## <u>Issues and Requests Relating to Foreign Trade and Investment - Australia</u>

	Category	No	Issue	Issue Details	Requests	References
1	Restrictions on	(1)	Ambiguous FIRB	- Approval of the Foreign Investment Review Board (FIRB) is necessary on	- While needs for FIRB approval	- The Foreign
	Entry of Foreign		<u>Approval</u>	major M&A acquisition by Foreign Funded Enterprises (FFEs). The FIRB	cannot be denied, it is requested that	Acquisitions and
	Capitals		Standard on M&A	judgement basis is quite ambiguous, devoid of transparency. While in the	FIRB clarifies the basis of its	Takeovers Act 1975
			by FFEs	case of the member firm, there has been no such precedence, a while ago,	<u>judgement.</u>	(Cth)
				Archer Daniels Midland (ADM), a major concern in grain business in the		- The Foreign Investment
				U.S., had reached agreement for purchase of GrainCorp. However, in the		and Takeover
				end, FIRB rejected the transactions.		Regulations 1989
				A foreign investor into Australia must obtain approval of the Foreign		
				Investment Review Board (FIRB). It takes substantial time and cost to		
				file application at FIRB, which is quite burdensome when investing in		
				Australia.		
				(Actions)		
				Department of Finance promulgated on 17 February 2008 Guideline for se	creening by FIRB, etc. on whether the	direct investment
				applications by foreign government or foreign governmental agencies are	'contrary to the national interest".	
				On 18 December 2008, GOA exempted notification requirement for an alie	en's acquisition of a housing property a	as his/her own residence.
				On 29 November 2013, Government of Australia (GOA) rejected A\$2.8 bill	ion (\$2.55 billion) takeover of GrainCo	orp (GNC.AX) by Archer
				Daniels Midland (ADM), a U.S. agribusiness giant, bowing to the pressure		
				rejected Archer Daniels Midland's plan for acquisition of GrainCorp, an A	_	
				Treasurer Joe Hockey said he was rejecting the proposal on national inter	9	
				(FIRB) failed to reach a consensus recommendation. While he sees no prob	-	
				the current 20% to 25% approx., he added: "Many industry participants, p		
				concern that the proposed acquisition could reduce competition and imped	<del>-</del>	torage, logistics and
				distribution network," Hockey told to reporters in Sydney. (Reuter, Sydney		
				- Under the Federal Laws, "The Foreign Acquisitions and Takeovers Act 19	9 -	
				Regulations 1989", GOA may reject foreign funded investments, which GO		•
				constitutes "adverse to the national interests" is determined on each case,		, ,
				impact upon Australian economy, society, national security, competition in	the industry, and other governmental	policies across-the-board.
				(Improvement)		
				In August 2009, the Minster for Finance and Deregulation deregulated Co		ŭ
				(1) Repealing the FIRB's prior approval requirement for establishment of	_ ×	
				(2) Repealing the FIRB's prior approval requirement for investment into a	•	
				- Under Japan Australia Economic Partnership Agreement (JAEPA) enforc	· · · · · · · · · · · · · · · · · · ·	<del>-</del>
				deregulated. It has raised the investment amount into Australia of non-se	-	
				<u>billion. However, investment into farming land and agri-business is A\$15 to a land agri-busin</u>	million. EPA does not apply to investm	<u>ent into state enterprises,</u>
				all of which is subject to FIRB examination.		

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9Restrictive	(1) Abuse of	- On 1 April 2004, GOA imposed provisional antidumping duties on thick		- Folio No. 88 Australian
Export/Import	Antidumpi	steel plate from Japan, ROK, PRC, and Indonesia.		Customs Dumping
Trade, Duty, and	Measures	On 1 April 2009, GOA terminated the antidumping measures upon		Notice No. 2012/661
Customs		reaching the termination date.		
Clearance		- 15 June 2012: Initiation of antidumping investigation on hot rolled coil	- It is requested that GOA repeals the	
		steel from Japan, Korea, Taiwan, and Malaysia.	antidumping measures.	
		2 December 2012: Decision of antidumping duty levy, Japan: 0% (Acid		
		washed coil), 7% (Other than Acid Washed Coil), Korea: 2.6-11.8%,		
		Taiwan: 2.6-8.2%, and Malaysia: 15%.		
		- On 12 February 2013, GOA initiated investigation on hot rolled plate	- It is requested that GOA repeals the	
		steel exported from PRC, Republic of Indonesia, Japan, ROK and Taiwan	measures.	
		into alleged dumping and subsidisation.		
		On 19 July 2013, GOA invoked provisions measures against 4-countries		
		excluding Taiwan.		
		On 19 December 2013, Antidumping Committee (ADC) made affirmative		
		determination of dumping on 4-countries excluding Taiwan (CDV only on		
		PRC), deciding the levy of antidumping duty: Japan: 14.3%, PRC: AD: 0 to	D .	
		22.1%, Indonesia: 8.6 to 19.3%, ROK: 0 to 20.6%. In addition, ADC		
		decided 2.6 to 36.9% countervailing duty levy as to PRC.		
		- On 24 October 2013, GOA initiated antidumping investigation on hot	- It is requested that GOA withdraws	
		rolled structural steel sections exported from Japan, Korea, Taiwan and	antidumping investigation as to	
		Thailand.	Japan.	
		- On 8 January 2014, GOA initiated antidumping investigation on	- It is requested that GOA withdraws	
		quenched and tempered steel plate exported from Finland, Japan and	antidumping investigation as to	
		Sweden. After imposition of provisional measures on 15 May August, on	Japan.	
		15 November, GOA published its final affirmative decision.		
		(Actions)		
		- On 1 April 2004, GOA levied antidumping duty on thick plate steel from .	=	ia.
		- On 1 April 2009, GOA terminated antidumping measures upon reaching		
		- On 15 June 2012, GOA initiated antidumping investigation on hot rolled		·
		- On 4 December 2012, Prime Minister Julia Gillard released Draft Reform		
		Dispute Research Committee and the 19-items subject to these measures	, including Hot Rolled Plate Steel and	Polyvinyl Chloride as to
		imports from Japan.		
		- On 12 February 2013, The Australian Customs and Border Protection Se		
		Customs Dumping Notice No. 2013/18 Hot Rolled Plate Steel Exported fr		•
		the Republic of Korea and Taiwan, Initiation of an Investigation into Alle	ged Dumping and Subsidisation, trigg	ered by the petition
		received from BlueScope Steel.		

