



Submission: The Commonwealth's Treaty-Making Process

Foreign Affairs, Defence and Trade Committee

February 2015

EXECUTIVE SUMMARY

Since 1901, Australia has signed 2,847¹ international treaties, which have then entered into force. Of these, 1,800 are still current and in force. The Australian Chamber of Commerce and Industry (ACCI) supports the negotiation of treaties that aim to enhance the Australian economy and encourage prosperity both domestically and for our trading partners. We particularly support any treaty that attempts to accelerate regional and global trade liberalisation, with the view that aggregate treaties will ultimately serve as building blocks towards an improved multilateral trading system, lifting economic and social conditions both domestically and globally. We consequently expect the domestic development of practical regulatory and policy measures that improve the negotiation and monitoring of such treaties, in order to better achieve – in real rather than estimated terms – their desired economic outcomes.

ACCI notes the general post-operative experiences of Australian business with regard to Australia's ambitious trade treaties to date. We observe that due to presently limited domestic consultation processes during trade negotiations, Australian trade treaties often contain misunderstood provisions that are only available for consideration by business and broader civil society after the agreed treaty text is concluded. This lack of treaty text transparency can invite alarmist politicisation of particular provisions of treaty negotiations, frustrating the objectives of negotiators on all sides. We also note the risk of business having difficulties understanding regulatory divergence between multiple Australian trade agreements, including minor but avoidable administrative barriers for traders that arise after the concluded treaty text is released and available for industry scrutiny. Such stumbling blocks ultimately add to the red-tape pile and must be overcome by business through time-consuming workarounds, making affected trade treaties less desirable to use.

Any negotiated treaty that aims to deliver economic and social benefit to Australia must have at its base the strong foundational support of a broad cross-section of Australian civil society, including as a priority the views of independent economic research bodies having access to the draft treaty text. A stronger supporting foundation for such treaties will be better achieved through processes of Government disclosure of the draft treaty text with pre-registered representative bodies, bound by confidentiality agreements, from all sectors of society. We envision such a system would be similar to the United States' accredited advisory committee arrangements, which have been managed by the Office of the United States Trade Representative since 1974.² Draft concessions would be assessed and monitored in real-time by the Productivity Commission at arm's length from negotiators, for optimal negotiation stances. The Productivity Commission's role would also extend to monitoring all trade agreements after entry into force, in order to ensure slated Australian economic interests are being achieved in real terms.

¹ DFAT Australian Treaties Database at <http://www.info.dfat.gov.au/info/treaties/treaties.nsf/WebView4?OpenForm&Seq=8>

² USTR Office of Intergovernmental Affairs & Engagement (IAPE) < <https://ustr.gov/about-us/advisory-committees> >.

Finally, rather than it falling to the Department of Foreign Affairs and Trade (DFAT) to conduct the National Interest Analysis and the Regulatory Impact Statement for a given treaty on the basis of optimal assumptions, this task should instead be given to an independent government body at arms-length to the negotiations, such as the Productivity Commission, on the basis of expected optimal, likely, and minimum outcomes.

An appropriately tailored system of consultation during the development of an Australian treaty, followed by proper independent monitoring, serves to enhance the democratic legitimacy of the ratification of the resulting treaty text, and accordingly will better tailor the treaty for the Australian (and wider) interests it is meant to serve. This enhanced legitimacy will remain attached to the treaty long after entry into force, extending to the transposition of the terms of the treaty in Australian legislation, regulation and policy that implements Australia's obligations under the given treaty. With the implementation of the proposed consultation system and ongoing monitoring, Australian treaties negotiated to create improved economic outcomes will be more likely to be supported by Australian industry and civil society, and therefore more likely to achieve their stated objectives.

SUMMARY OF RECOMMENDATIONS

Recommendation 1:

An independent Government body that is arms-length from negotiations – such as the Productivity Commission – should prepare the trade treaty National Interest Analysis (NIA) and Regulatory Impact Statement (RIS) documents that are provided to the Joint Standing Committee on Treaties and tabled in Parliament. Such a body should be tasked with objectively preparing both documents, on the basis of optimal, likely and minimum outcomes of concluding and implementing a given trade treaty. A body so tasked must be able to give frank and fearless advice to both the Joint Standing Committee on Treaties and the Parliament, with regard to the real economic benefits and costs of concluding a given trade treaty.

Recommendation 2:

All Australian trade treaties must contain compulsory reciprocal provisions that oblige Customs in all party countries to collect and share treaty utilisation data. This would particularly be focused on goods being imported, as Customs in each country must assess goods for preferential tariff treatment at the border crossing in any event.

Recommendation 3:

The Productivity Commission – or similar independent body at arms-length from negotiations – should be tasked with a frank and fearless annual review and report on the performance of all in-force Australian trade treaties, comparing the economic objectives cited at their commencement. The report should be made available to the public in full.

Recommendation 4:

All Australian treaties should include specific counterparty enforcement provisions and appropriate aid support as required.

Recommendation 5:

The direct costs to the Australian Government for the conduct of treaty negotiations should be transparently reported to the parliament through the annual budget process so that the Australian community is aware of the investment being made by the Government to secure any given treaty.

Recommendation 6:

Australian negotiators should be tasked with monitoring the overlap of trade treaties as more treaties are concluded regionally. This will ensure that older bilateral trade treaties overlapped by subsequent regional treaties are either consolidated within a regional treaty, or terminated where the benefits within the former treaty are bettered by the newer regional agreement. This will further serve to reduce the costs on traders in all affected economies overlapped by multiple Australian trade treaties, and will assist regional progression towards an eventual world multilateral agreement.

Recommendation 7:

Trade treaties should be “WTO plus”, so that wherever the WTO upgrades general agreements or finalises a plurilateral agreement to which Australia is a party, the terms of these global level agreements supersede the lower-order agreement and cause the lower-order agreement to also be updated.

Recommendation 8:

Australia should develop a “model” Preferential Trade Agreement based on international standards that is fully transparent to Australian Industry and to international Governments, so that all stakeholders are aware of what Australia sees as the ideal procedural outcome from a trade treaty. Along with the enhanced consultation systems we have proposed, this template would be used as a basis for all future negotiations, and will drive a level of consistency and improved confidence as to what is included in the negotiations.

Recommendation 9:

The Government must instruct its negotiators to ensure that new regional agreements (TPP and RCEP) harmonise the existing practices of the preceding bilateral agreements and AANZFTA, and also embrace the WTO Trade Facilitation Agreement and the provisions of the *Revised Kyoto Convention of Simplification and Harmonisation of Customs Procedures* – including *Annex K – Rules of origin*.

Recommendation 10:

The Government must accede to *Annex K* of the *Revised Kyoto Convention of Simplification and Harmonisation of Customs Procedures*.

