



Australian Government

Australian Government response to the Joint Standing
Committee on Treaties report:

Strengthening the Trade Agreement and Treaty-Making
Process in Australia

February 2022

Recommendation 1

To improve transparency and ensure the public is aware of proposed changes, the Committee recommends that the documents relating to minor treaty actions be uploaded to the Joint Standing Committee on Treaties website and so be publicly available.

The Government accepts this recommendation in principle.

The Department of Foreign Affairs and Trade already publishes explanatory statements for minor treaty actions on Austlii's Australian Treaties Library. The Government supports publication of documents relating to minor treaty actions on the JSCOT website noting that, for some sensitive matters, it would be appropriate to delay publication until after the treaty action had entered into force.

Recommendation 2

The Committee recommends that the Government publish negotiation aims and objectives for all future trade treaty negotiations.

The Government accepts this recommendation.

Negotiating aims and objectives were published on the Department of Foreign Affairs and Trade website before negotiations on the Australia-European Union and the Australia-United Kingdom Free Trade Agreements commenced. Links to these documents appear below. This practice will continue for future negotiations of new trade treaties.

- Australia-UK FTA negotiating aims and approach
www.dfat.gov.au/trade/agreements/negotiations/aukfta/negotiating-aims-and-approach
- Australia-UK FTA objectives fact sheet
www.dfat.gov.au/trade/agreements/negotiations/aukfta/objectives
- Australia- EU FTA summary of negotiating aims and approach
www.dfat.gov.au/trade/agreements/negotiations/aeufta/summary-of-negotiating-aims-and-approach
- Australia-European Union Free Trade Agreement: Objectives
www.dfat.gov.au/trade/agreements/negotiations/aeufta/Pages/australia-european-union-fta-objectives

Recommendation 3

The Committee recommends that the Government brief the Joint Standing Committee on Treaties biannually on the status of upcoming and current free trade agreement negotiations, potentially as part of the same briefing to the Trade Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade.

The Government accepts this recommendation.

Parliamentary briefings of the Trade Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT) were introduced in 2020 to enhance the transparency of trade negotiations. This measure is in addition to the Government's broad and well-established consultative processes on trade agreements, involving business, civil society, state and territory governments and other stakeholders.

The Australian Government accepts the recommendation to brief the Joint Standing Committee on Treaties on a biannual basis as part of the same briefing to the Trade Sub-Committee of the JSCFADT. Officials are ready to brief the JSCFADT as required, and when invited by the Committee.

Recommendation 4

The Committee recommends the Government consider the use of non-disclosure agreements with key stakeholders to allow for improved consultation in certain areas of trade agreement negotiation, having regard to the approaches and mechanisms used by the United States and by the European Union.

The Government notes this recommendation.

A Ministerial Advisory Council on Free Trade Agreement negotiations (MAC) was established in 2020 to enhance the transparency of trade negotiations. MAC members represent key stakeholders across a wide cross-section of Australian society, including business, academia and community-based organisations.

The MAC provides a forum for frank and robust discussion on FTAs between MAC members, the Government and senior trade experts. The views shared by members help inform the Government's trade negotiating agenda. MAC members are bound by non-disclosure agreements.

Five MAC meetings have been held to date, covering the Australia-United Kingdom and Australia-European Union Free Trade Agreement negotiations, the

Regional Comprehensive Economic Partnership and digital trade provisions in FTAs.

This measure is in addition to the Government's broad and well-established consultative processes with stakeholders on trade agreements, including with business, civil society, and state and territory governments covering the development of a mandate and continuing throughout the negotiations and after entry into force.

More information on the MAC can be found on the Department of Foreign Affairs and Trade website: [Ministerial Advisory Council on FTA Negotiations | Australian Government Department of Foreign Affairs and Trade](#)

Recommendation 5

The Committee recommends the Government consider implementing a process through which independent modelling and analysis of a trade agreement, at both the macro and sectoral levels, is undertaken in the future by the Productivity Commission, or similarly independent and expert body, and provided to the Committee alongside the National Interest Analysis to improve assessment of the agreement, increase public confidence in the benefits of trade agreements, and facilitate the longitudinal assessment of actual trade outcomes.

The Government notes this recommendation.

In 2017, the Department of Foreign Affairs and Trade (DFAT) commissioned modelling by the Centre for International Economics (CIE) that underscored the importance of Australia's long-term commitment to free trade, support for a strong and predictable multilateral trading system and pursuit of high-quality free trade agreements (FTAs). The report, [Australian Trade Liberalisation: Analysis of the Economic Impacts](#), was an update of a 2009 CIE report, *Benefits of Trade and Trade Liberalisation*.

The 2017 report found that thirty years of trade liberalisation (1986 to 2016) had given Australians higher incomes and more job opportunities. The key findings were:

- average household income was \$8448 higher in 2016 than it would have been without trade liberalisation
- one-fifth of the workforce – 2.2 million Australians – worked in trade-related activities in 2013-14, 1.6 million in export-related and 671,000 in import-related areas
- real GDP was 5.4 per cent higher in 2016 than it would have been without trade liberalisation, investment 11.7 per cent higher, real wages 7.4 per cent higher and prices 3.4 per cent lower.

DFAT commissions economic modelling of individual FTAs on a case-by-case basis due to limitations on what it can capture. Economic modelling can accurately quantify benefits and costs where there are clear and significant impacts on prices and quantities of trade, such as with tariff reductions or quota increases. However, an increasingly wide range of benefits are difficult to quantify. These include:

- increased regulatory certainty
- contributing to enhanced multilateral or plurilateral trade rules
- strengthening bilateral and multilateral relationships
- strengthening economic engagement
- contributing to expanding economic openness, inclusivity and resilience in our region and globally.

To ensure DFAT is well informed of the benefits and risks of an FTA, it sources information on opportunities and potential impacts on the macro and sectoral level through extensive consultations and stakeholder engagement. These processes commence before the development of a mandate and continue throughout the negotiations and after entry into force.

The Government seeks to build public trust in FTAs by assisting Australian business to derive the maximum benefit from them. One example is through the FTA Portal which provides easy to find information on exporting and importing goods and services from our FTA partners (ftaportal.dfat.gov.au).