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			On 18 July 2013, Australia Anti-Dumping Commission published its Prelion Hot Rolled Plate Steel imported from the People's Republic of China (in Republic of Korea and Taiwan. Antidumping Duty of 14.3% applies as to a On 5 November 2014, GOA determined Final Antidumping Duty on Quence (9.6%) and Finland (10.8%).	cluding Countervailing Duty), Repub Il imports from Japan.	ic of Indonesia, Japan, the
	(2)	Raise in the Port Service Charge by Large Margin	- A member firm of JBCTIF subsidiary exports wooden chips for papermaking raw materials, using public ports at Bunbury (WA), Portland (VIC) and Geelong (VIC). Port Authority has radically raised the Port Service Charge directly impacting the international competitive edge of the export products.  - The harbour premises lease payments and airport terminal rent have gone up sky-high in recent years. Price increases, in many cases, are far above those of Commodity Price Index (CPI). Having nowhere else to pass on such price increases, member firm's subsidiary is forced to absorb the unilateral price increase.	<i>5</i> 1	
	(3)	Fumigation Requirements on Importing Timber, Wooden Articles, Bamboo and Related Products	- The fumigation requirements must be completed before exporting to Australia the finished products manufactured from timber, wooden articles, bamboo and related products.	- It is requested that GOA takes step to repeal the fumigation requirements.	
12Exchange Controls	(1)	Unstable and Ups and Downs by Large Margin in the Rate of Foreign Exchange	Radical and sustained weakening of AS has kicked up the import purchase price of home electric appliances, which however cannot be passed on to selling prices, aggravating profitability of member firm's subsidiary (MFS).  In a transaction between related parties, the prevailing Yen depreciation enables MFS to offer special prices to its customers. However, MFS runs on a thin margin, so that if the exchange rate swings toward appreciation of Yen, it will instantly show operational loss: such is the severity of the fluctuation band.	<u>to:</u>	

Category	No Issue	Issue Details	Requests	References
		(Actions)  - With the prevailing low oil prices in the background, on December 2014, the decline by as much as 13% compared to the rate of 30 June, half a year again expressed its view that Australian dollar is quoted at high level relative to	go. In recent years, the Reserve Bank o	of Australia (RBA) has
		low interest policy, while Governor Glen Stevens, at The Nikkei interview AS1=US\$0.75."	9	
14Taxation Systems	(1) Insufficiency of Dispute Settlement Mechanism under the Mutual Agreement Procedure Provisions of the Tax Treaty	One of the purposes of ratifying the tax treaty (the Convention) is to avoid double taxation and for this purpose, mutual agreement procedure (MAP) provision is included in the going convention. Thanks to this provision,	GOJ:  incorporate into the convention arbitration clause that can be triggered upon collapse of MAP or in the event mutual agreement	
	(2) Introduction of Various Taxes on Development of Resources	Federal and state governments' heavier tax levy upon the natural resources fields (mineral resource tax and carbon tax have been repealed while royalty tax continues.)  The carbon tax pricing scheme (CTPS), Federal Government of Australia (GOA) has introduced since July 2012, compels about 500 enterprises (including Toyota, GM Holden, and Ford) with high volume of carbon emission) payment of A\$23 (about 2,000 Japanese yen) levy for each tone of CO2 emissions, which is high in the international perspective. After initial three years of the fixed carbon tax levy, it will shift to an emissions trading scheme (ETS). The CTPS does not apply to industrial products imported from overseas (excepting refrigerant for car air-conditioner). Therefore, it means an extra heavy handicap to the enterprises engaged in the local manufacturing operation in Australia.	It is requested that GOA creates a stable unbiased taxation system unbiased to any specific business fields. It is requested that GOA: gives due consideration to the local industries and business bodies exposed to international competition in allocating	- Now under deliberation - The Mineral Resource Rent Tax - the Carbon Tax, etc.