Recommendation 11:

The Government should introduce an enhanced consultative procedure for the development of improved trade treaties, which would contain the following components:

- The Productivity Commission, as an independent body, is to have full confidential access to the entire draft treaty text, including tariff line negotiations, at all stages of negotiations of any trade treaty in order to provide confidential, frank and fearless advice to the Government regarding the real economic outcomes of the negotiations at each stage.
- All representative bodies from civil society that are impacted by trade treaties – particularly independent economic research bodies – should be allowed to register for access to the draft treaty text within the terms of the relevant confidentiality agreements.
- Tariff-line negotiations are not to be disclosed to registered representative bodies; they are instead only to be disclosed in real-time to the Productivity Commission, throughout negotiations for the assessment of optimum negotiation stances.
- Negotiators are to disclose draft treaty texts in unfinished form to registered bodies in a secure forum, in which questions can confidentially be asked of negotiators and bodies could privately put their viewpoint on the basis of seeing the whole draft treaty text (less draft tariff lines).
- Negotiators are to retain their current executive power to conduct treaties on behalf of the Commonwealth, but they must properly consider and balance the merits of civil society's views when developing starting positions and concessional limits, at all phases of negotiation before a treaty text is concluded.

Recommendation 12:

During the negotiation stage, and later through the implementation and monitoring stage, treaties that require action on the part of state & territory governments should be reviewed within the context of Council of Australian Governments (COAG) processes.

Recommendation 13:

In the interests of creating enhanced trade treaties capable of achieving promised outcomes and associated public benefit, the Government should support the development of the Australian Trade Centre. The Centre would bring together Australia's trade expertise from a wide range of backgrounds into a single forum to provide though leadership, assisting to advance Australia's national interest and supporting our negotiators by assessing (in real time) proposals arising out of trade

treaty negotiations. We call upon the Government to become a partner in this \$23 million initiative with investment of \$5 million over the next five years to assist to establish and develop improved capacity to understand and promote trade and investment liberalisation in Australia and globally.

**The Australian Chamber of Commerce and Industry
is the leading voice of business in Australia**

Canberra Office

COMMERCE HOUSE
Level 3, 24 Brisbane Avenue
Barton ACT 2600

PO BOX 6005
Kingston ACT 2604
AUSTRALIA

T: 02 6273 2311
F: 02 6273 3286
E: info@acci.asn.au
W: www.acci.asn.au

Melbourne Office

Level 3, 486 Albert Street
East Melbourne VIC 3002

PO BOX 18008
Collins Street East
Melbourne VIC 8003
AUSTRALIA

T: 03 9668 9950
F: 03 9668 9958
E: melb@acci.asn.au
W: www.acci.asn.au

© Australian Chamber of Commerce and Industry 2015
ABN 85 008 391 795

This work is copyright. Reproduction is permitted, with direct attribution and notification to the Australian Chamber of Commerce and Industry.

CONTENTS

Executive Summary_____	2
Summary of recommendations_____	4
Contents_____	9
1. TREATIES AFTER ENTRY INTO FORCE _____	10
1.1 The promise and the delivery _____	10
1.2 Monitoring trade treaties to ensure performance – compulsory reciprocal utilisation provisions and support _____	17
1.3 Termination of smaller trade treaties where superseded by better overlapping regional agreements _____	19
2. TREATIES BEFORE ENTRY INTO FORCE _____	21
2.1 Vertical negotiation and horizontal divergence _____	21
2.2 Disclosure of draft text to pre-registered representative groups _	25
2.3 COAG to review state & territory obligations _____	27
2.4 Combining Australian trade expertise to provide specialist trade advice _____	28
3. ABOUT ACCI _____	30
3.2 Who We Are _____	30
3.3 What We Do _____	30
ACCI MEMBERS _____	32

1. TREATIES AFTER ENTRY INTO FORCE

1.1 The promise and the delivery

Since 1901, Australia has signed 2847³ international treaties, which have then entered into force. Of these, 1800 are still current and in force. We have confined our submission to trade related agreements in general – along with some references to non-trade agreements by way of comparison to illustrate relevant points.

Australian trade treaties contain a vast array of promises, endeavours, commitments and goals agreed between the party countries. These promises directly impact a range of Australian business sectors in a multitude of ways at the moment treaty obligations are transformed into practical domestic outcomes. Potentially positive economic outcomes feature strongly in the Department of Foreign Affairs and Trade (DFAT) promotional materials that accompany the treaty text release. These include the Regulatory Impact Statement and the National Interest Analysis (both authored by DFAT), which are usually presented on the basis of optimal economic outcomes in the event of complete implementation, and full uptake of a trade treaty by business in participating economies. A quick glance at the DFAT website for each trade treaty reveals how much each is worth to the Australian economy if the agreement is fully implemented and utilised.

During the negotiation phase, the Government of the day and the responsible Minister advocate in support of the negotiations and highlight the best possible outcomes for the nation. However, trade treaties are not “good” because a Minister proclaims them to be so. They are good because industry utilises their benefits and the national welfare is improved.

ACCI has surveyed our members for the last two years and identified that despite the huge effort being expended in negotiation of preferential agreements, business is either unaware of the agreements, or finds them too difficult to use to be of significant benefit.⁴ See extract as follows.

Extract from ACCI Trade Policy Survey 2015 (unpublished) as at 27 Feb, 2015

Free Trade Agreements

Australia has, to date, negotiated ten Free Trade Agreements (FTAs), with China yet to come into force. Trade agreement goals and the economic benefits they promise are fully supported by the Australian Chamber of Commerce and Industry (ACCI); however, there is often a lack of clarity regarding their efficacy in improving trade between countries and their usage rates. The results from Part I, the quantitative

³ DFAT Australian Treaties Database at <http://www.info.dfat.gov.au/info/treaties/treaties.nsf/WebView4?OpenForm&Seq=8>

⁴ ACCI Trade policy Survey 2014 and 2015 (unpublished as at 27 Feb, 2015)

survey, revealed a very low knowledge, understanding and application of signed and enforced Australian FTAs.

As such, Case respondents were asked about their knowledge, understanding and usage of Free Trade Agreements (FTAs) to better understand the reasons behind these statistics. The responses from the cases revealed two key issues:

- Lack of awareness
- Perceived lack of effectiveness

Lack of awareness and understanding

Lack of awareness emerged as a major underpinning reason as to why those interviewed did not use FTAs currently in force. The highest percentages from respondents from the quantitative survey were "I don't understand it at all and don't use it". For each agreement listed, the majority (over 50 per cent) agreed with this statement.

With reference to the Australian case studies, Case 3, a supplier of high tech equipment for the mining industry, who exports to over 60 countries, stated he was not well informed:

"No, look... I'm going to admit, when I answered the survey I wanted to say, I don't really know what's going on!" (Case 3, Mining, p.4).

Case 4, an importer and provider of online advertising asked:

"'how do you use an FTA?' I'm not sure what you mean by 'do you use an FTA?' How do you use an FTA?" (Case 4, Importing, p.4).

Case 12 noted that they were unsure of the benefits that could be derived from an FTA or any of the "implications" they would have for their business:

"Free Trade Agreements – I know we have one with the US and I know there is one now with Japan and Korea and that correct? So outside of that no, not totally aware or potentially aware of what sort of implications they would have for us. Where we would be getting benefits and so forth." (Case 12, Arts, p.2).

