

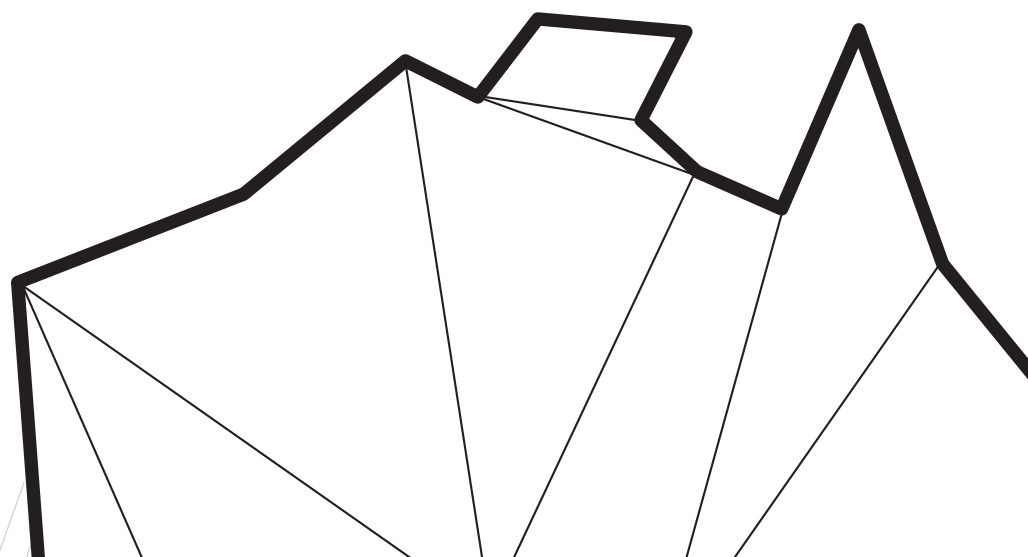
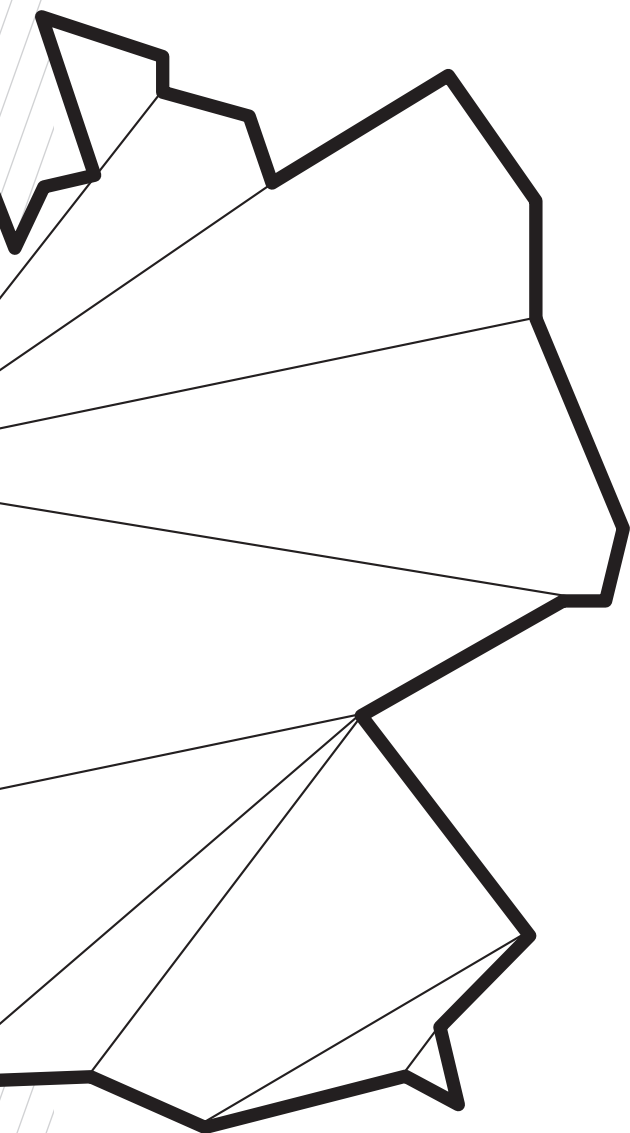