Category	No Issue	Issue Details	Requests	References
		On the other hand, GOA will set aside investment subsidy of A\$800	Australia, when the time comes	
		million (about 70 billion Japanese yen) to enterprises, including those	for shift to ETS.	
		that consume huge volume of electricity, gas, etc., directly affected by the		
		CTPS, by creation of clean energy programme, in order to assure		
		improvement in energy consumption in the manufacturing sectors, and to		
		assist technical/capital investment for higher efficiency in energy		
		consumption and reduction of the global warming gas emission. However,		
		it is highly likely that the amount of subsidy allocated to large		
		manufacturers will be reduced to a minimal level, in light of the diversity		
		and multiplicity of the enterprises and the business units eligible for such		
		subsidy. In sum, the CTPS will most probably end up by the debilitation		
		of the locally manufactured products in price competitiveness against		
		imports.		
		(Actions)		
		By election on 26 June 2013, the change of the Labour Party took place fr	om Julia Gillard to Kevin Rudd (Prem	ier).
		The new Premier announced repeal of the Carbon Tax, which was simulta		•
		(Improvement)	J	
		On 17 July 2014, the Senate of the Federal Parliament (SFP) approved the	e Bill to repeal the Carbon Tax Schem	e submitted by The Abbo
		Conservative Coalition Administration. In addition, on 2 September, SFP	<u> •</u>	·
		On 2nd September 2014, the Bill to repeal The Mineral Resource Rent Ta	<u> </u>	
		resource rent tax is a scheme to levy 30% tax on profits gained from minir	<del>-</del>	
		met with deep-seated opposition of enterprises because of its excessive hea	avy burden. Along with the conservativ	e coalition party's electi
		campaign pledge on repeal of carbon tax scheme (decided on 17 July), MR	· c	•
	(3) Repeal of Tax	The proposed reform on the Living Away From Home Allowance (LAFHA)	- It is requested that GOA sets up a	- Fringe Benefits Tax
	Exemption	scheme for temporary residents in Australia has come into force since 1	reasonable tax exemption threshold	Assessment Act 1986
	Measures on the	October 2012, so that various allowances for expatriates, including in	in tax levy. (Australian tax rates for	- MT 2030 Fringe
	Living-Away-From	particular, housing cost allowance, have become taxable. Foreign	PIT and FBT are far higher than	Benefits Tax,
	-Home Allowance	investment is indispensable for the Australian economic growth. Heavier	other countries in this region.)	Living-Away-From-Ho
	and Benefits	tax burden upon the expatriates reduces foreign investment into		e Allowance Benefits
		Australia, inducing relocation of quality human resources to other		- LAFHA
		metropolitan cities in the Asia-Pacific Region. (Australian tax rates for		- Budget Measures
		private income tax (PIT 45% maximum) and fringe benefits tax (FBT 49%		2012-13 - Budget Pape
		maximum) are, by far, higher than other countries in this region. The		No_ 2 - Part 1 Revenue
		impact upon foreign funded enterprises (FFEs) is too serious).		Measures – Treasury
				- Fringe Benefits Tax
				- Australian Tax Laws

Category	No Issue	Issue Details	Requests	References
		- By amendment of LAFHA (Living Away From Home Allowance) tax	- It is requested that GOA considers	
		scheme, FBTs for of expatriates have become taxable, such as house rent	providing:	
		allowance, meal allowance, and children's educational allowance,	a transitional period (as tax rate in	
		increasing the cost of MFS (Member Firm's Subsidiary) operation cost in	excess of 40%, gives a substantial	
		Australia. In addition, the costs incurred for expatriates are generally	impact on MFS's P&L), and	
		expensive, obstructing despatch of expatriates from Japan.	some kind of incentive measures.	
		- The FBT burden upon expatriates is quite substantial so that it has	- It is requested that GOA takes step	
		become one of the substantial factors that kick up operational costs.	to reduce the FBT burden levied	
			upon expatriates from overseas.	
	(4) Absorption of	- GOA levies 5% withholding tax on interests paid for the borrowing made	- It is requested that GOJ develops	- Part B, the Income
	Withholding Tax	by MFS in Singapore from its parent in Japan, its branch(es) in	discussion with GOA to alleviate the	Tax Assessment Act
	on Accrued	Singapore, etc.	tax burden described in the left	<u>1936</u>
	Interest on the	Absorption of withholding tax is not insignificant on accrued interest paid	<u>column.</u>	
	Borrowing from	for the borrowing from headquarters / branches of the Japanese financial		
	Overseas Related	institutions that rely upon their headquarters, etc. for fund procurement.		
	<u>Companies</u>			
	(5) Complex Stamp	- Relative to sales and purchase of shares of a company that owned a land	<ul> <li>It is requested that GOA streamlines</li> </ul>	5
	Duty Scheme	property, there was a case where high amount of stamp duty (of a small	the stamp duty scheme for	
		percentage) was levied. It necessitated incorporation of an investment	promoting investment into	
		company or a land tenure company (including selection of the state of	<u>Australia.</u>	
		incorporation) to consider the measures to minimise the tax liability. All of		
		these points to more complications in the investment form. Stamp duty		
		provisions are complicated; moreover, it varies from state to state, defying		
		comprehension.		
		(Actions)		
		- Each of the State and Special Territorial Governments (ESSTG) levies sta	<del> </del>	
		transfer of marketable securities, transfer of assets or real estate, under t	•	
		states and territories. In Australia transactions in shares of legal entity of	<u> </u>	•
		both. ESSTG levies and collects stamp duty also in the case a Non-Austra	<u>lian purchases Non-Australian busine</u>	ss body, resulting in
		change of ownership in the Australian assets.		1
	(6) <u>Lack of</u>	- In regard to petroleum and gas business, GOA collects The Petroleum	- It is requested that GOA takes step	
	<u>Consistency</u>	Resource Rent Tax (PRRT), apart from corporate income tax. Under both	to harmonise and to streamline the	
	<u>between Corporat</u>	•	-	
	Income Tax Law	tax laws (especially as regards mineral exploration activity), giving extra	much as it is illogical to have	
	and Oil Tax Law	large amount of workload, while needing the help of tax experts to file tax		
		returns.	activity by the difference between	
			the tax schemes.	