Further, in Case 7, an agricultural producer notes that they "hear about them", but would like a better understanding:

"I hear about them in the news. I would like a better understanding." (Case 7, Agriculture, p.2).

Case 8 stated that they would like to be "better versed" on the Korean Australia Free Trade Agreement (KAFTA), and noted a valuable seminar presented by Chamber of Commerce and Industry Western Australia (CCIWA):

"I would like to be better versed on Korea, China and Japan. I went to a CCIWA seminar on the South Korea FTA and it was valuable." (Case 8, Mining, p.4).

Finally, Case 6 admitted to a "low knowledge" of any Australian FTA:

"I have a low knowledge of FTAs." (Case 6, Energy, p.2).

Results from the 2014 published Economist Intelligence Unit⁵ (sponsored by HSBC) report, which analysed corporate views about FTAs across eight countries in the Asia-Pacific region, also found that a large factor in the under- utilisation rates was due to a lack of awareness.

Furthermore, the report quantified the usage rate of FTAs within the Asia-Pacific region and found that, on average, usage rates of over 50 agreements signed with the region were one in four, meaning the only one exporter in four applied at least one of the 50 agreements. The report also goes on to state that many exporters are put off by the complexity of the agreements, which includes hundreds of pages and legal jargon that often deters businesses from applying the content.

Such insights raise awareness of the need for better education to the business community about how such agreements can be leveraged. It also supports the argument for better harmonised trade documentation across agreements to facilitate more straight forward processes and reduce double handling so that once businesses are familiar with one set of protocols, they can be applied to a host of other PTAs.

Perceived lack of effectiveness

Further to the observation that businesses have low awareness and understanding of Australian FTAs, some firms go further and question their effectiveness all together.

Case 8, an agricultural exporter based in Western Australia stated:

"I worked in the grain industry for 20 years... you know when I started in '78 the price of wheat was about \$180 a tonne. It might have been 130, 120 dollars a tonne. 20 years later, growers are still only getting \$150/180 dollars a tonne. There is no cost product. So growers and agriculture in Australia seems to suffer, you know the tariffs and the... I know with China, that's why we're doing syrup because there is no tariff on syrup. So if you can get free trade, tariff reductions with China, then yes... but sugar, there's a 50 per cent tariff, whereas sorbent syrup is processed and it's not counted as sugar. So from syrup, you actually chrystalise it into sugar, but when it's syrup, it attracts no tariff. I imagine that if the tariff is reduced on sugar then it would benefit, but it depends on what the tariff is in China on those things. I don't know that much about the ins and outs of it. We've got free trade agreements there, there and there, but agriculture still seems to be struggling in Australia so I do wonder how well the bloody free trade agreements work." (Case 9, agriculture, p. 5).

Cases 10 and 11 both acknowledged that their products are usually omitted from FTAs, stating "we don't utilise any" and "they don't seem to apply to medical devices".

⁵ The Economist Intelligence Unit. (2014). 'FTA's: fantastic, fine or futile'.
<https://globalconnections.hsbc.com/india/en/special-features/fta/ftas-fantastic-fine-or-futile>.

Responding to a question on utilisation of FTAs:

"Not really. No we don't utilize any. I don't think we'd gain anything from that because contact lenses are specific market and I don't think any one of them would name contact lenses in their agreement!" (Case 10, Medical Devices, p. 3).

Another respondent on the FTAs:

"They don't seem to apply to medical devices. Even the recent red tape reduction announced by the health department and TGA didn't change a thing for us. I don't know who they were targeting." (Case 11, Medical Devices, p.5).

An international trade consultant, Case 15, went so far as to say "FTAs are wrong", suggesting they do not create a level playing field for international business. They also noted a lack of information available on FTAs to business:

"FTAs are 'wrong', they should be a group of countries, not bilaterals. Overall, they are not fair, and there is no information for them." (Case 15, consulting, p.4).

Finally, Case 13 stated that their experience of the FTAs has been "a waste of time" and provides the Thailand Australia Free Trade Agreement (TAFTA) as a specific example. The paper work required was considered too involved for the benefit to be derived. This has resulted in the business losing "faith" in FTAs:

"In my experience, they have been a waste of time, particularly Thailand. The paperwork to qualify was so erroneous, it wasn't worth the effort. I don't have a lot of faith when they announce FTAs." (Case 13, Mining, p.3).

The last government inquiry into Australia's FTAs was conducted in 2010 by the Australian Productivity Commission.⁶ The report found little evidence to support the notion that business believed bilateral trade agreements provided any significant commercial benefit. It went further to suggest bilateral and regional trade agreements' "potential impact" is limited and that "other options may be more cost-effective". The report also recommended the government monitor the progress of negotiated agreements and other trade policy initiatives to ensure efficacy and efficiency of implemented policies. It is noted that to date, a thorough evaluation of Australia's FTAs does not take place, therefore a true assessment of their benefits and contribution to the Australian economy remains in question.

Summary

The findings from the Case studies related to FTAs revealed that by and large, businesses do not have a clear understanding of how FTAs can be applied and the benefits that can be derived from their application. Some respondents went further to suggest that FTAs are ineffective and should focus more on developing multilateral agreements, rather than the boom in bilaterals we have seen. Such insights relate to the findings of the 2010 productivity commission report into the efficacy of FTAs, which questioned the overall benefits of such agreements.

END OF EXTRACT

⁶ Productivity Commission. (2010). *Bilateral and Regional Trade Agreements*, Research Report, Canberra.

Given the above extract, and in the interests of ensuring the slated goals of trade treaties are achieved, it is extremely important to ask questions as to how trade treaty promises are being implemented (and measured) in real terms.

The question of whether treaties ought to be transformed into specific Australian legislation and regulation – beyond executive power – in order to have proper domestic effect is a topic of broad academic and legal debate. However, for the purposes of this submission we take our advice directly from DFAT, who have carriage of the negotiation of trade treaties:

Extract of DFAT website on Treaty-Making Process (emphasis added):
<http://www.dfat.gov.au/international-relations/treaties/treaty-making-process/pages/treaty-making-process.aspx>

Do all treaties require legislation to operate in Australia?

The general position under Australian law is that treaties which Australia has joined, apart from those terminating a state of war, are not directly and automatically incorporated into Australian law. **Signature and ratification do not, of themselves, make treaties operate domestically. In the absence of legislation, treaties cannot impose obligations on individuals nor create rights in domestic law.**

Trade treaty goals and the economic benefits they promise are fully supported by the Australian Chamber of Commerce and Industry (ACCI) and applauded by the business community in general. However, what is not clear to business and civil society as a whole is exactly how the vast array of promises, endeavours, and commitments in a trade treaty are to be given practical effect in the domestic business environment, either through executive powers or through the legislature. Business supports what is promised, but is not clear on exactly *how* those promises are being delivered in a practical sense by the Australian Government. The lack of detail – the lack of answers as to “*how*” the economic gains are achieved – allows room for business confusion, misunderstandings or even politicisation by certain civil society groups of poorly-explained treaty provisions. This risks blunting the positive intended effects of trade treaties, and makes utilisation less desirable.

