



Chair

Inquiry into the understanding and utilisation of benefits under Free Trade Agreements

c/ Committee Secretary
PO Box 6021
Parliament House
CANBERRA ACT 2600

12 July 2024

By email: jsctig@aph.gov.au

Dear Chair,

Subject: Inquiry into the understanding and utilisation of benefits under Free Trade Agreements

I am reaching out on behalf of the [Business Council for Sustainable Development Australia](http://www.bcsda.org.au) (BCSDA – www.bcsda.org.au), in our role as a pivotal advocate for sustainable development within the business sector and as a global network partner of the [World Business Council for Sustainable Development](http://www.wbcsd.org) (WBCSD – www.wbcsd.org).

Our collective mission is to champion sustainable business practices that are not only globally recognized but also carefully adapted to meet the unique demands of the Australian landscape.

Outlined in the following pages is our feedback to the Consultation you have requested on the **Subject**. We thank you for the opportunity to make these submissions.

EXECUTIVE SUMMARY	2
COUNTRY COMPARATOR	2
BCSD INSIGHTS & RESOURCES ON THE TOPIC	4
RELEVANCE TO THE SUSTAINABLE DEVELOPMENT GOALS	5
RESPONSES TO SPECIFIC QUESTIONS	7
REFERENCES / RESEARCH / SOURCES	8

Yours faithfully,

Andrew Petersen | CEO | **Business Council for Sustainable Development Australia**

Executive Summary

The Business Council for Sustainable Development Australia (BCSDA) is committed to promoting sustainable development through effective use of Free Trade Agreements (FTAs).

This submission to the Inquiry into the understanding and utilisation of benefits under FTAs emphasizes the potential of these agreements to foster economic growth, enhance competitive positioning for Australian businesses, and contribute significantly towards the United Nations Sustainable Development Goals (SDGs).

Our analysis includes a comparison with international practices, identifying how countries like Canada, the EU, and Japan integrate sustainability into their trade policies to create reciprocal economic and social benefits. Drawing from these examples, we propose strategies for Australia to not only improve market access and regulatory cooperation but also to ensure that economic benefits are aligned with environmental protection and social equity.

We address specific challenges faced by Australian businesses, especially SMEs, in leveraging FTAs and propose targeted solutions such as educational programs, streamlined administrative processes, and dedicated advisory services to increase the uptake of FTA benefits. Our recommendations are designed to overcome barriers to effective utilization and to maximize the opportunities presented by FTAs for diverse Australian business sectors.

This submission advocates for a comprehensive approach that includes stakeholder engagement, regulatory alignment, and enhanced sustainability practices, thereby ensuring that FTAs contribute effectively to Australia's broader economic and sustainability objectives.

Country Comparator

Australia can draw valuable lessons from international approaches to leveraging FTAs particularly for sustainable development.

By adopting similar strategies, Australia can enhance market access, regulatory cooperation, and investment protection while ensuring the integration of sustainability into trade policies. Continuous engagement with stakeholders and clear communication of the benefits will be crucial for successful implementation and public support.

1. Canada

Overview Canada's Comprehensive Economic and Trade Agreement (CETA) with the European Union aims to reduce trade barriers and increase economic cooperation. The agreement focuses on expanding market access, enhancing regulatory cooperation, and protecting investments while ensuring sustainable development goals are met.

Goals

- **Enhanced Market Access:** CETA aims to remove 98% of tariffs between Canada and the EU, fostering greater economic exchange.
- **Regulatory Cooperation:** Establishes frameworks for regulatory alignment to reduce trade frictions and costs.
- **Investment Protection:** Safeguards investments through comprehensive agreements that provide stability and predictability for businesses.

Challenges

- **Implementation Complexity:** Aligning regulations across diverse industries and regions presents significant logistical challenges.
- **Public Perception:** Addressing concerns related to the impacts on domestic industries and employment.
- **Sustainability Integration:** Ensuring that economic gains are balanced with environmental protection and social equity.

Key Strategies

- **Bilateral Dialogue:** Continuous engagement between Canadian and EU regulatory bodies to ensure smooth implementation.
- **Support Programs:** Initiatives to help businesses, especially SMEs, adapt to new market opportunities and standards.
- **Environmental Safeguards:** Incorporating sustainable practices and standards into trade agreements to promote long-term benefits.