Category	No	Issue	Issue Details	Requests	References
	(7)	Irrational Application of the Excise Duty Rates on Alcohol Products	- Excise duty (corresponding to the liquor tax of Japan) on alcoholic drinks today differs substantially by category. It has driven consumers into inadequate drinking habits, while causing imbalance between dealers, hence giving the negative impact to the society as a whole. Particularly problematic is sales of light (ad valorem) tax levy upon cheap wine at extremely low prices.	<ul> <li>It is requested that GOA:</li> <li>introduces volume metric tax (so called ad valorem tax based on net alcoholic content),</li> <li>repeals wine tax, and applies excise tax to wine.</li> </ul>	- Excise Tax - Wine Equalization Tax
16Employment	(1)		International competitive edge of the Australian business has been declining in general, while the high labour cost presents managerial issues to deal with.  - MFS, being operated by local staff in sales and administration, incurs a high percentage of operational expenses for personnel cost (especially from the minimum wage, overtime premiums for work on Sundays and national holidays), while the minimum number of the requisite employees is fixed, leaving little room for cost reduction therefore MFS faces tough situation with low profitability.  (Actions)  - Since January 2010, Fair Work Act 2009, relating to workplace relations, National Employment Standards (NES), providing the 10 minimum emplo	* *	- Fair Work Act - Labour Act  force. It incorporates
	(2)	Downward Rigidity of LEWs Wages	The downward rigidity of wages for Locally Employed Workers (LEWs) oppresses management by way of increased cost and difficulty in securing human resources, a factor that weakens the cost competitiveness of the Australian industry.	- It is requested that GOA takes step to rectify the problems by legislative system.	
	(3)	Shortage of Skilled Workers	- The shortage of skilled workers persists in Australia so that there are occasions where acceptance of foreign workers becomes necessary.	- It is requested that GOA: substantially deregulates the requirements for issuance of the Temporary Work (Skilled) visa (subclass 457), and simplifies the visa acquisition procedures.	- Migration Act 1958
	(4)	Jacked up Acquisition Cost and Prolonged Procedures for Expatriate's Visa Acquisition	- Amendment of Migration Act on 1 July 2013 (2013 Amendment), jacked up the acquisition cost of expatriates' visa, while the prolonged examination period is a matter of concern. Moreover, 2013 Amendment requires separate payment of visa acquisition cost also for the accompanying family member(s), not required previously. Further increase has been in effect from 1 September, 2013.	This Amendment is sequel to remote area allowance levy in 2012, addressed to foreign workers. It is requested that GOA streamlines the visa acquisition procedures and cuts down its examination period.	- Migration Act 1958

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			Moreover, for the occupational category at less than the basic wage,		
			minimum IELTS 5.0 scores have become additional requirements.		
			(Actions)		
			- A 3-step (sponsorship nomination long-term work visa) applications a	nd licenses are required to obtain Tem	porary Business (Long Sta
			Standard Business Sponsorship (Subclass 457 Visa). The requisite doc	uments for Subclass 457 Visa applica	tion includes among others
			passport, Form 1066, Marriage Certificate, Sponsorship Permit, Quali	fication Examination Document, and	if the applicant stays for r
			than one-year, Health Certificate, Personality Examination, Documen		
			certain level of English language skills is required for residents whose	_	
			Australian enterprises, the Internet application is accepted. However,	if it is sponsored by a Japanese enterp	orise, application must be
			at the Australian Embassy in Japan.		
			- On 5 May 2008, Minister Evans, Department of Immigration and Citi	<u>=</u>	
			1) A special team will be placed in Sydney, Melbourne, and Perth to en		
			<ol><li>Improvement measure will be implemented as soon as possible to en with a sound performance record.</li></ol>	nploy the fast track on Subclass 457 V	isa applications by enterp
			On 16 March 2009, Senator Chris Evans, Minister for Immigration an	d Citizenship, announced: "The Rudd	Government will cut the
			2008-09 permanent skilled migration program by 14 per cent [from the	e initial plan of 133,500 to 115,000 pe	rsons] to protect local jobs
			while ensuring employers can access skilled professionals in industrie	s still experiencing skills shortages."	
			- On 1 July 2009, Ministry of Department of Immigration and Citizensl	nip released a partial change in the ex	amination of Subclass 45
			Visa, which is a long stay business visa. The change calls for examinat	ion of skills for welders, motor mecha	nics, chefs and cooks, fitte
			and metal fabrication workers from 10 countries, namely, Brazil, Fiji,	<del>-</del>	
			Republic, Thailand, Vietnam and Zimbabwe for the sake of assuring se		release also refers to the
			planned future additions of the subject countries and the job description		
			- On 1 July 2009, Ministry of Immigration and Citizenship amended in		•
			Temporary Skilled Overseas Workers (subclass 457 visas) will increase	ŭ i	
			levels per annum for workers holding Subclass 457 Visa at A\$45,220 a		
			- On 18 February 2010, Ministry for Immigration & Citizenship annour	nced that the 457-Visa issued during J	uly 2009 through Januar
			2010 was a reduction of 47.4% in aggregate.		
			- As of February 2010, generally it takes about one month to have the 4	_	
			improvement compared to the latter half of 2009 when it used to take	more than 3-months. (JETRO News L	etter dated 26 February 2
			JETRO TSUSHO KOHO).		
			- On 1 July 2013, federal government amended the requirements for acc		
			It has further tightened the terms and conditions for acquisition of sul	9	
			to provide on the job business training to the Australian employees an	•	on the employees allowabl
			sponsorship, skill assessments requirement, repeal of exemption of Er	igiish language skills by work.	