Even less clear is how Australia’s active trade treaties are tracking in terms of key performance and ongoing national benefit. There appears to be no publicly available data – or transparency – on what level of trade in goods and services is being achieved under each of Australia’s active trade treaties, or whether the economic promises made at their commencement are being met. DFAT’s pitch for a given trade treaty always looks excellent on paper, but there must be a regular review to make sure what is promised is being delivered. Concerns regarding the ongoing monitoring of performance are raised later in this submission.

Even though Australian trade treaties contain a vast array of goals across a large range of sectors, the bulk of regulatory transformations for most trade treaties in Australia appear to be mostly moderate amendments to the *Customs Act 1901* for

goods being imported into Australia, requiring Customs to give tariff concessions on a range of imports, and for exporters to mandatorily keep records. For example, recent ambitious promises and commitments made by Australia in the JAEPA treaty cover twenty chapters, numbering over 182 pages. The chapters of the JAEPA are as follows:

Japan-Australia Economic Partnership Agreement (182 pages)

1. General Provisions
2. Trade in Goods
3. Rules of Origin
4. Customs Procedures
5. Sanitary and Phytosanitary Cooperation
6. Technical Regulations, Standards and Conformity Assessment Procedures
7. Food Supply
8. Energy and Mineral Resources
9. Trade in Services
10. Telecommunications Services
11. Financial Services
12. Movement of Natural Persons
13. Electronic Commerce
14. Investment
15. Competition and Consumer
16. Intellectual Property
17. Government Procurement
18. Promotion of a Closer Economic Arrangement
19. Dispute Settlement
20. Final Provisions

However, the National Interest Analysis relating to JAEPA, prepared by DFAT for the Joint Standing Committee on Treaties in consideration of this treaty, reveals the following total information on how the 182 pages of treaty provisions across 20 chapters (covering two economies) are to be implemented domestically in Australia:

JAEPA National Interest Analysis, page 7

Implementation

18. To implement JAEPA in Australia, amendments need to be made to the *Customs Act 1901*, the *Customs Tariff Act 1995* and relevant customs regulations such as the *Customs Regulations 1926*. New customs regulations need to be enacted for the product specific rules of origin set out in Annex 2 of JAEPA. The *Foreign Acquisition and Takeovers Regulations 1989* will also require amendment to incorporate the new threshold for screening investment proposals by Japanese investors at \$1,078 million (subject to lower thresholds for sensitive sectors). The *Life Insurance Regulations 1995* will require amendment in order to implement the agreement reached in respect of life insurance, whereby Japanese life insurers will be able to operate in Australia through branches rather than subsidiaries.

19. The remainder of Australia's obligations under JAEPA do not require any legislative or regulatory amendments.

Accordingly, the Explanatory Memorandum for the legislation that implements the JAEPA treaty then reads as follows:

Explanatory Memorandum, *Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014*, page 2:

The purpose of this Bill is to amend the Customs Act 1901 (the Customs Act) to introduce new rules of origin for goods that are imported into Australia from Japan to give effect to the Japan-Australia Economic Partnership Agreement (the Agreement). The Customs Act amendments will enable goods that satisfy the rules of origin to enter Australia at preferential rates of customs duty.

Complementary amendments will also be made to the *Customs Tariff Act 1995* (the Customs Tariff Act) by the Customs Tariff Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014 to give effect to the Agreement.

The Agreement is a comprehensive and wide-ranging agreement that provides Japan and Australia with more liberal access to each other's goods, services and investments markets.

It appears that implementation of the entire JAEPA treaty in the Australian business environment is made up of these limited changes to our Customs legislation for goods coming into Australia, and some amendments to foreign acquisition and life insurance legislation. If it is the case, as described by DFAT above, that "signature and ratification do not, of themselves, make treaties operate domestically", then arguably an entire stage of treaty development for domestic post-agreement machinery is missing, the operational remainder being apparently reliant on executive power in an unexplained framework. This leads to our proposal for a system of better consultation with representative stakeholders that is described below, and our following recommendations on the importance of independent bodies monitoring trade treaties at arms-length.

Recommendation 1:

An independent Government body that is arms-length from negotiations – such as the Productivity Commission – should prepare the trade treaty National Interest Analysis (NIA) and Regulatory Impact Statement (RIS) documents that are provided to the Joint Standing Committee on Treaties and tabled in Parliament. Such a body should be tasked with objectively preparing both documents, on the basis of optimal, likely and minimum outcomes of concluding and implementing a given trade treaty. A body so tasked must be able to give frank and fearless advice to both the Joint Standing Committee on Treaties and the Parliament, with regard to the real economic benefits and costs of concluding a given trade treaty.

1.2 Monitoring trade treaties to ensure performance – compulsory reciprocal utilisation provisions and support

As a result of the concerns described above, ACCI believes it is crucial for trade treaties to be monitored continuously during their operation to ensure their key economic and social objectives continue to be met. For example, we understand that few (if any) Australian trade treaties have data collected by foreign Customs on their usage (particularly for relating to goods), and that reciprocal provisions for compulsory monitoring amongst party countries appear to be absent from many treaty texts. Such a provision requiring all countries to gather and share data on trade utilising a given treaty is a simple inclusion, and should be mandatory in all Australian trade agreements. The Productivity Commission – or similar independent body – could use such data to better ensure outcomes are being achieved. We note the Productivity Commission has recommended this oversight function numerous times in its previous reports:

Productivity Commission – Trade & Assistance Review 2011-12 (p. 111):

Current processes for assessing and prioritising BRTAs [Bilateral and Regional Trade Agreements] lack transparency and tend to oversell the likely benefits. To help ensure that any further BRTAs entered into are in Australia's interests:

- *Pre-negotiation modelling should include realistic scenarios and be overseen by an independent body. Alternative liberalisation options should also be considered.*
- *A full and public assessment of a proposed agreement should be made after negotiations have concluded — covering all of the actual negotiated provisions.*

Productivity Commission – Bilateral & Regional Trade Agreements – November 2010 (p. 311):

As noted...the present JSCOT process cannot be utilised to provide improved information to Cabinet before a decision is made. While JSCOT would still of course be at liberty to undertake its own assessment, it could draw on the already published independent analysis during its considerations, supplementing it with further analysis if it saw fit.

The cost of international negotiations (that can go on for years) is substantial to the Australian taxpayer, and taking into account the high expectations surrounding trade treaties on the basis of DFAT's promises made to JSCOT and the Government, it is a natural expectation of the business community that the economic benefits of these treaties should be monitored on an ongoing basis by an independent body such as the Productivity Commission. This will also serve to tailor Australia's commitments

and obligations under these types of treaties, helping negotiation stances develop and improve with the changing trading landscape.