# COLLABORATION, INNOVATION & OPPORTUNITY

Progress Report

Australia-Germany  
Advisory Group

December 2016

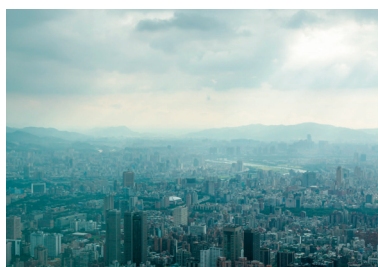


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**DR ANGELA MERKEL**

CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY

**THE HON MALCOLM TURNBULL MP**

PRIME MINISTER OF AUSTRALIA

We are pleased to present our report on our countries' implementation of the Australia-Germany Advisory Group (AGAG) recommendations over the past year.

Since November 2015, when we presented AGAG's broad-ranging proposals for broadening, deepening and strengthening our bilateral partnership, more than fifty Australian and German organisations have collaborated to make substantial advances in the calibre of our bilateral cooperation.

Our countries have made significant progress in implementing AGAG's proposals. 54 of the 59 recommendations have been either fully implemented or are well advanced. In many areas, implementation of these proposals has represented a positive paradigm shift in our bilateral partnership. Increasingly, Germany and Australia are working as genuine partners pairing our countries' complementary strengths towards shared interests and goals.

The inauguration of the 2+2 Foreign and Defence Ministers' Meeting and the 1.5-Track Strategic Dialogue, together with an officials-level Asia Dialogue, have all supported a new level of strategic engagement between our governments and public policy leaders. Our governments' ability to address challenges and benefit from emerging opportunities has been enhanced through closer dialogue and best-practice exchange on important issues such as migration and resettlement, development cooperation, counter-terrorism and digital government.

The signing of a modernised bilateral tax treaty will provide increased certainty for business and reduce tax impediments to bilateral trade and investment, a dimension of the relationship which all stakeholders agree should be further developed. The Prime Minister's Industry 4.0 Taskforce has launched a constructive avenue for collaboration, best practice dialogue and innovation between our manufacturing industries.

Progress on implementing AGAG's extensive cultural and sporting recommendations has built on the strong people-to-people connections between our countries. We are pleased to report Germany has been designated to host the *Australia now* cultural diplomacy program in 2017 and will enjoy a rich and diverse program featuring contemporary perspectives of Australia's creativity, innovation and diversity. Australian audiences will experience Germany's artistic excellence in a joint gala opera performance by the Canberra Symphony Orchestra and the Saarbrücken State Opera House in 2017. Enhanced cooperation between our countries' football associations will support friendly matches between our senior women's and men's football teams in Australia and Germany in 2017 and 2018.



*Australia-Germany Advisory Group with Prime Minister Malcolm Turnbull in Canberra*



*Australia-Germany Advisory Group with Chancellor Angela Merkel in Berlin*

In view of the substantial body of work undertaken over the past year, select achievements have been highlighted in the thematic overview of AGAG implementation in the pages that follow.

While we have made significant progress over the last twelve months, we do not consider our work has ended with the submission of this report. Many AGAG proposals will be fully implemented in the coming months and years. A small number of recommendations were out of reach of government action but our work has also uncovered new and unanticipated avenues for further bilateral cooperation, consistent with the five themes of our November 2015 report.

The success of AGAG is in a large part due to the commitment and dedication of key stakeholders in both countries. We would like to thank all of those who have been involved and commend them for their work towards building a truly comprehensive bilateral relationship. We also acknowledge the efforts of our Ministerial colleagues responsible for implementing the government-oriented recommendations.

As Co-Chairs of AGAG, we have been overwhelmed by the enthusiasm from within government, business, science, research and cultural institutions to engage in intensifying our bilateral connections. The momentum that has been generated by AGAG will continue to create new and exciting opportunities in the pursuit of a stronger bilateral relationship that will benefit both our countries well into the future.

We commend this progress report for your consideration.