Current Status Canada has seen significant growth in trade volumes with the EU since the implementation of CETA, with notable increases in both exports and imports. The agreement continues to evolve with ongoing negotiations to address emerging challenges and opportunities.

Overall Canada's CETA serves as a model for leveraging trade agreements to achieve economic growth while maintaining a strong commitment to sustainability and regulatory cooperation.

2. European Union (EU)

Overview The European Union has a robust framework for Free Trade Agreements (FTAs) aimed at promoting economic growth, regulatory cooperation, and sustainable development.

Goals

- **Market Access:** The EU aims to eliminate tariffs and non-tariff barriers to facilitate trade.
- **Sustainable Development:** The EU integrates environmental and social standards into its trade agreements to promote sustainability.

Key Strategies

- **Sustainability Chapters:** Including comprehensive sustainability chapters in FTAs that cover labor rights, environmental protection, and corporate social responsibility.
- **Monitoring and Enforcement:** Establishing mechanisms to monitor and enforce sustainability commitments.
- **Support for SMEs:** Providing support programs for small and medium-sized enterprises (SMEs) to access new markets and meet regulatory standards.

Examples

- **EU-South Korea FTA:** This agreement includes strong commitments on labour rights and environmental protection. The EU and South Korea have set up joint committees to oversee the implementation and address any issues.

3. United States (US)

Overview The United States focuses on creating trade agreements that enhance economic growth while addressing specific strategic interests.

Goals

- **Economic Expansion:** The US seeks to expand its economic influence through comprehensive trade agreements.
- **Regulatory Cooperation:** Promoting regulatory alignment to reduce trade barriers and facilitate smoother trade flows.

Key Strategies

- **Bilateral Agreements:** Engaging in bilateral agreements that offer tailored solutions for different trade partners.
- **Enforcement Mechanisms:** Including strong enforcement mechanisms to ensure compliance with trade and sustainability commitments.

Examples

- **United States-Mexico-Canada Agreement (USMCA):** This agreement includes provisions for labour rights, environmental standards, and dispute resolution mechanisms to ensure adherence to the commitments.

4. Japan

Overview Japan emphasizes economic partnerships that foster mutual growth and development, with a focus on sustainability.

Goals

- **Market Diversification:** Expanding market access for Japanese businesses to diversify economic dependencies.
- **Sustainability Integration:** Incorporating sustainability into trade policies to promote long-term benefits.

Key Strategies

- **Economic Partnership Agreements (EPAs):** Establishing EPAs that cover a wide range of issues, including trade, investment, and sustainable development.
- **Collaboration on Standards:** Working with partner countries to align standards and practices, particularly in environmental and labour areas.

Examples

- **Japan-EU Economic Partnership Agreement:** This agreement includes commitments to the Paris Agreement on climate change and emphasizes sustainable development through environmental and labour standards.

5. South Korea

Overview South Korea focuses on creating FTAs that not only promote economic growth but also enhance sustainable development.

Goals

- **Economic Growth:** Boosting economic growth through expanded trade opportunities.
- **Sustainability:** Ensuring that economic gains are aligned with environmental and social goals.

Key Strategies

- **Comprehensive Agreements:** Developing FTAs that cover various aspects of trade, investment, and sustainability.
- **Stakeholder Engagement:** Engaging with stakeholders, including businesses and civil society, to ensure comprehensive implementation of agreements.

Examples

- **Korea-US FTA (KORUS):** This agreement includes provisions for environmental protection and labor standards, and mechanisms for dispute resolution and stakeholder engagement.

Summary and Implications for Australia

Enhanced Market Access and Economic Exchange

- Like Canada, the EU, and Japan, Australia can focus on eliminating tariffs and reducing trade barriers with key partners to boost economic exchange.
- Prioritize market access for high-value-added and labour-intensive sectors to drive economic productivity.

Regulatory Cooperation

- Establish frameworks for regulatory alignment with trade partners to reduce trade frictions and compliance costs.
- Continuous bilateral dialogue, as seen in Canada and the US, to address regulatory challenges and facilitate smooth implementation.

Investment Protection

- Safeguard investments through comprehensive agreements that provide stability and predictability for businesses.
- Promote investment in sustainable industries and technologies to align with environmental goals.

