

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

Australia-India Economic Cooperation and Trade Agreement

December 2023

Introduction

The Australian Government thanks the Joint Standing Committee on Treaties (the Committee) for its expedited consideration of the Australia-India Economic Cooperation and Trade Agreement (ECTA).

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

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Response to the recommendations

Recommendation 1

The Committee recommends that the Australian Government strongly pursues greater market access for the Australian wine industry in future Comprehensive Economic Cooperation Agreement negotiations.

Response:

The Government accepts this recommendation.

Seeking additional market access for wine is a priority in negotiations for an Australia-India Comprehensive Economic Cooperation Agreement.

Recommendation 2

The Committee recommends the Australian Government implements the recommendations of Report 193: Strengthening the Trade Agreement and Treaty Making Process in Australia, particularly in relation to greater consultation and transparency, and in providing independent modelling and analysis of trade agreements.

Response:

The Government notes this recommendation and proposes to formally respond in the Joint Standing Committee on Trade and Investment Growth inquiry: *Inquiry into the Australian Government's approach to negotiating trade and investment agreements.*

The Government is improving its consultation and transparency in relation to the free trade agreement (FTA) negotiations process and endeavours to undertake economic modelling and/or analysis of trade agreements where appropriate.

The Government requested the Joint Standing Committee on Trade and Investment Growth inquire into the Government's approach to negotiating trade and investment agreements. Identifying methods to strengthen stakeholder consolation and improve transparency was a key reason for this request.

The Government has also established a Trade 2040 Taskforce, which held its inaugural meeting on 2 November 2023 and brings together government, industry, unions and community representatives and serves as a consultative mechanism to further the Government's trade policy agenda. The Taskforce will help improve the consultative processes with stakeholders across the forward trade and investment agenda, including with business, unions and community representatives.

In addition, National Cabinet decided on 30 September 2022 to include a Ministerial Council on Trade and Investment in the Federal Relations Architecture. It held its second meeting on 20 October 2023 and is intended to increase coordination on international and national priorities related to trade and investment across Commonwealth, State and Territory jurisdictions, including in relation to trade agreements. More information can be found at: <u>Communique – Second Meeting of the Ministerial Council on Trade and Investment | Minister for Trade and Tourism (trademinister.gov.au)</u>

DFAT sources information on opportunities and potential impacts of FTAs through extensive consultations and stakeholder engagement. DFAT undertakes appropriate economic modelling, both commissioned and in house, of individual FTAs on a case-by-case basis. Independent analysis on new and existing FTAs is also provided by stakeholders in submissions addressing impacts on the Australian economy as a whole or on certain sectors. These processes commence before the development of a mandate and continue throughout the negotiations and after entry into force.

Recommendation 3

The Committee supports the Australia-India Economic Cooperation and Trade Agreement and recommends that binding treaty action be taken.

Response:

The Government has implemented this recommendation.

The Australia-India Economic Cooperation and Trade Agreement entered into force on 29 December 2022.