**Prof Dr Maria Böhmer**  
*German Minister of State at the Federal Foreign Office*

**Senator the Hon Mathias Cormann**  
*Australian Minister for Finance*



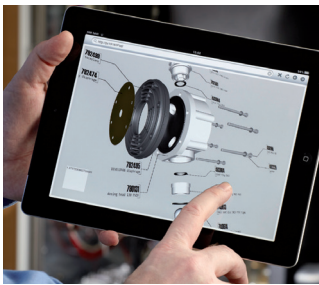
*Prof Dr Maria Böhmer  
Minister of State at the  
Federal Foreign Office,  
Member of the German Bundestag*



*Senator the Hon Mathias Cormann  
Minister for Finance and Senator  
for Western Australia*



# INCREASED TRADE AND INVESTMENT



## Industry 4.0

To learn more about this project identified by the German government to secure and build upon Germany's technological leadership role in global advanced manufacturing, please consult Germany Trade and Invest's extensive brochure:



*As nations with open markets, Germany and Australia share common interests in removing barriers to trade and investment and unlocking new areas of commercial collaboration. Germany and Australia are the world's fourth and twelfth largest economies respectively and the complementarity of our economies presents significant potential to broaden, deepen and strengthen the bilateral economic relationship.*

*Our implementation of AGAG's proposals throughout 2016 has supported a substantial increase in direct business-to-business interaction. The AGAG initiatives highlighted below have raised the profile of the bilateral commercial relationship among German and Australian businesses and the possibilities within both markets. These initiatives provide a framework for ongoing engagement over the coming years to further enhance bilateral trade and investment opportunities.*

→ The **revised double taxation agreement** was signed in November 2015. Both countries have passed legislation to allow the revised agreement to enter into effect following the exchange of instruments of ratification. It will enhance the infrastructure supporting bilateral trade and investment. The revised treaty will provide increased certainty for businesses in Australia and Germany and will reduce tax impediments to bilateral trade and investment.

→ Both governments remain committed to liberalising trade and investment through a future Australia-EU Free Trade Agreement. The German Government continues to advocate the benefits of an FTA and the newly launched **EU-Australia Leadership Forum**, which includes the German-Australian Chamber of Industry and Commerce, will provide valuable public advocacy for FTA negotiations.

→ As a direct outcome of the Asia-Pacific Conference of German business (APK), held recently in Hong Kong, a further regional

conference in Perth in November 2017 will bring together business and government leaders from Germany, Australia and the Asia-Pacific to showcase the opportunities in each other's developed and emerging industries. The conference will extend Australia's energetic engagement in the bi-annual APK conferences, most notably in Hong Kong, where Minister Mathias Cormann led a business delegation with the German-Australian Chamber of Industry and Commerce.

→ Utilising Australia's extensive commercial ties with Indonesia, the 2018 APK in Jakarta will provide a unique forum for promoting opportunities for trilateral business cooperation between Australia, Indonesia and Germany.

→ The **trilateral innovation symposium** hosted by the German Embassy and Austrade in Jakarta in May 2016 highlighted the significant scope for German and Australian enterprises to pair their complementary strengths in Indonesia's food production,



processing and distribution industries. Planning for a similar event in 2017 is underway and will involve the German-Indonesian Chamber of Industry and Commerce.

→ The **Prime Minister's Industry 4.0 Taskforce** – led by Jeff Connolly, AGAG member and Chair and CEO of Siemens Australia and New Zealand – has significantly enhanced collaboration between Australian industry leaders and their German counterparts in setting global standards for the next phase of advanced manufacturing. The Taskforce's structure is aligned with Germany's *Plattform Industrie 4.0* Group and will engage with German counterparts on developing Industry 4.0 standards. This process will be formalised through a Memorandum of Understanding to be signed in 2017.

→ Building on the **Woodside-sponsored side event** for Australian and German delegates at the LNG18 Conference in April 2016, the German Federal Ministry for Economic

Affairs and Energy and the Australian Department of the Environment and Energy will launch a new **bilateral Australian-German Energy and Resources Working Group** in early 2017. The Working Group will engage in dialogue on trade in energy and resources, climate change, lessons and opportunities from Germany's energy transition, as well as options for engaging non-governmental institutions in energy research fields.

