



11 March 2016

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

Australia-European Union Free Trade Agreement

I refer to the invitation from the Department of Foreign Affairs and Trade (DFAT) for submissions on the potential opportunities and impacts of a Free Trade Agreement (FTA) with the European Union (EU).

The trade and investment relationship between Australia and the EU, as a single entity, is significant, both in economic terms and people-to-people links. We believe there is an opportunity to ensure there are limited barriers to the movement of people and goods under an Australia-EU FTA. Qantas supports the negotiation of an FTA with the EU which would stimulate trade and investment flows and have a positive impact on the aviation sector.

Aviation Market Access

The Australia-Europe aviation market is very well served. More than 60 international airlines are present in the market providing access from key inbound European markets. In addition to own-aircraft services between Australia and London, Qantas offers one-stop connections to over 30 European destinations with Emirates. This is complemented by multiple intra-Europe connections with Qantas' oneworld partners.

Australia currently has bilateral Air Services Agreements (ASAs) with many of the 28 members of the EU which largely cover the needs of the individual markets and the largest inbound markets from the EU to Australia. These bilateral arrangements have provided an effective mechanism for carriers of both sides to serve the market.

In addition to the opportunity which Australia has to develop further bilateral air services arrangements in the future with the remaining EU member states, discussions have commenced to negotiate an Australia-EU comprehensive air transport agreement. Given the effectiveness of the existing framework, Qantas expects that aviation market access arrangements will continue to be addressed under the existing air services



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arrangements framework already in place. This approach would be consistent with the treatment of aviation in the FTAs which Australia has already negotiated with the United States of America, Singapore and China. Indeed this approach would be consistent with current global practice.

Movement of persons

Qantas welcomes the Australian Government's initiative to establish Working Holiday Maker program arrangements with EU members. However, noting that Australia currently does not have Working Holiday Maker program arrangements with a number of EU members, Qantas supports further expansion of both Working Holiday visa and Work and Holiday visa arrangements with EU members, but also with other countries which are included in Europe's border-free Schengen Area, such as Switzerland.

Movement of goods

Improved trade facilitation is an important potential benefit of FTAs and there are a number of measures which we believe can be taken to encourage the further development of air freight between Australia and the EU. These could include:

- The alignment of duty to the EU's Most Favoured Nation (MFN) rates.
- Biosecurity should be transparent and not a non-tariff barrier to trade.
- Inclusion of Mutual Recognition Arrangements.
- Practical and harmonised approach to Customs procedures.

Please do not hesitate to contact me if you would like to discuss any of the foregoing further.

Yours sincerely,

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Andrew Parker

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