



THE HON STEVEN CIOBO MP

Minister for Trade, Tourism and Investment

The Hon Stuart Robert MP
Chair, Joint Standing Committee on Treaties
Parliament House
CANBERRA ACT 2600

Dear Chair

I write to you in relation to the Joint Standing Committee on Treaties Report 165, *Trans-Pacific Partnership (TPP) Agreement*.

The Government thanks the Committee for its consideration of the TPP and for its report. Please find enclosed a copy of the Government response to the Committee's report. The Government will shortly table this response in the Parliament.

Yours sincerely



Steven Ciobo

6 JUN 2017



Australian Government

Australian Government response to the
Joint Standing Committee on Treaties report 165:
Inquiry into the Trans-Pacific Partnership Agreement

APRIL 2017

Australian Government response to the Joint Standing Committee on Treaties Report 165

Inquiry into the Trans-Pacific Partnership Agreement

The Government thanks the Committee for its consideration of the Trans-Pacific Partnership Agreement (TPP), which was tabled on 30 November 2016.

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

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

Recommendation 1

The Committee recommends that the Australian Government consider changing its approach to free trade agreement negotiations to permit security cleared representatives from business and civil society to see the Australian Government positions being put as part of those negotiations.

Response:

The Government notes the recommendation.

The Government has an extensive program of outreach on its free trade agreement (FTA) agenda, including broad and regular consultation with all interested stakeholders. The Government will continue to explore new options for securing input from stakeholders and disseminating information on FTAs and agrees to consider the Committee's recommendation.

Recommendation 2

The Committee recommends that the Australian Government consider implementing a process through which independent modelling and analysis of a proposed trade agreement is undertaken by the Productivity Commission, or equivalent organisation, and provided to the Committee alongside the National Interest Assessment (NIA) to improve assessment of the agreement.

Response:

The Government does not accept the recommendation.

Economic modelling of trade agreements is only one tool to assess whether an agreement is in the national interest. DFAT commissions economic modelling of trade agreements on a case-by-case basis. Statistical and methodological limitations mean that current models are unable to estimate the total impact of an FTA on the economy. For example, it is difficult to model accurately the impact of changes to non-tariff barriers, trade facilitation, increased regulatory certainty and other aspects of an FTA

such as rules. Moreover, statistics on international trade in services and investment flows are incomplete.

Recommendation 3

The Committee recommends that the Australian Government consider using the single set of documentary procedures and the paperless trading provisions of the TPP to measure the agreement's benefits.

Response:

The Government accepts this recommendation.

The Government already uses a range of sources to assess the impact and the utilisation of trade agreements. The Government is also commissioning a study of business utilisation of Australia's in-force FTAs, which is expected to assist future policy approaches.

Recommendation 4:

The Committee recommends the Australian Government progress the safe harbours amendments in the proposed Copyright Amendment (Disability and Other Access Measures) Bill.

Response:

The Government supports the recommendation in principle.

The Government recognises the limitations of the safe harbour scheme being restricted to only carriage service providers. The Government will continue to consider stakeholders views on the effect of expanding the safe harbour scheme.

Recommendation 5:

The Committee recommends that the Australian Government ensure adequate resourcing to enable effective participation in committees dealing with technical barriers to trade.

Response:

The Government notes the recommendation.

The Government attaches a priority to addressing non-tariff measures affecting Australian business in global markets, including through the inclusion of relevant provision in international trade agreements. The Department of Foreign Affairs and Trade, the Department of Agriculture and Water Resources, the Department of Industry, Innovation and Science, and other relevant agencies are consulting with stakeholders and pursuing efforts to address technical barriers to trade. This includes through Committees established under free trade agreements and the World Trade Organization.

The TPP provides for the establishment of separate Committees on Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Measures comprising representatives from all TPP Parties. The Committees' responsibilities will include monitoring the implementation of the commitments in the TBT and SPS Chapters, providing a conduit for technical discussions, promoting good regulatory practice, and encouraging cooperation between governments and non governmental bodies.

Recommendation 6:

The Committee supports the Trans-Pacific Partnership Agreement between the Government of Australia and the Governments of: Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States of America, and Vietnam and recommends that binding treaty action be taken.

Response:

The Government agrees with the recommendation.

Dissenting Report – The Australian Greens

Recommendation 1:

The Australian Greens recommend that no measures are taken towards Australia's acceptance or ratification of the TPP.

Response:

The Government does not accept the recommendation.

The Government notes that Australia's participation in the TPP is in the national interest.

Recommendation 2:

The Australian Greens recommend that the current trade agreement process is amended to allow for greater transparency, including independent assessments of proposed agreements, greater opportunity for community consultation and a final ratification process whereby Parliament votes on the whole text of agreements, rather than just implementing legislation.

Response:

The Government does not accept the recommendation.

Under the Constitution, the power for entering into treaties rests with the Executive. Under Australia's existing treaty-making system, the Parliament, through JSCOT, has the opportunity to review and make recommendations on treaties prior to the Executive taking binding treaty action.