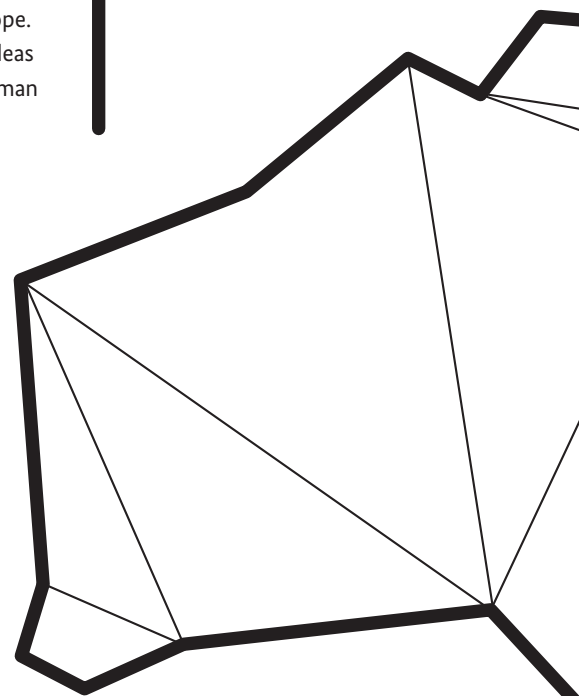
→ In addition to the extensive program of AGAG initiatives, the Australian Minister for Trade, Tourism and Investment, Steven Ciobo, announced the establishment of a **Landing Pad for Australian start-ups in Berlin** in April 2016. The Landing Pad opened in November 2016 and will support Australian innovators and entrepreneurs through access to world-class in-market business development, investment and mentorship in Germany and across Europe. The German Government is exploring ideas for potential sister landing pads for German start-ups in Australia.



Ambassador Lynette Wood opened the Australian Landing Pad in Berlin in November 2016



Australian Industry, Innovation and Science Minister Greg Hunt with Roland Busch, Siemens AG, and Jeff Connolly, Siemens Australia & New Zealand at the Prime Minister's Industry 4.0 Update.



# IMPROVED STRATEGIC DIALOGUE AND COLLABORATION



Foreign Ministers Dr Frank-Walter Steinmeier and Julie Bishop during the 2 + 2 Meeting in September 2016

*With Australia's position in the Indo-Pacific and Germany's key role in Europe and the European Union, both countries are well placed to contribute to a combined strategic approach in an ever-changing global landscape. We share core values and interests, and are likeminded on many international issues.*

*The AGAG process has delivered enhanced bilateral architecture, which has strengthened dialogue and collaboration between our governments and private sector groups.*

→ The inauguration of the **2+2 Foreign and Defence Ministerial Meeting** in September 2016 marked an historic milestone in the development of our political and strategic relationship. Foreign Ministers Julie Bishop and Frank-Walter Steinmeier and Defence Ministers Marise Payne and Ursula von der Leyen held constructive discussions on a range of foreign policy and security challenges, demonstrating the value of sharing each other's assessments of global issues. Ministers will maintain this forum as a central and regular element of the bilateral architecture and will reconvene in Australia in 2018.

→ Visits to Germany by Australian Ministers throughout the year demonstrated the significant value from **closer bilateral engagement on counter-terrorism issues and measures to counter violent extremism (CT/CVE)**. In March 2016, Minister for Justice Michael Keenan met with a range of German counterparts to discuss strengthening security ties and to identify opportunities for law enforcement cooperation. In September 2016, Minister for Foreign Affairs Julie Bishop met Minister of the Interior Thomas de Maizière to explore opportunities for enhanced cooperation in CT/CVE.

→ A visit to Australia by the **President of the Bundestag** Dr Norbert Lammert was a significant contribution to elevating strategic dialogue between our countries. This complemented the visit by **German Deputy Chief Air Force** LtGen Dieter Naskrent to explore possible cooperation between our Military Aviation Authorities. For the first time, the Luftwaffe participated in the Royal Australian Air Force Exercise **PITCH BLACK 2016** in the Northern Territory in September 2016.