Sustainability Integration

- Ensure that economic gains from trade agreements are balanced with environmental protection and social equity, as done by the EU, Japan, and Canada.
- Incorporate comprehensive sustainability chapters into FTAs that cover labour rights, environmental protection, and corporate social responsibility.

Support for SMEs

- Provide support programs and resources to help businesses, especially SMEs, adapt to new market opportunities and standards, following the EU's example.

BCSD Insights & Resources on the Topic

Below is an overview of WBCSD's policy advocacy work that aligns with the topic of understanding and utilizing benefits under Free Trade Agreements (FTAs) for sustainable development:

Policy Advocacy Overview

WBCSD engages in policy advocacy to drive the transition towards sustainable development by influencing policy frameworks and regulations at global, regional, and national levels. Their advocacy work focuses on:

1. **Climate Action:**
 - Advocating for policies that support the reduction of greenhouse gas emissions.
 - Promoting renewable energy and energy efficiency measures.
 - Encouraging businesses to set science-based targets for reducing emissions.
2. **Nature and Biodiversity:**
 - Supporting policies that protect and restore natural ecosystems.
 - Promoting sustainable land use and agricultural practices.
 - Advocating for the conservation of biodiversity and natural resources.
3. **Circular Economy:**
 - Promoting policies that support circular economy principles, including waste reduction, resource efficiency, and recycling.
 - Encouraging the adoption of circular business models and practices.
4. **Inclusive Growth:**
 - Advocating for policies that promote inclusive economic growth and reduce inequalities.
 - Supporting measures that enhance social equity and access to economic opportunities.
5. **Sustainable Finance:**
 - Promoting the integration of sustainability criteria into financial markets and investment decisions.
 - Advocating for policies that support sustainable investment and financing for green projects.

Key Advocacy Initiatives

WBCSD engages in several key initiatives to promote sustainable development through policy advocacy:

1. **Global Policy Dialogues:**
 - Facilitating dialogues between businesses, policymakers, and other stakeholders to shape sustainable policy frameworks.
 - Engaging in international forums such as the United Nations, World Economic Forum, and G20 to advocate for sustainable policies.
2. **Regulatory Engagement:**
 - Working with national governments and regulatory bodies to support the development and implementation of sustainable policies.
 - Providing technical expertise and insights to inform policy decisions.
3. **Collaboration with Business Leaders:**
 - Mobilizing business leaders to advocate for sustainable policies and practices within their industries.
 - Encouraging businesses to collaborate and share best practices for sustainable development.
4. **Capacity Building:**
 - Providing resources and training to businesses and policymakers to enhance their understanding of sustainable development issues.
 - Supporting capacity-building initiatives to strengthen the implementation of sustainable policies.

Resources and Publications

WBCSD offers a variety of resources and publications to support their policy advocacy work, including:

1. **Reports and White Papers:**
 - In-depth analyses and recommendations on key sustainability issues and policy frameworks.
 - Case studies showcasing successful policy interventions and best practices.
2. **Guidelines and Toolkits:**
 - Practical tools and guidelines to help businesses and policymakers implement sustainable policies and practices.
 - Frameworks for integrating sustainability into business operations and decision-making processes.
3. **Webinars and Workshops:**
 - Online and in-person events to provide insights and training on sustainable development topics.
 - Opportunities for stakeholders to engage in discussions and share knowledge on policy advocacy.

Implications for FTAs and Sustainable Development

The alignment of WBCSD's policy advocacy work with the integration of sustainability into FTAs can provide valuable support for businesses and policymakers. By leveraging WBCSD's resources and initiatives, stakeholders can enhance their understanding of sustainable development and effectively utilize FTAs to achieve economic and environmental goals.

Relevance to the Sustainable Development Goals

The Australian Government's commitment to leveraging Free Trade Agreements (FTAs) aligns with the United Nations Sustainable Development Goals (SDGs). These agreements promote economic growth, reduce poverty, and support sustainable practices by integrating environmental and social considerations into trade policies. This submission outlines the relevance of this initiative to specific SDGs and provides a business case for addressing this issue to support companies and industries in taking actionable solutions at scale and speed.