Category	No	Issue	Issue Details	Requests	References
			(Improvement)		1
			- On 14 October 2014, federal government announced relaxing temporary v	vork (skilled) visa (subclass 457) requi	rements. The thrust of th
			amendments are:		
			(1) simplify the review for low risk applicants		
			(2) increase the sponsorship approval period from 12 to 18 months for star	<u>rt-up businesses,                                 </u>	
			(3) provide greater flexibility in relation to English language requirement	s for 457 applicants	
			(4) retain the temporary skilled migration income threshold at \$53,900, a	head of a review within the next two y	<u>vears.</u>
	(5)	<u>Indefinite</u>	Upon filing application for visa acquisition, the requisite time for its	- It is requested that GOA clarifies the	2
		Procedures / Time	acquisition varies by large margin from the broad guidance given.	terms and conditions for visa	
		for Acquisition of	<u>Uncertainty on this point can materially disrupt the corporate personnel</u>	acquisition.	
		Expatriates' Visa	movement plan (in the case of Japanese affiliated enterprises). Moreover,		
			the approval process and the requisite time are uncertain.		
			- Electronic travel authority: The number of cases has increased whereby	- It is requested that GOA takes step	
			entry/exit under ETA visa to and from Australia is interrupted upon	<u>to:</u>	
			immigration examination, although it has not yet occurred in the case of a	] · · · · · · · · · · · · · · · · · · ·	
			reporting member firm. It is said that in one case, visa was canceled, or in	·	
			another case, re-entry into Australia suspended for the subsequent	mid-long term or frequent entry	
			3-years, or in third case, employer was investigated for compliance,	with legitimate reasons, also	
			monitored, or even penalised in some other cases. There is a concern that	1	
			occurrences of such events could affect subsequent renewal/application	with refusal of entry at	
			procedures for expatriates' visas, or for renewal or application of	immigration, and for taking	
			sponsorship. In addition, several different responses came back to	actions as necessary.	
			enquiries made to department of immigration and border protection that		
			show there are communication problems in the department.		
			(Improvement)		
			- Under agreement between Japan and Australia Economic Partnership Ag	·	•
			Movement of Natural Persons" provides undertakings between the parties		-
			business visitor, an intra-corporate transferee, an investor, etc. and accom-		plification of
			requirements, while expediting and improving transparency of the proced	Ī	1
	(6)	Negative Impact	- Due to the labour protection policy, there are cases where employers are	- Labour Protection in Australia is	<u>- Labour Laws</u>
		on Investment	compelled to absorb the excessive labour rights, a factor causing "cost	prominent among the developed	- Fair Work Award
		<u>from Over</u>	<u>overrun</u> " <u>syndrome in investment into business.</u>	countries. GOA's effort for its	
		<u>protection of</u>		moderation is much hoped for.	
		<u>Workers</u>	- In Australia, employees' right is heavily protected so that even a change	- It is requested that GOA takes step	
			in the assigned work requires the employee's consent. In addition,	to relax assertion of workers' right.	
			abundance of strikes led by Trade Union drives up the operation cost,		
			<u>debilitating the competitive edge in export business.</u>		

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			- Premium wage for overtime, weekend, and holiday work, and statutory	- It is requested that GOA takes step	
			minimum wage frustrate SMEs operators' efforts to develop their	to modify employment legislation to	
			<u>business.</u>	make it more compromising and	
			A reporting member firm frequently receives consultation from them how	practicably feasible for SMEs	
			best to cope with this difficulty. It is difficult to cope. It is almost	operators.	
			impossible to give them good advice.		
			(Actions) - Since January 2010, Fair Work Act 2009, relating to workplace relations,	and for related purposes, has been in	force. Apart from the
			10-minimum employment entitlements (10-MEE) that have to be provided	• •	•
			sector and by business sector.		-
			Improvement in productivity and flexibility is indispensable for business		
		of Trade Unions at	<u> </u>	the Fair Work Act a Process,	Bargaining
		Labour	business on a stable, competitive basis, the fruits of which materialise as	whereby during labour bargaining	representatives must
		Management	improved working conditions.	the Trade Union undertakes to	meet the good faith
		Negotiations	While employers negotiate with trade unions for fair wages and working	cooperate with employers for	bargaining
			conditions on the principle of good faith under the going labour law on	improvement of productivity /	requirements
			collective agreement, trade unions focus only upon improvement of	flexibility in enterprises' operation.	<u>- Fair Work Act</u>
			working conditions, threatening decline of the competitive edge of		- Industrial Relation La
			employers' business entity, casting doubt on continuation of the business		<u>- Labor Law</u>
			operation to the end of the year 2017.		
			Due to the trade union led strikes, the construction work can be delayed.	<ul> <li>It is requested that GOA takes steps</li> </ul>	
				<u>to:</u>	
				strengthen the Bureau of	
				Mediation's authority in regard to	
				new Collective Agreement, and	
				make more stringent the	
				requirements to authorise labour	
				<u>disputes.</u>	
			- The power of trade unions is quite significant at the construction site in	- For the successful run of the	
			Australia, making management of cost and construction process	construction site operation, the	
			extremely difficult, while causing drop in profitability. Particularly in	review on the status quo of the local	
			Victoria state, trade unions are too strong for Japanese enterprises to	<u>trade unions is imperative not only</u>	
			operate from scratch construction business successfully.	for FFEs but also for local industry.	

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ategory		Difficulty in Holding Down Invocation of Labour Disputes, Suspension, or Termination of Industrial Action	Trade unions can readily plead industrial action, which cannot be readily suspended or terminated unless the Fair Work Commission (FWC) is satisfied that the protected industrial action would cause significant harm to the Australian economy or an important part of it. During the industrial bargaining in 2011, a Japanese affiliated manufacturing enterprise experienced 4-times of strike, but its application for termination To the Fair Work Australia (FWA, predecessor of FWC) got rejected because of the excessively high basis for interpretation of what amounts to "significant harm".  Led by the trade union, protest movements have arisen, while their impact always exists as risk to the production activity. At the regular negotiation for collective agreement amendment, employers have but meager countermeasure against the trade union's unrealistic demands.  Scrap-and-build of factories, measures taken in the course of medium-and long-term management strategies, are at the risk of triggering industrial	- It is requested that GOA reviews the judgement basis of what amounts to "significant damage" in an industrial action.  - It is requested that GOA amends the going fair work act (for simpler, and speedier mediation process, and for restricting trade unions activity devoid of balance and fairness, and adequate reinforcement of fair work	- Fair Work Act 2009, Article 424 FWA must suspend or terminate protected industrial actionendangering etc. - Fair Work Act
	(9)	Rampant Sporadic Absentees	disputes. They heavily impact business activity. While paying attention to the current administration's move for legislative amendment, it appears, it's a long way to make radical legislative changes.  The rules are lax under the going Fair Work Act concerning prior submission of emergency leave notice or medical certificate in proof of accident and sickness. As a result, rampant sporadic absentees slow down production / business activity also in private enterprises.	- It is requested that GOC weaves into "Notice and evidence requirements" the rules to deal with sporadic absentees, the solution of which is beyond private bargaining of an enterprise. [Example]: Mandate for submission of medical certificate or voucher for all sporadic absentees.	- Fair Work Act, Article 107, Notice and evide requirements
	(10)	)Cost Increase due to Securing Drivers' Safety	Suppliers and transportation operation contractors are responsible for securing the safety of their drivers (from overwork and by arrangement of an adequate operational plan). In addition to the car drivers' insurance, employers incur the cost of proper training and labour control. This is one of the factors that drive up the transportation fees.		