One of the purposes of the trade treaty negotiations is to seek improved market access for Australian products. The negotiation process is conducted between the party agencies charged with negotiation. What has become apparent in some trade treaties is that the agencies charged with **implementation** of the agreement (mostly border agencies) are not always willing to apply the terms of the agreement. It is essential that treaties include binding implementation mechanisms on both parties – including instructions on how border disputes can be resolved about the assessment of claims by exporters – and that the Australian Government takes action on behalf of Australian exporters to ensure that the treaty is implemented. The present system in all of Australia's trade treaties is that exporters must seek redress through the administrative appeals tribunal, or tax courts or other similar institutions. Business needs to have disputes over the application of the treaty in the counterparty country resolved efficiently (within hours). In the case where developing nations are involved, each treaty should include a chapter on material support to ensure implementation is effective for business.

Recommendation 2:

All Australian trade treaties must contain compulsory reciprocal provisions that oblige Customs in all party countries to collect and share treaty utilisation data. This would particularly be focused on goods being imported, as Customs in each country must assess goods for preferential tariff treatment at the border crossing in any event.

Recommendation 3:

The Productivity Commission – or similar independent body at arms-length from negotiations – should be tasked with a frank and fearless annual review and report on the performance of all in-force Australian trade treaties, comparing the economic objectives cited at their commencement. The report should be made available to the public in full.

Recommendation 4:

All Australian treaties should include specific counterparty enforcement provisions and appropriate aid support as required.

Recommendation 5:

The direct costs to the Australian Government for the conduct of treaty negotiations should be transparently reported to the parliament through the annual budget process so that the Australian community is aware of the investment being made by the Government to secure any given treaty.

1.3 Termination of smaller trade treaties where superseded by better overlapping regional agreements

The huge number of international trade related treaties is often referred to as the “noodle bowl”, which provides a graphic image of the complex, intertwined and overlapping nature of bilateral and regional trade agreements. It is imperative that Australia monitors (via the means recommended above) situations in which newly created regional trade treaties end up overlapping trading partner countries with whom we already have active bilateral trade treaties. This will ensure no unnecessary conflict of obligations occurs, and ultimately cuts down on red tape for business in both economies.

Consolidation of bilateral agreements into newer regional agreements in such situations is ultimately a desirable end, in the objective of building towards an eventual global multilateral trading system. Clearly, no bilateral trade treaty that continues to provide greater benefit than a newer regional agreement should be terminated. However, we would hope that regional agreements would outdo older bilateral agreements in their ambition and benefit. An illustration of the overlap between regional (multilateral) trade treaties and existing bilateral trade treaties is as follows.

Australian regional (multilateral) trade treaties overlapping bilateral treaties

Country	AANZ FTA	AC FTA	SA FTA	AUS FTA	TA FTA	JA EPA	MA FTA	KA FTA	CHA FTA	ANZ CER	TPP	RCEP
Type	Multilat. 2010	Bilat. Chile	Bilat. Singapore	Bilat. USA	Bilat. Thailand	Bilat. Japan	Bilat. Malaysia	Bilat. Rep of Korea	Bilat. China	Bilat. New Zealand	Multilat. Under neg.	Conceptual Multilat.
Brunei	X										X	X
Myanmar	X											X
Cambodia	X											X
Indonesia	X											X
Laos	X											X
Malaysia	X						X				X	X
Philippines	X											X
Singapore	X		X								X	X
Thailand	X				X							X
Vietnam	X										X	X
New Zlnd	X									X	X	X
USA				X							X	
Canada											X	
Mexico											X	
Chile		X									X	
Peru											X	
Japan						X					X	X
China									X			X
India												X
Rep of Korea								X			X	X

The table above indicates the countries involved (or potentially involved) in regional trade treaties with Australia. AANZFTA (ASEAN-Australia-New Zealand Free Trade Area) came into force in 2010 and is Australia's most comprehensive trade agreement. It does not include WTO MFN trade

In previous submissions, ACCI has highlighted that for many of our trading partners we now (or will soon have) at least two (eg Indonesia) and as many of five (eg Malaysia) agreements covering trade with the same country, inclusive of the “most favoured nation” status of WTO members – the most common form of trade rules between member states.

Consolidation or termination of any bilateral trade treaty that is superseded by a newer regional treaty is important to simplifying trade. This is because each of these agreements contain agreement-specific unique compliance rules that provide the framework within which the commercial sector can access the benefits of the trade agreement, and exclude others from these advantages. Where there is a global agreement such as the recently finalised WTO Trade facilitation agreement, then all treaties should be correspondingly updated to ensure cohesion across agreements, rather than the currently maintained fragmented approach. Using this better approach, we suggest that where there is a global agreement, the more specific agreement should simply confirm the terms of the WTO agreement and no longer include an agreement-specific set of rules or arrangements.

Across these agreements there are a range of administrative instruments in terms of both the methods for calculation to determine origin and also the documentary requirements. Australian companies must be aware of the differences in order to take advantage of the terms of the agreement and the documentary requirements. The requirement for knowledge of each agreement, and the document handling process adds significant costs to business. Monitoring for potential consolidation of bilateral trade treaties – or their termination – where a subsequent overlapping regional trade agreement betters the terms of the original bilateral, is therefore desirable for trade facilitation generally and in the regional context.

Recommendation 6:

Australian negotiators should be tasked with monitoring the overlap of trade treaties as more treaties are concluded regionally. This will ensure that older bilateral trade treaties overlapped by subsequent regional treaties are either consolidated within a regional treaty, or terminated where the benefits within the former treaty are bettered by the newer regional agreement. This will further serve to reduce the costs on traders in all affected economies overlapped by multiple Australian trade treaties, and will assist regional progression towards an eventual world multilateral agreement.

Recommendation 7:

Trade treaties should be “WTO plus”, so that wherever the WTO upgrades general agreements or finalises a plurilateral agreement to which Australia is a party, the terms of these global level agreements supersede the lower-order agreement and cause the lower-order agreement to also be updated.

2. TREATIES BEFORE ENTRY INTO FORCE

2.1 Vertical negotiation and horizontal divergence

ACCI has argued elsewhere that Australian trade negotiators build vertical isolated agreements, the aggregate multitude of which must then be horizontally navigated by Australian business. Vertically constructed agreements are a natural outcome of partner-specific negotiations; the infamous phrase repeated by negotiators in response to inconsistencies is “this was unfortunately a negotiated outcome”. However, ACCI believes better horizontal consistency (and less administrative divergence) is available to Australian business seeking to use trade treaties, via the enhanced consulting processes we describe below.

Part of safeguarding regulatory consistency in trade treaties in aggregate, is to ensure that processes required of business are performed in the same internationally compatible manner as they are in general trade. Trade occurs wherever there is an opportunity in a market, regardless of whether there is a trade treaty in existence or not. Goods are often subject to multiple movements through different ownership and trade zones before reaching a final consumer – thus it makes sense to encourage unified, internationally compatible procedures in trade treaties as a goal, rather than deliberately creating a multitude of different or novel processes for business to encounter in each new trade treaty.