Relevant Sustainable Development Goals and Indicators

1. **SDG 8: Decent Work and Economic Growth**
 - **Targets:**
 - 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation, including through a focus on high-value-added and labour-intensive sectors.
 - 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation.
 - **Indicators:**
 - 8.2.1: Annual growth rate of real GDP per employed person.
 - 8.3.1: Proportion of informal employment in non-agriculture sectors, by sex.
2. **SDG 9: Industry, Innovation, and Infrastructure**
 - **Targets:**
 - 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.
 - **Indicators:**
 - 9.4.1: CO2 emission per unit of value added.
3. **SDG 12: Responsible Consumption and Production**
 - **Targets:**
 - 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.
 - 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate sustainability information into their reporting cycle.
 - **Indicators:**
 - 12.2.1: Material footprint, material footprint per capita, and material footprint per GDP.
 - 12.6.1: Number of companies publishing sustainability reports.

The Australian Government's efforts to leverage FTAs align closely with the SDGs, providing significant opportunities for businesses to contribute to sustainable development. By addressing the outlined targets and indicators, companies can enhance their economic performance while supporting global sustainability goals. Collaborative efforts between government, industry, and other stakeholders are essential to ensure the effective implementation of these agreements and the realization of their full potential in promoting sustainable development.

Business Case for Utilizing Benefits from Free Trade Agreements (FTAs) to Support Sustainable Business Practices and Contribute to the SDGs

The utilization of benefits from Free Trade Agreements (FTAs) presents a strong business case for supporting sustainable business practices and contributing to the Sustainable Development Goals (SDGs).

Here's how:

1. Economic Growth and Employment (SDG 8: Decent Work and Economic Growth)

- **Enhanced Market Access:** FTAs reduce tariffs and non-tariff barriers, providing Australian businesses with easier access to international markets. This leads to increased exports, higher revenues, and job creation.
- **Competitiveness:** By entering new markets, businesses can achieve economies of scale, improving their competitiveness both domestically and internationally.
- **Innovation and Investment:** Increased competition and market opportunities drive innovation. FTAs often include provisions that protect intellectual property rights, encouraging businesses to invest in research and development.

2. Reduced Inequalities (SDG 10: Reduced Inequality)

- **Regional Development:** FTAs can help reduce regional disparities by opening international markets to businesses in rural and regional areas, supporting local economies and communities.
- **Support for Small and Medium Enterprises (SMEs):** Many FTAs include specific provisions to help SMEs access international markets, thus promoting inclusive economic growth.

3. Sustainable Industrialization (SDG 9: Industry, Innovation, and Infrastructure)

- **Building Resilient Infrastructure:** The increased economic activity resulting from FTAs can lead to improved infrastructure development, necessary for industrial growth.
- **Promoting Sustainable Industries:** FTAs often encourage environmentally friendly practices and technologies, fostering sustainable industrialization.

4. Gender Equality (SDG 5: Gender Equality)

- **Empowerment of Women Entrepreneurs:** FTAs can include measures that promote the participation of women in trade, providing them with opportunities to expand their businesses internationally and contribute to economic growth.

5. Sustainable Consumption and Production (SDG 12: Responsible Consumption and Production)

- **Adoption of Sustainable Practices:** FTAs can promote the adoption of sustainable business practices through environmental provisions and standards. Businesses are encouraged to implement eco-friendly processes and reduce their environmental footprint.
- **Access to Green Technologies:** FTAs facilitate the exchange of green technologies and best practices, helping businesses transition to more sustainable production methods.

6. Partnerships for the Goals (SDG 17: Partnerships for the Goals)

- **Collaborative Efforts:** FTAs promote cooperation between countries, fostering partnerships that can address global challenges such as climate change, poverty, and inequality.
- **Capacity Building:** FTAs often include provisions for technical assistance and capacity building, helping businesses and governments implement sustainable practices and policies.

Addressing Challenges to Maximize Benefits

To fully realize the benefits of FTAs in supporting sustainable business practices and contributing to the SDGs, it is essential to address the following challenges:

- **Awareness and Understanding:** There is a need to improve understanding among businesses, especially SMEs, about the benefits and opportunities provided by FTAs.
- **Capacity and Resources:** Ensuring that businesses, particularly those in regional and First Nations communities, have the capacity and resources to access international markets and comply with FTA requirements.
- **Overcoming Non-Tariff Barriers:** Addressing non-tariff barriers that can impede trade, such as regulatory differences and logistical challenges.
- **Stakeholder Engagement:** Enhancing collaboration between the Australian Government, businesses, and other stakeholders to promote and maximize the utilization of FTA benefits.

