

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

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Dear Madam/Sir

Background

I have been involved in product conformity assessment for over 30 years. My companies have assisted hundreds of Australian and EU exporters to achieve product compliance. We have covered products as diverse in range from machinery to laboratory equipment to household appliances. We found the most common problems relate to lack of available information and confusion about what processes apply and how and when to apply them. We also have found outdated information; misinformation being offered as fact; and broad generalizations that are neither accurate nor helpful.

Technical Barriers to Trade

Australian exporters to the EU and conversely EU exporters to Australia face substantial technical barriers to trade. This is the case even though the product conformity assessments processes, the underlying principles and the technical standards have many similarities and common origins.

The fundamental principles are that consumers be protected from unsafe products, damage to the environment be eliminated or minimized; energy efficiency be maximized; interconnectivity be achieved as simply and effectively as possible; resources be conserved; and security of operability be achieved. What the EU calls essential protection requirements in their laws and regulations also find their way into Australian laws and regulations. These state that products should be inherently

safe, be well designed and operate without degradation in their intended environment to give a few examples.

In both jurisdictions compliance processes are based around common risk models and risk assessments, with either voluntary or mandatory standards to be applied. Both also require, in those cases of high risk, the mandatory intervention of accredited certifiers. For the most part, this is a small subset of products. Compliance for most products is via self-certification in the design and production phase, through the application of standards, through quality control and the keeping of documents that satisfy the requirements of the respective laws and regulations for inspection by regulators.

The source of the standards is often the same be it the ISO, IEC, ETSI or other international standards organizations, resulting in the same or at least similar technical requirements for products. There are of course variants of these standards between Australia and the EU to which exporters must pay attention.

What is often the root cause of the barriers to trade that exporters face is lack of information and the confusion that results from roadblock statements such "the CE Mark is not accepted in Australia", or that this or that EU or Australian standard is not acceptable or minor issues with test reports to similar or often identical standards. There needs to be clearly defined and well documented resources for exporters to allow them to understand the compliance processes of both jurisdictions. This should leverage off the understanding that suppliers to their respective markets have already gained and focus on the commonality of the process while pointing out the differences between them.

What I am advocating is more information and guidance from both the EU and Australia on these matters for exporters and not that the CE Mark and other EU conformity marks be accepted in Australia. The CE Mark and other EU conformity marks are based on differing laws and as a result that cannot be adopted by Australian governments both state and federal and regulators. The same can be said about the applicability of Australian marks of conformity and associated laws and regulations in the EU. They could not be accepted either.

Where does an exporter find out what they have to do, how to go about it and what costs and schedule is needed?

These are the fundamental questions that can present a daunting task. It is not easily solved without access to the right resources. While there are websites to consult the sheer number of sites, often one for each regulator, is voluminous.

A summary would prove useful. This could be based on areas of conformity assessment such as:

Safety. This could be electrical safety, mechanical safety, and general product safety.

Banned and controlled substances. This could include heavy metals, types of plastics and gases and persistent organic pollutants.

Telecommunication, Radiocommunications and Electromagnetic Compatibility. This includes the standards dealing with connection to the telephone network, mobile phones, radio transmitters and all electronic equipment. The requirements include the application of mandated standards and the preparation of technical files with technical reports and certificates of conformity from regulators where required.

Packaging. These covers reducing waste, reuse and controlled and banned materials.

Recycling. This could include the collection and reuse of electrical and electronic goods and other materials including packaging.

Energy Efficiency. This includes programs to reduce energy costs usually for appliances such as dishwashers, refrigerators, and air conditioners.

Cyber Security. With increasing interconnectivity of devices including household appliances and industrial controllers there is an ever-increasing risk of a cyber-attack that could have significant impacts on an economy.

Labelling. Mandated labelling includes labelling for weights and measures, safety warnings and symbols. Labelling would also include the CE Mark for the EU, Regulatory Compliance Mark for Australia, Energy Efficiency marks and recycling marks.