→ The new **1.5-Track Dialogue** will bring our countries' leading think tanks and independent policy researchers into bilateral exchange on strategic issues. The German Institute for International and Security Affairs (SWP), with the Australian Strategic Policy Institute (ASPI), hosted the inaugural Dialogue in Berlin in December 2016. Australian and German experts assembled to discuss a range of common security and strategic issues, including regional security challenges, defence cooperation and migration. ASPI will host the second 1.5-Track Dialogue in Australia in 2017.



→ The Australian Department of Foreign Affairs and Trade and the German Federal Foreign Office inaugurated a senior officials-level **Asia Dialogue** in December 2016. This Dialogue provides an opportunity for the respective ministries' experts and senior officials to share their assessments and views on Indo-Pacific security and political issues. The Indo-Pacific focus of the Asia Dialogue will complement existing annual Senior Officials' Talks, last held in April 2016.

→ In addition to these AGAG initiatives, the **Konrad Adenauer Foundation's** (KAS) decision to open a new office in Canberra will further strengthen our countries' knowledge and understanding of our

common challenges and interests. The new office will allow KAS to expand its existing research on Asia-Pacific issues and further strengthen Germany's understanding of the region. At the same time, Australia will benefit from KAS's substantial body of policy work on European issues.



Defence Ministers Dr Ursula von der Leyen and Marise Payne in Berlin in September 2016



Federal Minister of Defence Dr Ursula von der Leyen, Australian Minister for Defence Senator the Hon Marise Payne, Australian Minister for Foreign Affairs The Hon Julie Bishop MP and Federal Foreign Minister Dr Frank-Walter Steinmeier

# STRENGTHENED COOPERATION ON SCIENCE AND EDUCATION

Germany and Australia share a long-standing relationship in science, research and education cooperation going back to 1976, when the Australia-Germany Treaty on Science and Technology Cooperation was signed. Both countries recognise that knowledge and innovation are central to their economic growth and prosperity, and value the benefits of research collaboration.

Through AGAG's implementation, we have significantly strengthened cooperation in science and research. New initiatives are in place to increase academic and student exchange between Germany and Australia, including through the establishment of bilateral research groups with complementary strengths.



German Ambassador Anna Prinz congratulates Kim van Netten, Australian winner of the "Falling Walls Lab"

→ The **Joint Science and Technology Meeting (JSTM)**, held in Berlin in October 2016, reaffirmed our countries' strong desire to build closer collaborative links. Implementation of the Roadmap 2016-2018, developed at the JSTM, will deliver on a number of important AGAG proposals on science and research, including in the areas of student mobility and exchange, research-industry linkages and research infrastructure.

→ A September 2016 workshop hosted by Universities Australia and attended by Minister Cormann and ANU Vice Chancellor Prof. Brian Schmidt showcased the breadth and diversity of scientific collaboration between German and Australian researchers under the **Australia-Germany Joint Research Cooperation Scheme**. The Scheme is a highly successful mobility program funded by Universities Australia and the German Academic Exchange Service. Through this program, Germany funds more successful projects with Australia than with any other country.

→ **Science Circles** are successful ongoing networking and outreach initiatives of the Australian Embassy in Berlin and the German Embassy in Canberra. In July 2016, the Australian Embassy hosted a Science Circle event featuring keynote speeches by AGAG members Prof. Brian Schmidt and Prof. Anja Schwarz, while the German Embassy hosted an event featuring keynote speeches by Prof. Matthias Hentze and Prof. Brandon Wainwright on the collaborative work being undertaken in Australia by the European Molecular Biology Laboratory.

→ A **new officer exchange arrangement** between the Australian Department of Education and Training and the German Federal Ministry of Education and Research (BMBF) has strengthened cooperation in both Governments' education and research activities. This exchange complements the existing exchange between the Australian Department of Industry, Innovation and Science and the BMBF.

→ A number of additional initiatives reinforced the potential for bilateral innovation collaboration. A new **International Research Training Group (IRTG)** in immunology, established by the University of Melbourne and the University of Bonn, will allow our leading researchers to train jointly dozens of Australian and German students over the next nine years. The IRTG is funded jointly by the University of Melbourne and the German Research Council.