By effectively leveraging the opportunities provided by FTAs, Australian businesses can support sustainable practices, contribute to economic growth, and advance the SDGs, creating a more inclusive and sustainable future.



Responses to Specific Questions

a) Understanding of Social and Economic Benefits Provided by FTAs

BCSDA Response The level of understanding of the social and economic benefits provided by FTAs varies significantly across different sectors and communities. Large corporations and export-oriented businesses generally have a high level of awareness and actively leverage FTAs to access international markets. However, there is a knowledge gap among small and medium-sized enterprises (SMEs), regional businesses, and community groups, particularly regarding the social benefits such as job creation, skills development, and community upliftment.

BCSDA Recommendation To enhance understanding, the government should implement targeted educational campaigns and resources focusing on the specific benefits of FTAs for different sectors. For example, [Germany's Chambers of Commerce and Industry](#) provide tailored seminars and guides to businesses about the benefits and processes of FTAs, leading to higher engagement and utilization. Similarly targeted education and outreach programs to bridge this knowledge gap. For example, the "Export Ready" program by Austrade could be expanded to include specific modules on FTAs, tailored for SMEs and regional businesses. Additionally, success stories, such as the export growth experienced by Australian wine producers under the [Japan-Australia Economic Partnership Agreement \(JAEPA\)](#), can be highlighted to demonstrate tangible benefits.

b) Uptake of Economic Benefits to Australian Businesses

BCSDA Response While some businesses have successfully utilized FTAs to expand their market reach and increase revenues, many SMEs and regional businesses struggle with the complexity and administrative burden associated with FTAs. The uptake is higher among businesses with dedicated resources to navigate international trade regulations.

BCSDA Recommendation To enhance the uptake, BCSD Australia advocates for the establishment of a dedicated FTA advisory service within the Australian Trade and Investment Commission (Austrade), aimed specifically at SMEs. This service could provide personalized advice, training, and resources to help businesses understand and utilize FTAs effectively.

Simplifying administrative processes and providing dedicated support services for SMEs, like the [UK's Export Support Service](#), can significantly increase the uptake of FTAs. This service offers tailored advice, resources, and support to help businesses understand and utilize trade agreements effectively. An example to consider is the [South Korean Market Entry Program](#), which provides tailored support to Australian businesses looking to enter the South Korean market under the Korea-Australia Free Trade Agreement (KAFTA).

c) Utilization by Regional, Diaspora, and First Nations Communities

BCSDA Response The utilization of FTAs by regional, diaspora, and First Nations communities is limited due to barriers such as lack of information, resources, and access to international networks. These communities often face additional challenges in understanding and navigating trade regulations.

BCSDA Recommendation BCSD Australia recommends the development of community-specific trade facilitation programs. For instance, the [Aboriginal and Torres Strait Islander Exporter Development Program](#) could be expanded to provide greater support and resources to First Nations businesses. Implementing inclusive trade facilitation programs that address the specific needs of these communities is essential.

[Canada's Indigenous Export Strategy](#), which provides targeted support and resources to Indigenous businesses, can serve as a model for similar initiatives in Australia. Additionally, partnerships with diaspora business councils can help leverage the cultural and linguistic advantages of diaspora communities to access new markets, as seen in the success of Indian-Australian businesses in the information technology sector through the Australia-India Comprehensive Economic Cooperation Agreement (AICECA).

d) Difficulties Faced by Australian Businesses

BCSDA Response Non-tariff trade barriers, such as differing regulatory standards, customs procedures, and logistical challenges, pose significant difficulties for Australian businesses. SMEs find it challenging to comply with complex and varied international trade requirements.

BCSDA Recommendation To address these challenges, BCSD Australia suggests enhancing the role of the National FTA Utilisation Taskforce to provide comprehensive support in overcoming non-tariff barriers. Additionally, establishing bilateral business councils, like the [Australia-China Business Council](#), can facilitate dialogue and cooperation in addressing specific trade barriers. The Australian Government should also prioritize bilateral and multilateral efforts to harmonize standards and simplify customs procedures. The [EU's Single Window Environment for Customs](#), which streamlines customs processes across member states, could be a valuable reference.

e) Monitoring and Measuring Utilization of FTAs

BCSDA Response Currently, there is limited comprehensive data on the utilization of FTAs by Australian businesses. Existing monitoring mechanisms do not adequately capture the breadth of FTA benefits across different sectors and communities.