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17Implementation of Intellectual Property Rights ("IPRs")		Restrictive Rules on Reproduction for Private Use	Reproduction for private use actually takes place from an officially purchased music CD into a Personal Computer (PC), from PC to portable audio player, from broadcast programme to audio/video recorder for time-shift, as well as to Smartphone (for listening/viewing while away from home), digitization of books purchased for tablet reading, etc. In light of the fact that all of these conducts cannot be considered injurious to copyright holder, the right of copyright holder requires restrictions. Nevertheless, in certain countries, these conducts are considered illegal, or even if stipulated as legal on certain conducts, such stipulation could be insufficient. Furthermore, in Japan, Article 30 of the Copyright Act restricts copyright relatively broadly in regard to reproduction for private use.		- In Australia, Note (to Article 111 of Copyright Act 1968) provides: "Even though the making of the film or recording does not infringe that copyright, that copyright may be infringed if a copy of the film or recording is made."
	(2)		- Introduction of Tobacco Plain Packaging Legislation (TPPL) on tobacco	- As described in the left column,	- Tobacco Plain
		Anxiety over IPRs Infringement and Increased Counterfeiting from Introduction of TPPL	products has heavily reduced the identification capabilities (between the products), being the essential faculty of trademarks, materially destructing the "brand value", and consequently damaging the sound market competitions. More precise concerns include, without limitation, customers purchase of unintended products from the difficulty of making distinction, customers' shift to less expensive products, and finally, closing the door for new entry into the market. In addition, simpler packages facilitate counterfeiting activities, resulting in the growth of counterfeits in the market.  (Note) TPPL, a measure to standardise configuration, colour, etc., of individual tobacco package, largely restrict the space on the packaging by the mandate to print specifically, "warnings with photo" (in the 75% of the total area front, and 90% back).	TPPL infringes upon intellectual property right of business operators, consequently hindering the Pa	Packaging Act 2011 - Tobacco Plain Packaging Regulations 2011
			(Actions)  In November 2011, federal parliament passed both "Tobacco Plain Package Plain Packaging) Act 2011" enforced in December 2011. On and after 1 Desilkscreen surface, with brand name and type showing on the front of the warning can be marked at least 75% of the space on the front outer surface. Article 29.5: "Tobacco Control Measures" of The Trans-Pacific Partnership including Australia, under CHAPTER 29 (Exceptions and General Provisitation of Contracting party implementing tobacco control measures may elect to desettlement.	cember 2012, tobacco packaging shall package in the even-spaced characters e and 90% of the space at the back sur (TPP) agreement, signed on 4 Februa ons) and General Terms Article 29.5 p	have uniform dark brown s. Harmful to health rface. ary 2016 by the 13-states, provide in substance:

Category	No	Issue	Issue Details	Requests	References
19Industrial Standards, Approval of Safety Standards	(1)	Introduction of Individual State's Own Independent Safety Standards And Rules	It seems the move has subsided to promulgate individual STATES' own regulations by their own standards, such as Victoria state's decision for introduction of compulsory safety device, or speed control device draft regulation and New South Wales draft regulation for standardisation of alternative fuel standard. Hereafter, it is requested that the federal government under its initiative will advance harmonisation of the Australian regulations with "The European agreement concerning the international carriage of dangerous goods by road (ADR)." The absence in harmonisation in standards will likely compel car manufacturers to develop individual "state" exclusive diversity of car designs with the resulting delays in new model introduction and the increased costs to the end users.	It is requested that federal government, hereafter at its initiative: strengthens the framework in which to deliberate on standards and specifications with the view to eliminate any chances of individual states from advancing their own standards and regulations, and aggressively advance harmonisation of Australian regulations with European ADR.	
	(2)	Aggravated Profitability due to Introduction of National Product Stewardship Legislation	Beginning 1 July 2012, all manufacturers and importers of television receivers are required to contribute to the recycling of television receivers.  This requirement will serve as a new element of aggravating their profitable operation.		
	(1)	Monopolised Port Services	Basically the two firms (Patrics and P&O) monopolises port services, eliminating any competition among enterprises for better service and cost reduction. Their excessively high profit rates are matters of concern to GOA also.	It is requested that GOA authorises firms other than these two upon opening of the Wolongong Port for port services.	
	(2)	Oligopoly in the Domestic Transportation Business	Due to the slow handling of the domestic railway, the home-delivery service offered by Toll/IPEC is the main service available with the nation-wide coverage. Toll/IPEC single handedly virtually monopolises the Australian market, impeding a sound inter-company competition.	- It is requested that GOA improves the slow railway transport, the inefficiency of which is due to differences in the rail width from state to state, requiring loading and unloading of cargoes each time.	
21Restrictions on Land Ownership	(1)	Delayed Examination for Land Acquisition Licence	- Transactions for land acquisition by foreign funded enterprises are subject to screening by Foreign Investment Review Board (FIRB), which takes a lot of time.	- It is requested that FIRB expedites the screening.	- FIRB ( <u>http://www.firb.gov.au/</u>