In developing our views on the horizontal harmonisation of administrative components to trade treaties, we have considered the following existing domestic and international standards:

1. The World Customs Organisation (WCO - 179 members, Australia being a member since 1961) updated *Glossary of International Customs Terms* (November 2013).
2. Precedent Australian preferential trade agreements.
3. The 2006 *Revised Kyoto Convention (Convention on the Simplification and Harmonization of Customs procedures)* which Australia has ratified, noting particularly Annex K of the Convention, which contains standards on improving border crossing arrangements.
4. The International Trade Centre (ITC), the joint agency of the World Trade Organisation and the United Nations, particularly its *Glossary on Trade Financing Terms*.
5. The 2012 United Nations Economic Commission for Europe (UNECE), acting as the body within the United Nations system for the development of norms, standards and policy regarding the facilitation of international trade, and its publication the *Trade Facilitation Terms*.

6. The International Organization for Standardization (ISO) accreditation standards for certification, contained within ISO/IEC 17020:2012. As an authorised issuing body for preferential Certificates of Origin, ACCI and its agent chambers are required by the Government to meet this standard, which is administered via an audit scheme by the Joint Accreditation System of Australia and New Zealand (JAS-ANZ).
7. The Australian Customs and Border Protection *Blueprint for Reform 2013-2018*. This document promotes trade facilitating measures for 'trusted and compliant traders'.

General rules for exporters along with product-specific rules and compliance arrangements are contained in a 'Rules of Origin' chapter within trade treaties. The phrase 'Rules of Origin' is somewhat misleading, since aside from containing the criteria for determining the origin of the goods, this chapter most importantly also contains the methods by which exporters are to claim their tariff concession from foreign Customs (ie the way exporters 'use' the trade treaty).

Unfortunately, procedural requirements in trade treaties are sometimes inconsistent with customary international trade documentation for ordinary trade occurring outside the trade treaty. This leads to confusion, and yet another set of paperwork for traders to learn about, that is specific to the given treaty. With the growing importance of supply chains and multiple movements of goods through trade zones, such needless inconsistency between trade treaty areas and normal trade areas risks an obstruction to trade, rather than being trade facilitating. Negotiators must be aware of the commercial realities, and not invent duplicate administrative systems for each vertical negotiation.

While the naturally constrained negotiation of trade treaties focuses only on the bilateral trade occurring between two countries, the commercial world rarely works in this manner. Companies seek inputs from multiple countries before the 'last substantial transformation', which provides the final 'origin' of the good for trade preference purposes. These companies may then supply these goods to multiple buyer nations, requiring compliance on a shipment-specific basis with the needs of market entry for each market. If each market has unique procedural requirements that further branch into multiple means of entry such as MFN or trade treaty zones, then companies need to know and understand the value in each option, in each market, across numerous treaty and non-treaty (general trade) areas. The more complex and numerous these rules and procedures are, the higher the costs to business. If these costs exceed the benefits of using a given trade treaty, companies will avoid the treaty and utilisation will be low.

This is why better horizontal cohesion is needed as a goal across Australian trade treaties, wherever possible, to improve uptake. The commercial business interest is in accessing the benefits and complying with the terms of each treaty in the most efficient way. To this end, standardisation of procedural requirements across Australia's international trade treaties is trade facilitating. If producers and manufacturers know that by doing something the same way each time they develop a product, regardless of the treaty, then they may predict the requirements with certainty. Business knows tariff concessions may differ depending on the destination

country, but the procedures to access these tariff concessions should be as similar as possible. This means the process can be repeated and then automated, which reduces costs for repetitive processes.

The use of harmonised starting points from which to commence negotiations for trade agreements – for example the recently agreed WTO Bali Package and standards endorsed by the World Customs Organisation (WCO) in the *Revised Kyoto Convention* reflecting existing business practices – should be utilised by Australian treaty negotiators to aid in improving the streamlining of international trade and ultimately reduce costs for business and consumers, rather than the current trend of divergent and burgeoning regulatory requirements. We believe that the problem of aggregate complexity in differing treaties can be overcome through the acceptance of a set of standard definitions and procedures for all border crossing and market access – such as those on offer through the WCO's 2006 *Revised Kyoto Convention*.

The costs of border crossing can be a sizable component of the final built-up costs to production costs for manufacturers, and ultimately transfers to end consumers. Complex market entry requirements mean that companies need to have staff or advisers analysing their market entry systems. Internal staff at each level of the transaction process must understand these processes so they can take advantage of the entry requirements. Business costs are reduced when these systems are predictable and repeatable. In the Australian trade treaty circumstance, we are extremely concerned when we identify novel processes emerging in the Korean-Australia FTA (KAFTA), the Malaysia-Australia FTA (MAFTA), and the Japan-Australia Economic Partnership Agreement (JAPEA). Divergence of procedures fails to utilise tried and tested simple systems that were in place before the agreement, and are presently utilised in general trade. Creating novel and divergent regulatory requirements for exporters and producers increases red tape.

ACCI's concerns are founded on the experience of Australian exporters and their claims with counterparty customs in precedent trade treaties. The risks to which we refer are of valid claims being rejected in the destination country; of non-party goods being claimed for preferential treatment; and to Australian exporters of exposure to direct investigation by foreign Customs authorities.

Our position is based on the practical questions arising from the type of issues Australian businesses face every day when engaging in trade, and how an exporter takes advantage of the preferences conferred in a trade treaty. This leads to simple questions such as:

- How does a company make a claim for preference?
- What happens to the Australian exporter when a valid claim for preferential tariff treatment is unfairly rejected?
- Who represents the exporter?
- What are the agreed timeframes for commercially responsive dispute resolution of the exporter's claim for preference, so that additional costs are not incurred?

- Who bears liability for costs and loss if the exporter's claim was perfectly valid but an administrative oversight causes a delay?
- What prevents non-party goods from being claimed?
- What prevents criminal networks from seeking to utilise the treaty?

Trade documentation and procedures have, over centuries, become international customary standards recognised by international practice, precisely because they answer these questions. Creating a new species of procedures and standards in each new trade treaty, however, makes processes opaque for Australian companies engaged in international trade and exposes them to greater risk when conducting trade. It also raises the possibility of fraudulent behaviour that will be harder to monitor, and provides avenues for non-party goods entering the trade zone, raising also the possibility of reputational risk for Australian produce. It is these risks to exporters about which we are concerned.

Australia has now negotiated nine treaties (ten pending the China treaty), either bilateral or regional. Each one of these so far has contained a different set of rules and procedures for their use. If bilateral trade treaties are interim measures or 'building blocks' on the path to an eventual agreement at the multilateral level, then procedures for traders contained within these types of agreements must be harmonised in the horizontal sense in order to facilitate trade now, and under a future multilateral deal.

The recent public interest in the origin of products brings these rules and the way they are applied in trade treaties into focus. In order to claim preferential terms under the treaty, exporters must satisfy the appropriate conditions in calculating the "origin" of the goods. These claims are then scrutinised by the counterparty Government border control authorities. At present all trade treaties are currently silent about what happens when the counterparty Government agencies refuse to honour the treaty. However each one of Australia's trade treaties provides authority for the investigation of claims for preferential access by Australian exporters to be directly conducted by the agencies of a foreign Government.