BCSDA Recommendation BCSD Australia recommends the development of a centralized FTA utilisation dashboard, accessible to all stakeholders. This dashboard could aggregate data from multiple sources, provide real-time insights, and highlight areas where utilisation is low. For example, the [Singapore-Australia Digital Economy Agreement \(SADEA\)](#) could be used as a pilot for implementing such a monitoring tool, given its emphasis on digital trade. Additionally, establishing a dedicated FTA Utilization Monitoring Office within the Department of Foreign Affairs and Trade (DFAT), tasked with collecting, analysing, and reporting data on FTA usage, like [South Korea's FTA Utilization Support Centre](#), can provide more accurate and actionable insights.

f) Government Collaboration with Stakeholders

BCSDA Response: The Australian Government collaborates with various stakeholders, including state and territory governments, industry bodies, and trade organizations, to promote FTAs. However, there is room for improvement in coordination and outreach efforts to ensure comprehensive engagement.

BCSDA Recommendation BCSD Australia advocates for the establishment of a National Trade Promotion Council, bringing together representatives from federal, state, and territory governments, industry bodies, and key business stakeholders. This council could coordinate trade promotion activities, share best practices, and ensure a unified approach to leveraging FTAs.

Strengthening public-private partnerships and enhancing coordination between federal and state governments, akin to the Netherlands' Trade and Investment Board, which brings together government, business, and academia to strategize on trade promotion, can improve the overall effectiveness of FTA promotion. The successful collaboration between the [Australian Government and the Queensland Government in promoting beef exports to Japan under JAEPA](#) serves as a model for such coordinated efforts.

Practical Business/Corporate/Country Examples

- **Germany:** The Chambers of Commerce and Industry in Germany run extensive programs to educate businesses about FTAs, resulting in high levels of engagement and utilization among German exporters.
- **UK:** The UK's Export Support Service provides SMEs with comprehensive support, including personalized advice and resources, significantly increasing FTA uptake.
- **Canada:** Canada's Indigenous Export Strategy offers targeted support to Indigenous businesses, helping them navigate international markets and leverage trade agreements.
- **EU:** The Single Window Environment for Customs in the EU streamlines customs procedures, making it easier for businesses to comply with trade regulations across member states.
- **South Korea:** The FTA Utilization Support Centre in South Korea collects and analyses data on FTA usage, providing valuable insights to policymakers and businesses.
- **Netherlands:** The Netherlands' Trade and Investment Board facilitates collaboration between government, business, and academia to promote trade and investment effectively.

References / Research / Sources

Here are the findings along with URL links for further reference:

Key Resources and Publications

1. **Global Cooperation and Trade Pacts**
 - **Title:** Global cooperation is stalling but trade pacts continue

- **Summary:** This article discusses the continued importance of trade pacts, including a \$1 billion free trade deal signed by Australia in March 2024, emphasizing inclusive and sustainable growth through trade.
- **Link:** [Global cooperation is stalling but trade pacts continue](#)
- 2. **Free Trade Agreements - DAFF**
 - **Title:** Free trade agreements and other trade agreements - DAFF
 - **Summary:** An overview of free trade agreements signed and under negotiation by the Australian Government, highlighting ongoing negotiations into 2024 and the implications for market access and trade.
 - **Link:** [Free trade agreements and other trade agreements - DAFF](#)
- 3. **ASEAN-Australia-New Zealand FTA**
 - **Title:** Philippines Signs Second Protocol of ASEAN-Australia-NZ FTA
 - **Summary:** Details the ratification of the Second Protocol of the ASEAN-Australia-New Zealand Free Trade Agreement, which includes provisions for sustainable development and trade facilitation.
 - **Link:** [Philippines Signs Second Protocol of ASEAN-Australia-NZ FTA](#)
- 4. **Amendment of ASEAN-Australia-New Zealand FTA**
 - **Title:** Signing of The Second Protocol to Amend the Agreement Establishing The ASEAN-Australia-New Zealand Free Trade Area (AANZFTA)
 - **Summary:** Discusses the amendments aimed at enhancing trade flows, regulatory alignment, and sustainable development within the ASEAN-Australia-New Zealand Free Trade Area.
 - **Link:** [Signing of The Second Protocol to Amend the Agreement Establishing The ASEAN-Australia-New Zealand Free Trade Area \(AANZFTA\)](#)
- 5. **Current Negotiations on Free Trade Agreements**
 - **Title:** Current negotiations on Free Trade Agreements
 - **Summary:** Provides insights into Australia's current FTA negotiations, including bilateral agreements with major trading partners and the focus on sustainability and economic growth.
 - **Link:** [Current negotiations on Free Trade Agreements](#)

