

**Zionist Federation of Australia submission to the
Department of Foreign Affairs and Trade feasibility study
on a possible free trade agreement between Australia and Israel**

The Zionist Federation of Australia is delighted to make this submission to the DFAT feasibility study on a possible Australia–Israel FTA.

As the Australian Zionist representative roof body, the ZFA is committed to advocating for the State of Israel on behalf of the Jewish community in Australia and fostering a deep connection between Australia and Israel.

The ZFA Executive is elected by delegates from 21 affiliated organisations across Australia.

The ZFA believes that an FTA between Australia and Israel should be pursued, in order to make investments in key sectors in both countries easier, as well as to facilitate greater people-to-people contacts, which will drive Australian–Israeli collaboration and investment.

This submission recommends elements that Australian negotiators might wish to pursue in FTA negotiations with Israel. That said, there are many suggestions in this submission that Australia can and should implement unilaterally, or outside of formal FTA negotiations, which will facilitate greater Australian access to the Israeli innovation ecosystem and greater Israeli investment in and collaboration with Australian businesses.

Emulating the Israeli innovation ecosystem?

Known colloquially as the ‘Start-Up Nation’, Israel’s innovation eco-system is a key reason for the rapid expansion of Israel’s economy over recent decades.

Australian recognition of the benefits of Israel’s innovation eco-system has been growing in recent years, as attested by the establishment of the Landing Pad in Tel Aviv in 2016, the signing of the Agreement on Bilateral Cooperation in Technological Innovation and Research and Development in 2017, and the establishment of the Trade and Defence Office in Jerusalem in 2019.

Indeed, when announcing the Technological Innovation Cooperation Agreement, the ministerial statement was blunt: “we seek to emulate the success of Israel in finding innovative new ways to commercialise knowledge”¹.

While some aspects of the Israeli start-up success story can be emulated in Australia, other aspects cannot. For instance, compulsory national service in Israel—including the cyber-defence and other technologically-cutting edge units in the Israel Defence Force—play a significant role in forging the societal links that enable the innovation eco-system to succeed.

¹ <https://www.minister.industry.gov.au/ministers/sinodinos/media-releases/strengthening-economic-and-technological-ties-israel>

REPRESENTATION. ADVOCACY. CONNECTION.

• President Jeremy Leibler • Chief Executive Officer Ginette Searle •

• Constituent Organisations State Zionist Councils of: ACT • New South Wales • Queensland • South Australia • Victoria • Western Australia

• Affiliated Organisations: Ameinu • ARZA • Australian Forum of Russian Jewry • Australasian Union of Jewish Students • Australian Zionist Youth Council • Friends of Likud • Jewish National Fund Australia
• Maccabi Australia • Mercaz Masorti Australasia • Mizrahi Organisation • National Council of Jewish Women Australia • Union for Progressive Judaism • United Israel Appeal Australia
• Women’s International Zionist Organisation •

Israeli investment laws, the role of the government in funding start-ups and or enabling venture capital to be raised, and the active participation by universities are factors that can be emulated or, at least, adapted to the Australian environment. Many of these initiatives have been implemented. While adoption of more of them would be beneficial to the Australian economy, discussion of these is beyond the scope of the DFAT FTA feasibility study and this submission.

Beyond emulating, where possible, Israeli measures that make its innovation ecosystem possible, Australia should put itself in a position to take further advantage brought by access to the Israeli innovation ecosystem (and the technical and innovative know-how therein, and its access to Israeli and foreign companies).

Any Australia–Israel FTA should include provisions for greater Australian access to the Israeli innovation ecosystem, by greater Australian involvement and investment in Israel, and by more Australia–Israeli partnerships, as well as Israeli investment in Australian start-ups.

Sectors of mutual interest

Australian interest in Israeli innovation is primarily in the technology sector. Within this broad sector, Israeli world-leading expertise in the agri-tech (including water management) and cyber security (including cyber defence) sectors are particularly valuable to the Australian economy.

This has long been recognised, with Australian ministerial visits to Israel, the Landing Pad and the Victorian and NSW state government R&D partnership schemes all designed to take advantage of Israeli specialities in these areas.

Rather than merely providing opportunities for Australians to access technical and innovative know-how in Israel, **the Australian government should make concerted efforts to bring key Israelis with that know-how to Australia, for short- and medium-term visits.** This will be further explored below.