Compliance Documentation. This includes risk assessments, technical reports, manuals, installation instructions, drawings, parts lists, and certificates of conformity. They are usually prepared by the manufacturer and made available to regulatory authorities when requested.

Registration. This can be required to use compliance marks and the uploading of compliance documents onto regulator's databases.

A suggestion for product guides to aid Importers/Exporters

For each area of conformity as listed previously it is suggested that guidance be provided. It would be useful to tabulate this information using the headings of applicable laws, regulations, regulator and mandated/voluntary standards, conformity processes including administrative and compliance marks. It would be useful to link to regulators web pages.

Such a guide could be structured as follows for each sector:

- 1. Overview
- 2. Background
- 3. Applicable Laws and Regulations
- 4. Responsibilities in the supply chain
- 5. Conformity Assessment Procedures
- 6. Standards
- 7. Validation and Verification
- 8. Compliance Documentation
- 9. Marking

Summary

Technical barriers to trade between the EU and Australia are a significant impediment and must be addressed as part of the Free Trade Agreement. Largely it is lack of information and support that creates confusion and frustration. It is also not widely known just how similar and aligned parts of the conformity processes are.

As part of the Free Trade Agreement a concerted effort to bring about a consolidation of the information about the respective conformity assessment processes into one place should be made.

Appendix 1 shows the Australian Regulatory Compliance Mark and the EU's CE Mark.

Appendix 2 has a table showing some of the Australian compliance paths.

Yours sincerely,

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Appendix 1 - Examples of Compliance Marks



The Australian Regulatory Compliance Mark (RCM) is a certification mark provided by the Australian and New Zealand governments to demonstrate that specific products in the market are compliant with Australian and NZ regulations and standards.



The CE marking is a certification that allows products to be sold in the European Union (EU). It is a marking that guarantees conformity with safety, health, and environmental protection standards.

Appendix 2 - Australian Regulators of product compliance (Partial)

Products	Compliance Category	Regulator(s)	Links
General Product Safety	Safety of all consumer	Australian Competition	Australian product safety system
– consumer products	products placed on the	and Consumer	Product Safety Australia
	market or for own use	Commission	
		Note that this is not the	
		only regulator for	
		safety of consumer	
		products in Australia	
Machinery	Plant and machinery	State and territory	WHS regulators and workers'
	Safety including	Occupational Health	compensation authorities contact
	electrical safety of	and Safety regulators.	information Safe Work Australia
	machinery.		
Electrical	Electrical safety	State and Territory	ERAC – Electrical Regulatory
		electrical safety	Authorities Council
		regulators including the	
		Electrical Regulatory	
		and Authorities Council	
	Energy Efficiency	Federal department of	Home Energy Rating
	Energy Eniciency	energy and the	<u>nome Energy Nating</u>
		environment	
Electrical and	Electromagnetic	Australian	Follow our rules to supply your
electronic	Compatibility	Communication and	product ACMA
		Media Authority	
Radio and	Radiocommunications	Australian	Follow our rules to supply your
Telecommunications	Including use of the	Communication and	product ACMA
	radio spectrum, safety	Media Authority	
	and interoperability.		
	Telecommunications		
	including connection to		
	networks, safety and		
	interoperability.		
Construction and	Safety, material,	Australian Building	National Construction Code NCC
Building	dimensions,	Code Board	(abcb.gov.au)
	environmental limits,		
	structural integrity etc.	State and Territory	
		Building Code	
		Authorities	
Plumbing	Installation, materials,	Australian Building	National Construction Code NCC
	dimensions etc	Code Board	(abcb.gov.au)
		State and Territory	
		Plumbing Acts and	
		Regulations	
Chemicals as used in	Safety and environment	Federal department of	Banned or restricted chemicals
Chemicals as used in all products	Safety and environment in relation to banned	Federal department of Health and Aged Care	Banned or restricted chemicals Australian Industrial Chemicals