Implications for Australian Policy

1. **Enhanced Market Access**
 - **Relevance:** Removal of tariffs and trade barriers to increase economic exchange.
 - **Actionable Solutions:** Encourage Australian businesses to explore new market opportunities created by FTAs.
2. **Regulatory Cooperation**
 - **Relevance:** Aligning regulations to reduce trade frictions.
 - **Actionable Solutions:** Establish frameworks for regulatory cooperation and continuous dialogue with trade partners.
3. **Investment Protection**
 - **Relevance:** Ensuring stability and predictability for investments.
 - **Actionable Solutions:** Promote investment in sustainable industries through comprehensive agreements.
4. **Sustainability Integration**
 - **Relevance:** Balancing economic gains with environmental protection and social equity.
 - **Actionable Solutions:** Incorporate sustainability chapters and standards into FTAs to promote long-term benefits.
 - **Further reading**
 - [How Can Voluntary Sustainability Standards Drive Sustainability in Public Procurement and Trade Policy?](#)
 - [Sustainability and the New Zealand-EU Free Trade Agreement: A step up in accountability](#)
 - [Will the Inclusion of Voluntary Standards in Trade Agreements Lead to More Sustainable Trade?](#)
5. **Support for SMEs**
 - **Relevance:** Assisting small and medium-sized enterprises in adapting to new market standards.
 - **Actionable Solutions:** Develop support programs and resources to help SMEs leverage FTA benefits.
 - **Further reading:**
 - [Maximizing the Utilization of ASEAN-Led Free Trade Agreements: The potential roles of micro, small and medium-sized enterprises](#)

Free Trade Agreement Utilisation Study - Summary

Source: [PwC Free Trade Agreement Utilisation Study \(February 2018\)](#)

Key Findings

1. **Awareness and Utilization:**
 - High overall awareness of FTAs among Australian businesses.
 - Significant utilization of FTAs, particularly with North Asian countries (China, South Korea, Japan).
 - Main benefits include improved price competitiveness and reduce landed costs of goods.
2. **Utilization Rates:**
 - 78% of Australian importers use at least one FTA.

- 62% of Australian exporters use at least one FTA.
 - Over 80% utilization of Australia's North Asian FTAs for exports.
 - Over 86% utilization for imports from North Asian FTAs.
3. **Impact on Business Activity:**
- FTAs contribute to business confidence and positively impact business activities.
 - Evidence of integration of FTAs into business processes and planning.
 - High utilization rates in merchandise trade, with ongoing growth in services trade and international investment.
4. **Challenges and Opportunities:**
- Small and medium-sized enterprises (SMEs) lag behind larger businesses in FTA utilization.
 - Need for continued outreach and education for SMEs to maximize FTA benefits.
 - Importance of streamlining origin documentation, reducing compliance costs, and providing further education and advocacy.
5. **Government and Industry Role:**
- Australian Government, peak bodies, and trade intermediaries play crucial roles in increasing FTA uptake.
 - Continued efforts in outreach, education, and review mechanisms within FTAs are essential.
6. **Indirect Benefits:**
- FTAs have led to increased domestic demand for goods and services from internationally trading businesses.
 - Enhanced perceptions of Australia's business environment, encouraging investment and business interest from FTA partner countries.
7. **Future Directions:**
- Options to optimize business utilization of FTAs include improving origin documentation, compliance, and education.
 - Ongoing research into FTA utilization, particularly in services and investment outcomes, is necessary.

Conclusion

The PwC study highlights the significant benefits Australian businesses gain from FTAs, particularly with North Asian partners. It emphasizes the need for further support and education, especially for SMEs, to fully leverage these agreements. The study underscores the role of FTAs in enhancing business confidence, activity, and international engagement. For detailed insights and data, refer to the full report [here](#).