultural ties to Australia. They become unofficial cultural advocates and ambassadors for Australia in their country, improving our image and reputation on the world stage. They are also more likely to invest in Australia and collaborate with Australians due to their experience and awareness of institutions in the country.

### 5.2 The Colombo Plan

The Colombo Plan (1952-1985), where Australia sponsored the education of Asian students in our universities, is a great example of the influence of education in soft diplomacy. Many of the Colombo Plan alumni from Indonesia, Malaysia and Singapore have held leadership positions in Government, and their experience in Australia has shaped their view of our country.

Similar to the Colombo Plan Scholars, the Australia Award Scholars are another important component to Australia's soft diplomacy strategy. Although the scholarship may be viewed as an aid program, these international students/scholars go on to hold important and influential positions in

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<sup>6</sup> Department of Foreign Affairs and Trade 2018, [Trade in Services Report 2016-17](#).

their country and the lasting connection to Australia's institutions, culture and people will enable them to look upon Australia favourably.

### 5.3 The New Colombo Plan

Drawing on the experiences of the Colombo Plan and the Australia Award scholars, the New Colombo Plan scholars help Australian students study overseas to develop a greater understanding of our Asian neighbours. With more Australians able to converse in an additional language, foster lasting connections and be more culturally aware, our future workforce will better be able to engage with our neighbours in trade, investment and business.

#### **Recommendation 7: Continue to incorporate education strategies into international relationships.**

The international education strategy should be continued and supported, and visa settings should encourage students to want to study here. The 2017 skilled migration visa changes have had a negative impact on the attractiveness of Australia as a place to study and work, and this aspect should be reviewed.

## 6 Tourism

The Great Barrier Reef, Great Ocean Road, Sydney Opera House, Kangaroos and Koalas have become synonymous with Australia the world over. There is greater scope to expand this limited image of Australia - through better and varied experiences and products that communicates and solidifies Australia on the world soft power stage. Tourism allows visitors to experience not just our sights but also our institutions and our culture – a multicultural, democratic, innovative and modern economy.

### 6.1 Inbound and Outbound Tourists

There were 9.1 million international visitors to Australia in the year ending July 2018<sup>7</sup>. International tourists develop a sense of awareness and familiarity with our country and culture, through having unique experiences in their travels throughout the country. A destination and country does not seem so alien and remote once you have travelled and experienced its culture. Likewise, Australians who travel abroad (10.3 million in 2016-17<sup>8</sup>) act as unofficial ambassadors of the country and often create or contribute to the perceptions of Australia.

Visa policies should continue to facilitate the free flow of travellers. There should be no further increases in the passenger movement charge and visa fees. The collection of revenue from these charges already far exceeds the cost of travel facilitation and border security arising from travel.

<sup>7</sup> Tourism Australia 2018, [International Visitor Arrivals for July 2018](#).

<sup>8</sup> Department of Foreign Affairs and Trade 2018, [Trade in Services Report 2016-17](#).

## 6.2 Working Holiday Makers and Au Pairs

The working holidaymaker program has for decades facilitated cultural exchange between Australia and our partner countries. For young working holidaymakers, the opportunity to interact with local Australians and work alongside them builds lasting relationships that are just not possible with a regular holiday. Government policies should enable more working holidaymakers to visit Australia. In 2016, the Government committed to reducing the application charge for working holidaymaker visas by \$50 to \$390<sup>9</sup>. However, this has not been implemented and we urge the Government to follow through on this change.

Likewise, au pairs form lasting connections with their host families and shape the image of Australia in their home countries, often as a good place to experience a new culture and learn English. Policies should support the continued growth of the working holidaymaker program, and there should be a fit-for-purpose specialist visa for au pairs.

**Recommendation 8: Continue to promote Australia as a diverse tourist destination.**

Visa policies should continue to facilitate the free flow of travellers. There should be no further increases in visa fees and the passenger movement charge. Policies should support the continued growth of the working holidaymaker program, including implementing the reduction in application charge for working holidaymaker visas. There should be a fit-for-purpose specialist visa for au pairs.

## 7 Australia's Diaspora

Australia has a considerable population living overseas. As a nation we are starting to make greater use of this resource in promoting Australia, as a trading partner, or as a destination for foreign investment or for tourism. Additionally, DFAT and Austrade through our overseas posts and missions have substantial links to local chapters of the Australian Chamber of Commerce, business councils and expatriate business groups.

These groups offer opportunities to provide assistance in hosting events and organising lunches and dinners during Australian Ministerial visits abroad, etc. Our network of diaspora is an underutilized resource to project Australia and its values through interpersonal relationships and exposure. More can be done to harness this resource. DFAT and Austrade should create easily accessed information about Australia that can be utilized by our diaspora to promote Australia while they are “in market” around the world.

**Recommendation 9: DFAT and Austrade should create easily accessed information about Australia that can be utilised by our diaspora to promote Australia while they are “in market” around the world.**

<sup>9</sup> Treasury Media Release 2016, <http://sjm.ministers.treasury.gov.au/files/2016/09/104-2016.pdf>

## 8 About the Australian Chamber

The Australian Chamber of Commerce and Industry is the largest and most representative business advocacy network in Australia. We speak on behalf of Australian business at home and abroad.

Our membership comprises all state and territory chambers of commerce and dozens of national industry associations. Individual businesses are also able to be members of our Business Leaders Council.

We represent more than 300,000 businesses of all sizes, across all industries and all parts of the country, employing over 4 million Australian workers.

The Australian Chamber strives to make Australia the best place in the world to do business – so that Australians have the jobs, living standards and opportunities to which they aspire.

We seek to create an environment in which businesspeople, employees and independent contractors can achieve their potential as part of a dynamic private sector. We encourage entrepreneurship and innovation to achieve prosperity, economic growth and jobs.

We focus on issues that impact on business, including economics, trade, workplace relations, work health and safety, and employment, education and training.

We advocate for Australian business in public debate and to policy decision-makers, including ministers, shadow ministers, other members of parliament, ministerial policy advisors, public servants, regulators and other national agencies. We represent Australian business in international forums.

We represent the broad interests of the private sector rather than individual clients or a narrow sectional interest.

# OUR MEMBERS



## CHAMBER



## INDUSTRY ASSOCIATION