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			Actions) The Foreign Acquisitions and Takeovers Act 1975 (Cth) (the Act) provides Minister of Finance shall examine and determine the application within 30-days. However, Minister of Finance is empowered to postpone the period for 120-days maximum by publication in the Australian Gazettes Order nisi, which is issued where the foreign fund case is extremely complex, or where the applicant requires more detailed information.			
	(2)	Verification of Identity Procedures on Purchase and Sale of Land Property	Relative to contract for sale and purchase of land property by foreign funded enterprises (FFEs), Verification of Identity is necessary for the person signing the contract (PSC). When signing outside Australia, PSC must appear before the person in charge at the Consulate to sign the papers. In addition, Verification of Identity is only possible during morning office hours on Tuesdays and Thursdays, while the details of the requisite documents for Verification of Identity remain undisclosed.	- It is requested that Government of  Australia (GOA): accepts Verification of Identity at places other than the Consulate (for example, at Notary Public's Office), lengthens the hours for Verification of Identity at the Consulate, and clearly identifies the requisite documents for Verification of Identity.	- Verification of Identity http://www.landgate.wa. gov.au/docvault.nsf/web/ PS_TR_VI/\$FILE/VOIB RO.pdf	
22Environmental Pollution and Waste Disposal	(1)	Irrational Implementing Policy for CO2 Emission Control	<ul> <li>In regard to the CO2 emission control issue, which has calmed down for a moment, in light of possible acceleration of its re-introduction, the following issues have been re-ascertained: <ol> <li>The consultant's report in support of the draft policy previously submitted for review was based upon CAFÈ's fixed quantitative restriction, which is relatively disadvantageous to car manufacturers whose product line-ups are focused on commercial/large type vehicles.</li> <li>The consultant's report in support of the draft policy is based on unrealistic premises that deviate from the status quo of the car industries and their technical developments.</li> <li>The process toward policy decision has frequently lagged behind the schedule. As it stands, it likely deprives manufacturers of the requisite technical development time to respond to the new regulatory control.</li> <li>The Draft Climate Change Authority (CCA) Regulation proposed in 2014 did not sufficiently reflect the differences in the market composition of Australia vis-à-vis Europe and other regions, lacking fairness in the regulatory control values.</li> </ol> </li></ul>	- As described in the left column It is requested that GOA:  (1) ensures fairness to all manufacturers in the regulatory provisions that reflect the products' composition, and the market structure,  (2) takes into account the deviation of the consultant's report from the real status quo, and  (3) decides the timing of the enforcement flexibly to account for the delay in policy decision.  (4) The same as (1) and (2).	- Clean Energy Future - Carbon Tax - Carbon Farming Initiative - Renewable Energy Target	

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			(Actions)  On 10 July 2011, Prime Minister Gillard released the details for Carbon Pricing System (CPS) as follows:  (1) From July 2012, GOA begins CPS at fixed price, after 3-Years of Transitional Period, will shift to Emissions Trading Scheme (ETS).  (2) Carbon price will be \$A23 per ton of CO2 emission, with effective increase each year by 2.5%.  (3) The Top 500 Enterprises (approx.) in CO2 Emission Volume shall be Enterprises subject to CPS.			
	(2)	Nebulous Assumption of GHG Cost	New conservative coalition government intends to repeal the current carbon tax scheme introduced by the former labour administration. Deliberation on Green House Gas (GHG) measures is now under way. Compared to thermal plants that rely on fossil fuel, the emission volume is slight in the case of a thermal plant running on natural gas. It contributes to reduction in GHG emission. However, if the cost of the scheme for GHG reduction in the natural gas thermal plant is heavier than operations in other countries, the competitive edge of the Australian natural gas thermal plant declines.	- It is requested that GOA introduces GHG scheme that are mindful of the international competitive edge of the Australian LNG project.	The Carbon Farming	
	(3)	Time Consuming Procedures for Environmental Licences and Approvals	Due to the duplication in approval process of Federal Government and State Governments for grant of the environmental licences and approvals on coal mine development projects, sometimes, it takes a few years for issuance.	- It is requested that GOA corrects the licences and approvals procedures by eliminating duplication of the competent authority.		
	(4)	Voiding Decision overturning High Court's Violative Decision on Container Deposit Scheme	"Container Deposit Scheme" now enforced in South Australia and northern territories targets aluminium tins and PET with relatively high recycle rates among the beverage containers, and its restricted implementation only in limited state, and territory compels undue burdens upon consumers, manufacturers and distributors is deemed to be in violation of "Trans-Tasman Mutual Recognition Act." When the related industries sued against South Australia and the northern territories, the high court of Australia judged so. However, South Australia and northern territories later obtained permanent exclusionary approval voiding the high court decision.	repeal container deposit scheme, and rigorously and adequately administers Trans-Tasman Mutual Recognition Act.	- Trans-Tasman Mutual Recognition Act	
23Inefficient Administrative Procedures, Regimes and Practices	(1)	Delays in the Governmental Approval Procedures of Various Kinds	GOA's reaction is slow; taking more than 6-weeks on products (note) for which GOA's approval is required. These are the products for which GOA's approval is required for safety, market compatibility certificate, etc. before they are allowed to enter Australia.	- It is requested that GOA will reinforce its staff on provision of online approval service, which GOA has started since October 2008. Due to the staff shortage, online service takes longer than the previous manual handling.		