The strong Australia–Israel relationship

A key reason for the already-strong diplomatic, cultural and trading relationship between Australia and Israel is the decades-long facilitation by the very active Australian Jewish community and its close connection to Israel. This connection between the Jewish community and Israel is stronger in Australia than between Israel and Jewish communities in any other country. This is why Australia’s political, diplomatic, cultural and trade ties with Israel are much stronger than between Israel and any other country with a Jewish population of comparable size.

This strong connection is no coincidence. It is a consequence of decades of communal institutions investing in Jewish schools, youth movements that emphasise the cultural connection to Israel, and other activities that do the same. For instance, most of the Zionist Federation of Australia’s activities involve strengthening the relationship between Australia and Israel.

Facilitating the Australian Jewish community’s efforts to maintain and strengthen this strong cultural bond is in Australia’s long-term financial interests, as it will deepen the trade, political and diplomatic engagement between Australia and Israel.

One way this Israeli–Jewish community connection has been strengthened is by Israeli emissaries (known by the Hebrew *shlichim*) being sent to work with Australian youth as informal educators. The emissaries work with youth movements to develop community activists and leaders. They help strengthen individual and communal identity, strengthen the cultural attachment to Israel and develop the next generation of the community’s leaders. Most of today’s leaders of the Australian Jewish community—including those in

senior business and political roles—graduated from Jewish youth movements and their engagement with these Israeli representatives.

Unfortunately, the provision of visas for these representatives has become difficult, expensive and time-consuming in recent years. Their positions are permanent, but the individual emissaries are temporary. Considered skilled temporary migrants, the ZFA must engage in local market research for a month, despite the fact that the position is specially for emissaries from Israel and so no local equivalent can be found. **A mechanism to make provision of visas for these representatives much easier and cheaper should be pursued, either as part of an FTA or else separate to that process.** This is an easy way to help ensure a long-term thriving Australia–Israel relationship, which includes trade advantages.

Investment is through personal contact

There is currently considerable Australian investment in Israel, though much less Israeli investment in Australia.

In 2019/20, Australian exports to Israel amounted to \$345 million, compared with \$1.02 billion in imports from Israel. Similarly, in the same period, Australian investment in Israel amounted to \$1.2 billion, compared with \$342 million of investments by Israelis in Australia.²

As Austrade has noted³, a key factor in Israeli investment decisions is personal contacts. The Landing Pad in Tel Aviv and the Victorian and New South Wales government R&D partnership schemes⁴ are a recognition of this.

Beyond continuing to make the Australian start-up environment more innovative, encouraging more person-to-person contacts between Israelis and Australians is a long-term method to increase Israeli investment in Australia.

The Australian Government, whether through an FTA or other provisions, should make it a priority to have Australians make personal connections with Israelis. There are multiple ways of accomplishing this, but all will contribute to providing Australia will more means to take advantage of the Israeli innovation ecosystem.

The Australian Government should facilitate person-to-person contacts through:

- An expansion of the work and holiday visa scheme, and the creation of visas-on-arrival for Israelis
- A new visa scheme to allow Israelis to work in Australia for up to 12 months in the tech sector. Ideally, Government facilitation or support to Australian tech companies would encourage the latter to hire Israelis on a temporary basis.
- Greater facilitation and potentially supplemented fees for Israeli students in the tech sector to study at Australian universities
- Facilitation of Israeli academics skilled in high tech innovation to come to Australia for short-term projects or teaching stints at Australian universities

² <https://www.dfat.gov.au/geo/israel/Pages/israel-country-brief>

³ <https://www.austrade.gov.au/australian/export/export-markets/countries/israel/doing-business>

⁴ <https://www.business.nsw.gov.au/support-for-business/innovation-and-research/nsw-israel-r-and-d-program>; <https://business.vic.gov.au/grants-and-programs/the-victoria-israel-science-innovation-and-technology-scheme-visits/victoria-israel-science-and-technology-research-and-development-fund-vistech>

- Israeli entrepreneurs and engineers who are successful in the sectors most valuable to Australia should be brought to Australia to share their knowledge and experience with Australians in the same sector

Israeli universities are key players in the Israeli innovation ecosystem. **The Australian Government should encourage and facilitate greater Australian–Israeli academic exchange and cooperation**, particularly in the sectors most valuable to Australia. Cooperation on short-term projects that can be monetised might also lead to greater revenues for the Australian tertiary sector.

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