ACCI has championed the maintenance of the globally established systems of nationally certified origin and the global rules for calculation contained within the *Revised Kyoto Convention of Simplification and Harmonisation of Customs Procedures* – another treaty to which Australia has acceded (with the exception of its *Annex K – Rules of origin*).

Australia is currently negotiating two regional trade agreements – the Transpacific Partnership Agreement (TPP) and the Regional Comprehensive Economic Partnership Agreement (RCEP). It is essential that these agreements do not continue to repeat the mistakes of previous negotiations in developing yet further divergent sets of rules and administrative procedures. The Government must instruct its negotiators to ensure that these regional agreements harmonise the existing practices of the preceding bilateral agreements and AANZFTA, and also embrace the WTO Trade Facilitation Agreement and the provisions of the *Revised Kyoto*

Convention of Simplification and Harmonisation of Customs Procedures – including Annex K – Rules of origin.

Recommendation 8:

Australia should develop a “model” Preferential Trade Agreement based on international standards that is fully transparent to Australian Industry and to international Governments, so that all stakeholders are aware of what Australia sees as the ideal procedural outcome from a trade treaty. Along with the enhanced consultation systems we have proposed, this template would be used as a basis for all future negotiations, and will drive a level of consistency and improved confidence as to what is included in the negotiations.

Recommendation 9:

The Government must instruct its negotiators to ensure that new regional agreements (TPP and RCEP) harmonise the existing practices of the preceding bilateral agreements and AANZFTA, and also embrace the WTO Trade Facilitation Agreement and the provisions of the *Revised Kyoto Convention of Simplification and Harmonisation of Customs Procedures – including Annex K – Rules of origin.*

Recommendation 10:

The Government must accede to *Annex K* of the *Revised Kyoto Convention of Simplification and Harmonisation of Customs Procedures.*

2.2 Disclosure of draft text to pre-registered representative groups

Trade treaty negotiation is a necessarily evolutionary process, requiring a great deal more consultation and disclosure with impacted sectors of Australian civil society than is currently undertaken.

Trade-related treaties are usually negotiated in secret and covered by a confidentiality agreement. It is very difficult to understand the exact terms being negotiated despite “public consultations” by DFAT. In contrast, the international climate change treaty negotiations offer a relatively public set of texts and propositions. In the former case, negotiators argue that public release of draft trade treaty text would be detrimental and hinder the progress of negotiations. However, as is seen in the public discussion on the TPP, this secrecy is leading to mistrust of what exactly is being offered or given up. In the case of the climate change negotiations, interested stakeholders are often provided with large documents containing the negotiating positions of the various countries. This not only provides for a lot of public debate on the merits of each but also offers a great deal of insight into the positions of each nation and what they are seeking.

Australia has nine concluded trade treaties that are presently in operation. Each treaty was negotiated on an individual vertical basis as discussed above, with some negotiations taking only a year to complete, and others taking almost a decade. As a result of the differences in negotiation timings, each treaty receives the hallmarks of the political environment unique to the time a particular provision or section is negotiated. Chapters are “locked-in”, also at a point in time, and therefore trade treaties do not grow up together at the same pace, even internally. This leaves Australian trade treaties prone to imperfections or distortions that are not altogether responsive to the contemporary trading landscape. All of them, once in force and with treaty text cemented, directly affect contemporaneous elements of Australian business and broad sectors of Australian society.

It is for this reason that the draft treaty text must be made available, at least to accredited representative groups of stakeholders, on a continuous basis, as it evolves over time. We envision such a system would be similar to the United States’ accredited adviser committee arrangements, which have been managed by the Office of the United States Trade Representative since 1974.⁷ This will assist in ironing out unintended problems, and ensure negotiators keep returning to the touchstone of the sectors of Australian society who are supposed to use and benefit from the treaty. It also ensures that provisions of trade treaties are up-to-date and are actually going to be useful for business in the modern trading environment. It is clear from currently concluded trade treaties that some provisions negotiated years prior to ratification result in avoidable obfuscation for contemporary business. We understand there have been recent situations in which the Department of Foreign Affairs and Trade (DFAT) has worked tirelessly with counterparts in several trading partners to ensure the Harmonised System (HS) Codes used in the agreement were updated to the 2007 version, in order that they then be again updated to the 2012 version. We also understand there are some circumstances where electronically transferrable trade documentation had been continuously disallowed in a treaty, even though the particular trading partner had already switched to accepting electronic documents in another Australian treaty.

An appropriately tailored system of consultation during the development of an Australian treaty, followed by proper independent monitoring, will serve to keep treaty provisions relevant to Australian business. In this way, the democratic legitimacy of the ratification of the resulting treaty text will also be improved, and accordingly the in-force treaty will better tailored for the contemporary Australian (and wider) interests it is meant to serve. This enhanced legitimacy is the result of interest groups assisting negotiators and being part of the treaty process, attaching to the treaty long after entry into force. This legitimacy would also extend to the transposition of the terms of the treaty in Australian legislation, regulation and policy that implements Australia’s obligations under the given treaty. Coupling the implementation of this proposed consultation system with ongoing monitoring mentioned above, Australian treaties negotiated to create improved economic

⁷ USTR Office of Intergovernmental Affairs & Engagement (IAPE) < <https://ustr.gov/about-us/advisory-committees> >.

outcomes will be more likely to be supported by Australian industry and civil society, and therefore more likely to achieve their stated objectives.

Recommendation 11:

The Government should introduce an enhanced consultative procedure for the development of improved trade treaties, which would contain the following components:

- The Productivity Commission, as an independent body, is to have full confidential access to the entire draft treaty text, including tariff line negotiations, at all stages of negotiations of any trade treaty in order to provide confidential, frank and fearless advice to the Government regarding the real economic outcomes of the negotiations at each stage.
- All representative bodies from civil society that are impacted by trade treaties – particularly independent economic research bodies – should be allowed to register for access to the draft treaty text within the terms of the relevant confidentiality agreements.
- Tariff-line negotiations are not to be disclosed to registered representative bodies; they are instead only to be disclosed in real-time to the Productivity Commission, throughout negotiations for the assessment of optimum negotiation stances.
- Negotiators are to disclose draft treaty texts in unfinished form to registered bodies in a secure forum, in which questions can confidentially be asked of negotiators and bodies could privately put their viewpoint on the basis of seeing the whole draft treaty text (less draft tariff lines).
- Negotiators are to retain their current executive power to conduct treaties on behalf of the Commonwealth, but they must properly consider and balance the merits of civil society's views when developing starting positions and concessional limits, at all phases of negotiation before a treaty text is concluded.

2.3 COAG to review state & territory obligations

As can be expected, many international treaties are negotiated in a manner that is agnostic as to the administrative division of responsibilities within signatory states. In this Australian context this can be problematic as although the Australian Government may sign then ultimately ratify a treaty, it is state / territory government that often have responsibility for implementation of key operative provisions.

