



AUSTRALIA JAPAN BUSINESS CO-OPERATION COMMITTEE



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Paul Gallagher
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Australia and Japan
A New Era in the
Relationship

12th November, 2014

Mr David Sullivan
Committee Secretary
Senate Foreign Affairs, Defence and Trade Legislation Committee

By Email: fadt.sen@aph.gov.au

Dear Sir,

Japan-Australia Economic Partnership Agreement (JAEPA) **Implementation Bills**

I refer to the invitation emailed 31st October, 2014 to Sir Rod Eddington AO, President, Australia Japan Business Co-operation Committee (AJBCC) for our body to make a submission regarding the above Implementation Bills. Sir Rod is presently overseas.

The AJBCC and its counterpart JABCC which were established in August 1962 and February 1963 respectively conduct an annual conference. Almost annually over the past thirteen years, the 'Conference Statement' has sequentially called for the commencement of, the early conclusion of, and last month in Darwin, the speedy passage of parliamentary processes and determination of an Entry-into-Force Date of a bilateral free trade agreement. The AJBCC welcomed the Joint Standing Committee on Treaties' (JSCOT) Report 144, October, 2014 recommendation, namely:

"The Committee supports the Agreement between Australia and Japan for an Economic Partnership and recommends that binding treaty action be taken."

The AJBCC is appreciative of the Senate Foreign Affairs, Defence and Trade Legislation Committee's early consideration of the necessary Implementation Bills related to various Customs matters. The AJBCC has no comment on the specific clauses of the Implementation Bills.

The Australian ambition in all its trade negotiations is to eliminate tariff and other barriers to trade and investment. The AJBCC is very supportive of this ambition. The AJBCC has warmly congratulated each Minister and government official whom, over the seven years, worked tirelessly for the desired JAEPA outcome. Being a WTO comprehensive agreement amongst two sophisticated economies ensured that it would be a tough road. The result has been broadly welcomed across the sectors. Whilst for the present, not all aspirations have

been met, the AJBCC welcomes the review mechanisms that have been incorporated within the Agreement as providing for the potential of earlier and/or further liberalisation. The AJBCC similarly welcomes the 'Most Favoured Nation' provisions which for many sectors will ensure that greater liberalisation granted to another party by Australia or Japan will flow automatically to Australia, if made by Japan.

The JAEPA is the most ambitious and comprehensive trade agreement Japan has concluded to date. Its scope encompasses not only goods but services, investment, movement of people, government procurement, intellectual property, etc. The conclusion of the agreement with Australia represents a seismic shift in Japan's traditional protections of many of its sectors and the recognition that in Japan's national interest, there is a need for the sectors to be globally competitive, not protected. An early date of entry into force would signal Australia's welcoming of the policy shift and the long term structural reforms being initiated. It would also be a credible starting point for Australia to offer to share policy and industry experiences regarding the past, present and future necessitated structural reforms to realise the best, and least disruptive, integration of our economies. The AJBCC would welcome the Legislation Committee's early conclusion of its review of the Implementation Bills and the subsequent joint government determination of an early 'Entry-into-Force Date'.

Yours sincerely

Paul Gallagher
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