→ The **Falling Walls Lab** held its first innovation competition in Australia in August 2016 at the Australian Academy of Science. 25 young researchers pitched their ideas to a high-level jury from academia, Australian government and German industry. The winning Australian candidate, Kim van Netten of the University of Newcastle and Australian 3MT competition wildcard entry, Joshua Chu-Tan from the ANU, presented their ideas to an international jury at the World Falling Walls Lab Finale in Berlin on 8 November 2016.



Prof Brian Schmidt, Australian Finance Minister Mathias Cormann and German Ambassador Anna Prinz at a Universities Australia workshop showcasing the work of the Australia-Germany Joint Research Cooperation Scheme in Canberra, September 2016



# EXCHANGE ON DIVERSITY, MIGRATION, INTEGRATION AND REFUGEES



For both Germany and Australia, migration and integration present complex challenges

*Migration and integration present complex challenges for Germany and Australia. Through the implementation of AGAG recommendations in this area, our governments have invigorated bilateral dialogue on migration, integration and attracting skilled workers.*

*The challenges and opportunities of attracting skilled labour and the responsibility of integrating newly arrived migrants into our respective countries have proven a particularly fertile ground for bilateral engagement.*

*This productive program of activities will continue to support bilateral dialogue and best practice exchange in the coming years.*

→ The German **Australia and New Zealand Parliamentary Friendship Group**, which visited Australia in March 2016, met senior officials from the Department of Immigration and Border Protection and the Department of Social Services to study Australia's migration and resettlement programs.

→ The **Intergovernmental Consultation on Migration, Asylum and Refugees** in April 2016 provided an opportunity for informal exchange and dialogue between Australian and German senior officials.

→ The Australian Embassy facilitated **visit programs in Berlin for Prof. Leslyanne Hawthorn and Carmel Guerra**, two of Australia's leading experts on migration and integration. Prof. Hawthorne's program included an address to German parliamentarians and officials from the German Ministry of the Interior.

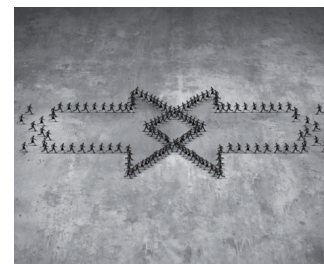
→ A **delegation of senior officials from the German Federal Ministry of the Interior** visited Australia in November 2016 to focus on Australia's systems on passenger name records and biometric identity management. The Ministry plans to send a second delegation of senior officials to observe Australia's integration, skilled migration and humanitarian resettlement programs in early 2017.

→ The 1.5-Track Dialogue in December 2016 included **discussion of migration and integration** issues.



→ The Australian Department of Social Services is engaging with Migration Council of Australia to determine options for sharing experiences with German counterparts on the **Friendly Nation Initiative**, a business-led strategy to increase employment, training, and internship opportunities for refugees and humanitarian migrants in Australia.

**Initiative**, a business-led strategy to increase employment, training, and internship opportunities for refugees and humanitarian migrants in Australia.



*The challenge of attracting skilled labour into our respective countries have proven a fertile ground for bilateral engagement.*



*Over the last decades, millions of migrants were successfully integrated into the German society. In this picture, State Minister Prof Dr Maria Böhmer meets young people of Turkish origin during her time as Federal Integration Commissioner.*

# ENHANCED CULTURAL AND SPORTING LINKS, AND COOPERATION ON WINE MAKING

*Australia and Germany boast vibrant cultural diversity and enjoy a long history of fruitful exchange in the arts and sports. Australia and Germany both have successful wine industries, and there is significant potential to expand cooperation and share common industry experience for mutual gain.*



Australian Foreign Minister Julie Bishop with Members of German Bundestag Volkmart Klein and Mark Hauptmann and Deputy Secretary General Gerhard Wahlers, Konrad Adenauer Foundation, in Berlin in September 2016



Australia will bring the Australia now cultural diplomacy program to Germany in 2017.