Category	No Issue	Issue Details	Requests	References
	(2) Varying Licences and Approvals By State	- A licence obtained in one State is not necessarily valid in another State, due to differences of laws in the other State for example, in the adjoining states of Queensland and New South Wales. Because laws and regulations on electrical licences are different in these states, two licences are necessary to repair or service products installed over the State borders. It doubles the cost of acquiring the electrical licences.	- It is requested that GOA promulgated new regulations on the electrical licences that is valid universally nationwide or each state permits provisions of services based on the electrical licences issued by other states.	
	(3) Inflexible Contracts on Railway/Harbour Concerning Coal Mine Development	In the context of the coal mine development in Australia, it seems "Inflexible provision in the Contracts on Railway Transport and Harbour Utility (CRTHU)" negatively impacts in adjusting the production volume (from oversupply). Specifically, railway transport is divided into Below Rails (BR) and Above Railroad Car (ARC) against the annual contract frame, including the monthly frames (split evenly per month over 12-months). Consequently, it is suggested that the monthly tolerance (of say, plus or minus 10% over the monthly frame) would better enable contractors to accommodate the CRTHU requirements. In actual implementation, particularly in cases of open-cut mining, the coal production volume goes up during the dry season, compared to the rainy season. From users' perspective, flexibility in implementation is apparently missing. HARBOUR UTILITY: Monthly Utility Frame (MUF) is evenly split into 12-months. It is considered better to give certain flexibility (such as plus or minus 10% over the monthly frame) if within the annual frame, the same as rtransport.  Apart from the foregoing, as regards Harbour utility (Hutility), compared to the existing ports, it is said that the take or pay obligations per ton under the new MUF is higher than that of the existing ports, where depreciation write-off has far advanced. GOA's price contro on Hutility feesl, to a degree, is requested from the users' perspective to avoid substantial gap in Hutility Fees between the new and the existing ports. Otherwise, it would let the existing business entities with the allocated	While, as a matter of course, including financing of the railway/port operation, its viable construction/operation is not possible without the take or pay obligations, it is equally difficult to select more advantageous ports, in respect of the relative locations of the coal mine and the ports, and the connecting railway facilities, all of which cannot be readily changed overnight.  It is requested that GOA:  takes measures to provide some flexibility per month or  in the event of using new ports, adopts the policy to narrow the gap in MUF between the existing and new ports.	
24Indigested Legislation, Abrupt Changes	(1) Frequent Amendments of GOA Policy	utility frame to enjoy a better competitive position in price.  Frequent policy reviews devoid of consistency arising from political turmoil drives business operators into huge amount of funding and a long preparatory development period, which disrupts particularly the infrastructure business, etc. that demand huge investments and a long	- It is requested that GOA constructs its structure capable of maintaining consistent policy over mid-long terms.	

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	(2)	Inadequate Legislation on Corporate Merger	- Due to the absence of legislative scheme on merger, the only means available to a purchaser is to succeed from the predecessor, or renew the existing contracts and agreements, which necessitates a lot of extreme complications.	- It is requested that GOA takes step to complete merger legislation, equivalent to the corresponding Japanese legislation.	- The Corporation Act 2001
	(3)	Abrupt Changes in Taxation Scheme/Delayed Implementing Regulations	- From time to time, abrupt changes in the taxation scheme/royalty occur.  Moreover, after the announcement of the outline for legislative change, it takes a long time before the release of the full legislation, in many cases, impacting upon business decisions.	- It is requested that GOA takes step to ensure: provision of opportunities to exchange dialogues with major enterprises including FFEs, and transparency in the process of refining the bill in detail.	
	(4)	Delayed Privatisation	- The delayed privatisation has resulted in immature competitive market.	- It is requested that GOA under its  leadership introduces the fundamental principle of the market competition.	
26Others	(1)	Delays in Port Service Work	- At Botany Port (near Sydney Port) due partly to the calls of ships beyond its holding capacity, there has arisen a chronic demurrage in port services.	- The State of NSW are expanding the Botany Port, while opening of new container port is under consideration at Wolongong. It is requested that GOJ extends its assistance toward its development.	
	(2)	Aggravated Efficiency in Cargo Delivery due to Restricted Kerbside Parking	Due to restricted kerbside parking, a delivery car must be parked a good distance away from the cargo recipient, and the package must be reloaded on a trolley for delivery. While so doing reduces efficiency in delivery, it is also inductive to thefts of the other cargoes left on the delivery car.		
	(3)	Inadequate Stable Power Supply	Thermal power generation operators in eastern coastal territory of  Australia sell the electric power in the electric power distribution market now face a severe marketing climate from the spread of reusable power generation, assisted by the governmental support, which has slackened the balance between demand and supply. On the other hand, in order to backup the wind and solar power generators, which are susceptible to changes in weather, it is important for business operators to secure and maintain thermal power generation equipment to ensure stable power supply.	- It is requested that GOA implements policy to structure the framework that enables electric power operators to receive consideration for maintaining the thermal power generation capacity and to correct imbalance vis-à-vis reusable energy operators that receive the benefits of governmental support.	(Electricity) Amendmen Act 2009

Category	No	Issue	Issue Details	Requests	References
			(Actions)  - According to International Energy Agency (IEA), Australian Electricity Power Resources in 2012 comprised of (approx.) coal thermal 70%, gas thermal 20% and others (hydro, reusable energy, etc.) 10%. In 2012, the Australian self-sufficiency rate of primary energy was 247.4%, and energy self-sufficiency rates: coal 511.6%, and natural gas 158.8%.  - In 2009, labour coalition administration set the target of raising the reusable energy output in Australia to 20% of the total electricity output in Australia to the tune of 41,000 GWH by 2020. However, the conservative coalition administration that won in September 2009 election reduced this 20% target by 2020 to 33,000 GWH.		
	(4)	Inadequate Information Technology Infrastructure	- Inadequate information technology infrastructure.	- It is requested that GOA invests into the IT infrastructure.	