



Australian Government

**Australian Government response to the
Joint Standing Committee on Treaties Report 179:**

***Inquiry into the Pacific Agreement on Closer
Economic Relations Plus (PACER Plus) and
associated side letter (Nuku'alofa, 14 June 2017)***

December 2018

Australian Government response to the Joint Standing Committee on Treaties Report 179

Inquiry into the Pacific Agreement on Closer Economic Relations Plus (PACER Plus) and associated side letter (Nuku'alofa, 14 June 2017)

The Government thanks the Committee for its consideration of the Pacific Agreement on Closer Economic Relations Plus (PACER Plus) and associated side letter (Nuku'alofa, 14 June 2017), which were tabled in November 2017.

The Government welcomes the Committee's final recommendation that binding treaty action be taken in relation to PACER Plus.

The Government provides the following responses to the Committee's recommendations.

Recommendation 2

The Committee recommends that part of the development assistance allocated to implementing PACER Plus be specifically used to monitor the revenue of Pacific Island Governments, the public health, and gender equality impact of the Agreement, and where necessary, provide funds to Pacific Island countries to assist relevant development outcomes.

Response:

The Government notes the recommendation.

The Australian Government already assists Pacific island countries manage the impact of PACER Plus on government revenue and gender equality. This assistance will increase once PACER Plus enters into force. Once established, an Implementation Unit will oversee a \$25.5 million package of development assistance, which will include focus on monitoring and evaluation. The Unit will report to PACER Plus Parties on implementation of the Agreement, including in relation to impact on government revenue and gender equality.

The Government seeks to correct the record and address concerns raised in paragraph 3.28 of Report 179. The 2007 report cited was prepared before negotiations commenced. An updated report was issued in November 2016 which found that for most countries the taxation revenue loss as a result of PACER Plus commitments is less than 3 percent of total revenue.

The Australian Government does not accept the argument that PACER Plus will result in negative outcomes for public health. There is nothing in PACER Plus that inhibits Parties from regulating in the interests of public health.

Recommendation 3

As previously recommended in Reports 165 and 172, the Committee again recommends that the Government commission independent economic analysis of all trade agreements to improve the transparency and quality of their assessment.

Response:

The Government notes the recommendation.

The Government is considering its response to this recommendation in the context of responding to similar recommendations made by the Joint Standing Committee on Treaties in Report 181 on the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP-11) (recommendation 3) as well as by the Senate Foreign Affairs, Defence and Trade References Committee in its report on the TPP-11 (recommendation 5). The Government will respond to these recommendations in due course.

Recommendation 4

The Committee supports the Pacific Agreement on Closer Economic Relations Plus, and recommends that binding treaty action be taken.

Response:

The Government accepts this recommendation.