- Australian Foreign Minister Julie Bishop announced in September 2016 that Australia would bring the **Australia now cultural diplomacy program** to Germany in 2017. The program will build on the long-standing cultural connections between our countries' artists and cultural institutions. Preparations are well advanced to present contemporary Australian creativity, innovation and diversity to Germany's sophisticated audiences. The program will include performances by Bangarra Dance Theatre, Australian films at the Berlin International Film Festival, visual art exhibitions and dialogues on civic spaces, urban renewal, innovation and science.
- The Australian Department of Communications and the Arts has listed Germany as a priority country in the international cultural diplomacy stream of the **Catalyst program**. This listing will assist cultural and artistic organisations in both countries to create new partnerships and stimulate even greater participation by Australians and Germans in each other's cultural activities. Catalyst funding will assist tours to Germany in late 2016 and 2017 by Australia's Back to Back Theatre, Chunky Move and Circa Contemporary Circus, as well as collaborations in Germany and Australia between the Australian Dance Theatre and Staatstheater Mainz.
- With financial support from the Australian Department of Communications and the Arts, the Canberra Symphony Orchestra (CSO) has advanced preparations for a **joint gala opera performance** with the Saarbrücken State Opera House in Canberra in July 2017. The opera gala will bring to Australia six of the Saarländisches Staatstheater's best opera artists to perform with the CSO. The German singers will extend their stay for **masterclasses and networking opportunities** to create new connections with Australian artists.
- Football Federation Australia and the German Football Association are in advanced discussions on a series of **international friendly matches in 2017**. Our respective senior men's and women's teams will play matches in both countries.
- The Australian Department of Health and the German Federal Ministry of the Interior have concluded negotiations on a new bilateral **Declaration of Intent on Cooperation in Sport**. Building on our extensive sporting links, the Declaration encourages bilateral cooperation in the field of sport, including sports education; technological exchange, anti-doping and knowledge sharing on policies against match fixing and illegal sports betting, and training of athletes, teams and coaches. Our respective ministries plan to sign the Declaration in 2017.

→ To build on existing exchange between Australian and German wineries, the German Wine Institute and the Canberra International Riesling Challenge are developing a **German-based winemaking internship** to be awarded at future

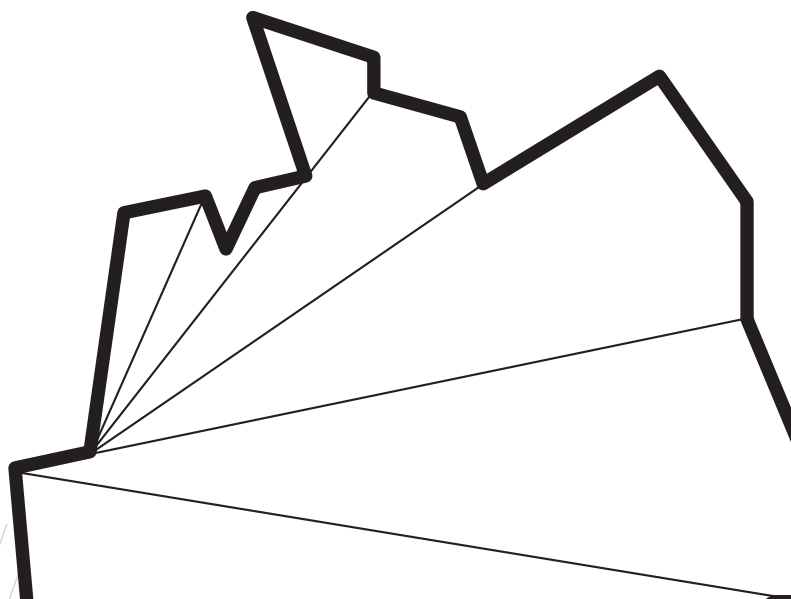
Riesling Challenges. The counter-seasonal internship would allow young Australian winemakers to gain experience in European winemaking and strengthen cooperation between our wine industries.



*The German Wine Institute and the Canberra International Riesling Challenge are developing a German-based wine-making internship.*



*Australian Conductor Nicholas Milton is, inter alia, chief conductor of the German Saarländisches Staatsorchester and the Canberra Symphony Orchestra.*



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