An example is the *Minamata Convention on Mercury*, a global treaty to protect human health and the environment from the adverse effects of mercury, which was signed by the Australian Government on 10 October 2013 and yet to be ratified. Provisions within the Convention designed to limit and monitor the transnational trade in mercury are clearly within the purview of the Australian Government; however, other provisions within the Convention dealing with the domestic waste management of products containing mercury are matters for state / territory governments.

It is therefore recommended that during the negotiation stage, and later through the implementation and monitoring stage, treaties that require action on the part of state / territory governments be reviewed within the context of Council of Australian Governments (COAG) processes.

Recommendation 12:

During the negotiation stage, and later through the implementation and monitoring stage, treaties that require action on the part of state & territory governments should be reviewed within the context of Council of Australian Governments (COAG) processes.

2.4 Combining Australian trade expertise to provide specialist trade advice

It is imperative to the achievement of treaty outcomes that negotiators receive the most comprehensive and cutting-edge advice possible with regard to Australia's trade stances when negotiation occurs. The above mechanism described for enhanced consultation with civil society is the first step in improving Australia's treaty-making process for treaties that aim to improve Australia's economic and social standards, towards a better global trading system. Rigorous research and robust advocacy groups will be then better able to make the case for open trading arrangements, as an essential ingredient in Australia re-invigorating its own reform momentum and helping to energise wider efforts regionally and globally. Without focused effort by such groups during negotiations, this will not happen.

Australia has world leading industry representatives, academics and trade negotiators, but they are often disparate voices and need consolidating into a single forum to provide thought leadership that would assist to advance Australia's national interest, support our negotiators and assess in real time proposals arising in negotiations. A centre linking business and research and education institutions would also provide the educational development for future Australian professionals in this field, potentially along with development of similar professionals in other countries within our region.

To address this, it will be necessary to establish a new institutional focus for research and advocacy to advance Australian interests in international trade and to foster

national debate on international trade. ACCI has championed the concept development for the creation of the Australian Trade Centre. We have held stakeholder discussions in the development of a proposal and will be seeking firm commitment from the private and academic sectors. We call upon the Government to become a partner in this \$23 million initiative with investment of \$5 million over the next five years to assist to establish and develop improved capacity to understand and promote trade and investment liberalisation in Australia and globally.

Recommendation 13:

In the interests of creating enhanced trade treaties capable of achieving promised outcomes and associated public benefit, the Government should support the development of the Australian Trade Centre. The Centre would bring together Australia's trade expertise from a wide range of backgrounds into a single forum to provide though leadership, assisting to advance Australia's national interest and supporting our negotiators by assessing (in real time) proposals arising out of trade treaty negotiations. We call upon the Government to become a partner in this \$23 million initiative with investment of \$5 million over the next five years to assist to establish and develop improved capacity to understand and promote trade and investment liberalisation in Australia and globally.

3. ABOUT ACCI

3.2 Who We Are

The Australian Chamber of Commerce and Industry (ACCI) speaks on behalf of Australian business at a national and international level.

Australia's largest and most representative business advocate, ACCI develops and advocates policies that are in the best interests of Australian business, economy and community.

We achieve this through the collaborative action of our national member network which comprises:

- All eight state and territory chambers of commerce
- 29 national industry associations
- Bilateral and multilateral business organisations.

In this way, ACCI provides leadership for more than 300,000 businesses which:

- Operate in all industry sectors
- Includes small, medium and large businesses
- Are located throughout metropolitan and regional Australia.

3.3 What We Do

ACCI takes a leading role in advocating the views of Australian business to public policy decision makers and influencers including:

- Federal Government Ministers & Shadow Ministers
- Federal Parliamentarians
- Policy Advisors
- Commonwealth Public Servants
- Regulatory Authorities
- Federal Government Agencies.

Our objective is to ensure that the voice of Australian businesses is heard, whether they are one of the top 100 Australian companies or a small sole trader.

Our specific activities include:

- Representation and advocacy to Governments, parliaments, tribunals and policy makers both domestically and internationally;
- Business representation on a range of statutory and business boards and committees;
- Representing business in national forums including the Fair Work Commission, Safe Work Australia and many other bodies associated with economics, taxation,

sustainability, small business, superannuation, employment, education and training, migration, trade, workplace relations and occupational health and safety;

- Representing business in international and global forums including the International Labour Organisation, International Organisation of Employers, International Chamber of Commerce, Business and Industry Advisory Committee to the Organisation for Economic Co-operation and Development, Confederation of Asia-Pacific Chambers of Commerce and Industry and Confederation of Asia-Pacific Employers;
- Research and policy development on issues concerning Australian business;
- The publication of leading business surveys and other information products; and
- Providing forums for collective discussion amongst businesses on matters of law and policy.

ACCI MEMBERS

ACCI CHAMBER MEMBERS: BUSINESS SA **CANBERRA BUSINESS CHAMBER** CHAMBER OF COMMERCE NORTHERN TERRITORY **CHAMBER OF COMMERCE & INDUSTRY QUEENSLAND** CHAMBER OF COMMERCE & INDUSTRY WESTERN AUSTRALIA **NEW SOUTH WALES BUSINESS CHAMBER** TASMANIAN CHAMBER OF COMMERCE & INDUSTRY **VICTORIAN EMPLOYERS' CHAMBER OF COMMERCE & INDUSTRY** **ACCI MEMBER**

NATIONAL INDUSTRY ASSOCIATIONS: ACCORD – HYGIENE, COSMETIC AND SPECIALTY PRODUCTS INDUSTRY **AIR CONDITIONING & MECHANICAL CONTRACTORS' ASSOCIATION** AUSTRALIAN BEVERAGES COUNCIL **AUSTRALIAN DENTAL INDUSTRY ASSOCIATION** AUSTRALIAN FEDERATION OF EMPLOYERS & INDUSTRIES **AUSTRALIAN FOOD & GROCERY COUNCIL ASSOCIATION** AUSTRALIAN HOTELS ASSOCIATION **AUSTRALIAN INTERNATIONAL AIRLINES OPERATIONS GROUP** AUSTRALIAN MADE CAMPAIGN LIMITED **AUSTRALIAN MINES & METALS ASSOCIATION** AUSTRALIAN PAINT MANUFACTURERS' FEDERATION **AUSTRALIAN RETAILERS' ASSOCIATION** AUSTRALIAN SELF MEDICATION INDUSTRY **BUS INDUSTRY CONFEDERATION** CONSULT AUSTRALIA **HOUSING INDUSTRY ASSOCIATION** LIVE PERFORMANCE AUSTRALIA **MASTER BUILDERS AUSTRALIA** MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA (THE) **NATIONAL BAKING INDUSTRY ASSOCIATION** NATIONAL ELECTRICAL & COMMUNICATIONS ASSOCIATION **NATIONAL FIRE INDUSTRY ASSOCIATION** NATIONAL RETAIL ASSOCIATION **OIL INDUSTRY INDUSTRIAL ASSOCIATION** PHARMACY GUILD OF AUSTRALIA **PLASTICS & CHEMICALS INDUSTRIES ASSOCIATION** PRINTING INDUSTRIES ASSOCIATION OF AUSTRALIA **RESTAURANT & CATERING AUSTRALIA** VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE