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AUSTRALIAN CHAMBER OF  
COMMERCE AND INDUSTRY



# AUSTRALIAN TRADE CENTRE

Prospectus

March 2015

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# EXECUTIVE SUMMARY

The Australian Chamber of Commerce and Industry (ACCI), The Australian National University (ANU) and our associated partners seek investment to establish a new centre for research and advocacy in international trade: The Australian Trade Centre (ATC). This public–private partnership will be supported by national and international networks. It will foster national debate and robust analysis, and be distinguished by its strong policy orientation and active engagement with business. The ATC will be the first of its kind in Australia.

Australia is home to world-leading industry representatives, academics and trade negotiators—but these are often disparate voices. The ATC will bring together these voices and provide a forum for nonpartisan thought leadership. It will advance Australia’s national interests, support Australian negotiators, and could assess—in real time—proposals arising in negotiations.

The ATC will employ a multidisciplinary approach. Trade practitioners, policy-makers and regulators will collaborate across areas such as international law, political science, criminology, economics and business management. These teams will be located at research hubs positioned across Australia and organised according to four specific work programs: goods, services, investment and society. The work programs will be hosted by partner universities in major cities including Brisbane, Melbourne, Adelaide and Perth. They will be directed by the ATC Executive based at ANU in Canberra, with oversight by a high-level Board.



# THE AUSTRALIAN TRADE CENTRE

## Background and rationale

For over 20 years the international multilateral rules-based trading system has failed to provide any meaningful reform or evolution—with the exception that as an institution, the World Trade Organization has been able to secure an increased membership and recently finalised the ‘Bali Package’ of measures to assist with trade facilitation and food security. The void has created a space where governments around the world have attempted to pursue trade and investment liberalisation through bilateral and regional trade agreements. More than 400 of these now exist globally. In 2010, the Productivity Commission investigated Australia’s performance in bilateral and regional trade agreements. It found that despite best intentions, trade negotiations have often delivered less than optimal results for business and the economy in general. More recent reviews conducted by the Asian Development Bank, *The Economist* and HSBC came to similar conclusions.

## Issues

- > While there is a genuine desire for trade liberalisation from the Australian federal government and other stakeholders, there is not always consensus about how this can be achieved.
- > As the implications of the global financial crisis continue to be felt, community sentiment in many nations is increasingly protectionist. The acceptance of the benefits of free and open trade is being challenged. Trade policy is increasingly politicised.
- > Counterparty industries and governments often do not have the capacity to participate in trade liberalisation efforts at a world’s best practice level. The Australian Trade Centre (ATC) will support improvements in understanding and analysis of approaches for other nations in our region.
- > No independent, multidisciplinary trade policy institution currently exists in Australia.
- > While there are many voices on trade vying for recognition in Australia, there is inadequate national debate on key trade issues.
- > The ATC will air the views of academia and industry. Differing views could be tested, developed, challenged and robustly analysed.
- > The ATC will contribute to increased transparency of trade negotiations and overall engagement between government, industry and academia.

## Significance

Australia recently hosted the G20, is Chair of the Indian Ocean Rim Association, and is a key participant in regional and global trade and investment negotiations. It is timely to establish a centre of excellence that would leverage collective, expert analysis to support Australia’s trade policy priorities.

Australia has an active agenda in bilateral and regional arrangements and is well placed to lead a rethink of the global trade and investment regime. An identifiable, world-class research effort with regional and international reach would greatly increase the likelihood of success in the contest of policy ideas. The ATC will act as a focus and link between the public and private sectors, and provide specific recommendations to government based on nonpartisan, expert analysis.

At present, in Australia, there are many institutions, industry groups and corporate experts who conduct analysis and commentary on issues of trade and investment liberalisation. However, there is no consolidation of this effort, nor a place to debate and test ideas.

The ATC will:

- > Provide a platform which brings this expertise together
- > Make research findings accessible in a timely and meaningful way, and
- > Build trade policy capacity.

Building trade policy capacity is critical to the ongoing advancement of trade policy in Australia and in our region. It is essential that we train international trade policy specialists and build the skill base in both analysis and negotiating capacity. The ATC will emphasise opportunities for studying trade policy, creation of new knowledge, knowledge transfer and capacity building for future generations.

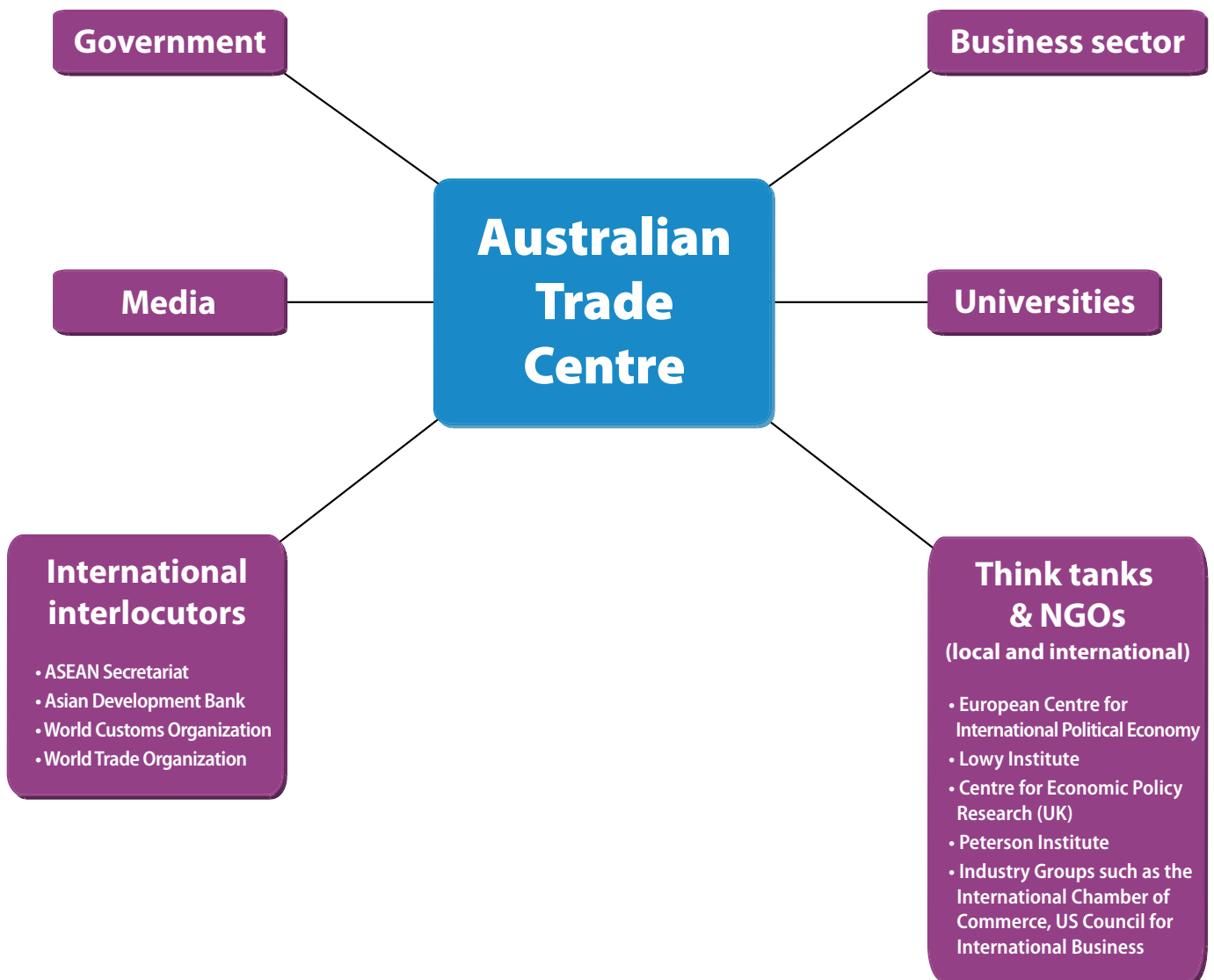
## What will the Australian Trade Centre look like?

The ATC will be ‘above institutions’. It will utilise a hub and spokes model, drawing together disparate groups with high-quality research themes, supported by a network of researchers and other allied industry practitioners spread around the country and internationally (see Figure 1). The work of the ATC will be cross-disciplinary and include, but not be limited to, trade, economics, political science, public policy and law.

The ATC will be distinguished by its industry linkages, intellectual rigour, proactive policy-engaged research agenda and open architecture. It will lead national and international debate and encourage evidence-based policy-making in relation to global trade and investment.

Its secretariat will be based at the Australian National University (ANU) in Canberra due to ANU’s locational advantages for interacting with policy-makers and peak business associations, its leading reputation in this field, and its extensive network of regional and global trade specialists.

**Figure 1. Australian Trade Centre stakeholder interaction**





## International comparators

Most notable international trade focused centres are either housed within a single organisation with in-house staff, or are consortia based, backed by a major source of funding, often with government support. The Australian Chamber of Commerce and Industry (ACCI) and ANU have together considered several international examples of trade research centres with established track records (Appendix B). Of the examples considered, the proposed ATC most closely resembles the **Centre for Economic Policy Research (CEPR)**, a network of researchers based mainly in universities throughout Europe. CEPR, whose headquarters is in London, aims to enhance the quality of economic policy-making within Europe and beyond, by fostering high-quality, policy-relevant economic research, and disseminating it widely to decision-makers in the public and private sectors. Drawing together the expertise of its research fellows and affiliates from across Europe, CEPR initiates, funds and coordinates research activities and communicates the results quickly and effectively to decision-makers around the world. CEPR has been successfully operating for more than three decades. It is an independent, non-profit organisation and takes no institutional policy positions.

CEPR is based on a ‘think-net’ model of organisation. It is a distributed network of economists, who are affiliated with but not employed by CEPR, and who collaborate through the centre on a wide range of policy-related research projects and dissemination activities. One of CEPR’s main achievements has been to create a virtual ‘centre of excellence’ through an active community of dispersed individual researchers, working together across international boundaries to produce high-quality research for use by the policy community and the private sector. Today, CEPR’s network of research fellows and affiliates includes over 800 of the top economists conducting research on issues affecting the European economy. Researchers are based in their home institutions (universities, research institutes, central bank research departments, and international organisations), and collaborate through CEPR in the pursuit of policy-relevant economic research and dissemination activities.



## Impact and outcomes

This proposal is for an initial five years. During this time the ATC will have been able to demonstrate its impact on Australian trade policy. The expectation is that high-quality research will be more accessible; that industry, government and academia will be more connected and engaged; that national debates over trade policy and related reform will have a higher profile; and that the pool of trade policy specialists (government and non-government) will grow. Performance indicators will include:

- > Publication numbers: academic, opinion pieces, policy papers.
- > The number of cross-disciplinary and multi-institution research projects completed.
- > Consultative, advisory and training work undertaken through the ATC.
- > Events successfully hosted on key issues.
- > Trade policy education initiatives at participating institutions.
- > Successful international collaborations with a clear, useful outcome for Australia or a trading partner.

During the first five years the ATC will generate:

- > A national network of trade policy researchers, with sub-groups of specialists.
- > Regular public events focusing on recent and key developments, providing fora for debate and fresh ideas.
- > A single platform with capacity for private consultative and advisory work as needed by government, the public service and industry.
- > Rigorously tested empirical data on current trade issues made available on a central website.
- > Training opportunities for those involved in trade policy work.
- > Trade policy focused coursework and research degrees—particularly at postgraduate level—across multiple Australian universities, in order to build a new generation of trade specialists.
- > International collaborations with academic institutions to make international research available locally and exchange findings.
- > International collaborations with governments for capacity building, especially within the Asia-Pacific region.

The expected short, medium and longer term outcomes resulting from the establishment of the ATC are outlined in Figure 2.

## The benefits

### For the nation

- > Higher quality outcomes from international negotiations.
- > Increased competitiveness by way of enhanced levels of trade.
- > Capacity building for the future in the form of new generation trade policy researchers and negotiators.
- > 'Economic diplomacy' by supporting counterparty efforts to understand and promote the benefits of trade and investment liberalisation regionally and globally.

### For business

- > Influence on the national and international trade research agenda.
- > Contribution to thought leadership at a national and international level, beyond sectorial interests.
- > Access to a network of national and international trade experts.
- > Access to analytical capacity to better understand international trade and investment flows and barriers.
- > Skilled and informed students who will be 'job ready', to work within industry groups and corporates in the field.

### For government

- > A higher profile for trade policy issues including recent free trade agreements.
- > Access to timely research for policy development and negotiations.
- > Access to international examples and case studies.
- > Influence on the direction of trade policy research.
- > Skilled and informed graduates for the Australian Public Service.



**Figure 2. Expected outcomes of the Australian Trade Centre**



## Governance

The ATC will be governed by a Board, with management activities undertaken by the Executive. The Board will collaborate with the Stakeholder Advisory Committee, comprised of a member of each of the four Stakeholder Advisory Sub-Committees attached to each work program, ensuring stakeholder expectations are met.

The Executive, composed of the Chief Executive Officer, Business Manager and four Work Program Directors (and supported by a Communications Officer and Executive Assistant) will be responsible for the operational management of the ATC. The Executive will be supported by the Research Advisory Committee, which comprises the Directors of the four work programs and representatives of the four Research Advisory Sub-Committees. The primary role of the Research Advisory Committee is to safeguard academic rigour and autonomy. All projects will have Project Leaders who report progress to their respective Work Program Directors, ensuring project activities are meeting milestones on time and within budget.

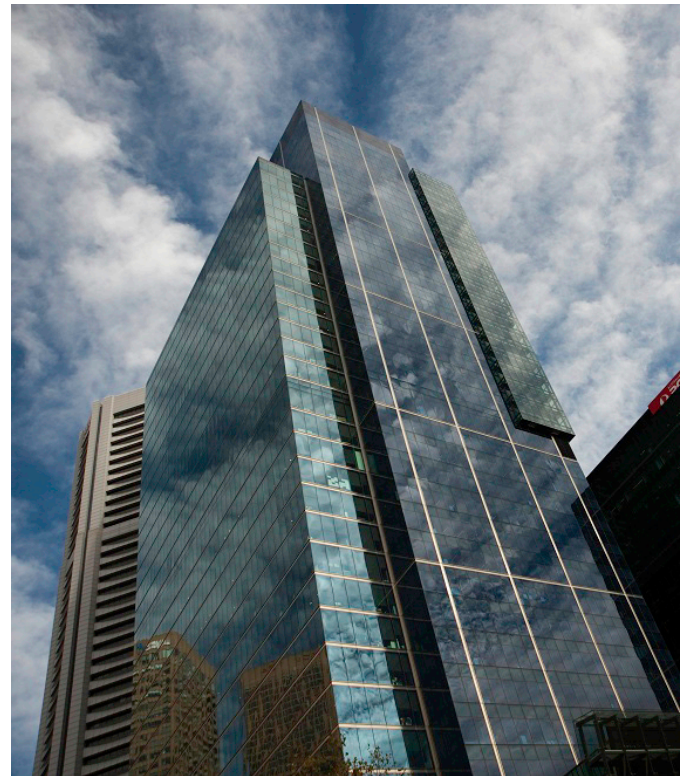
### Executive roles

The Chief Executive Officer's main responsibilities will include developing and implementing high-level strategies, making major decisions, managing the overall operations and resources of the ATC, and acting as the main point of communication between the Board and the work programs, as well as across work programs.

The Business Manager will work to ensure the ATC is on track to meet its financial commitments. They will develop and implement budgets, prepare reports for the Executive and Board, and support fundraising activities. They will ensure that the ATC complies with corporate policies and that researchers have the resources to complete their work.

Work Program Directors will provide intellectual leadership and coordinate the raft of research projects within their work programs (goods, services, investment and society). They will supervise graduate students and ensure rigorous academic standards are maintained, as well as outreach and dissemination of the research.

Project Leaders are academics who take responsibility for specific projects within the work programs. They are staff from partner universities who receive research support funds to undertake ATC activities such as convening workshops, coordinating small teams to focus on specific topics, and writing policy briefs.



### Support staff

The Communications Officer will manage the communication strategy of the ATC, including management of social media, databases, the website, print-based publications and outreach events.

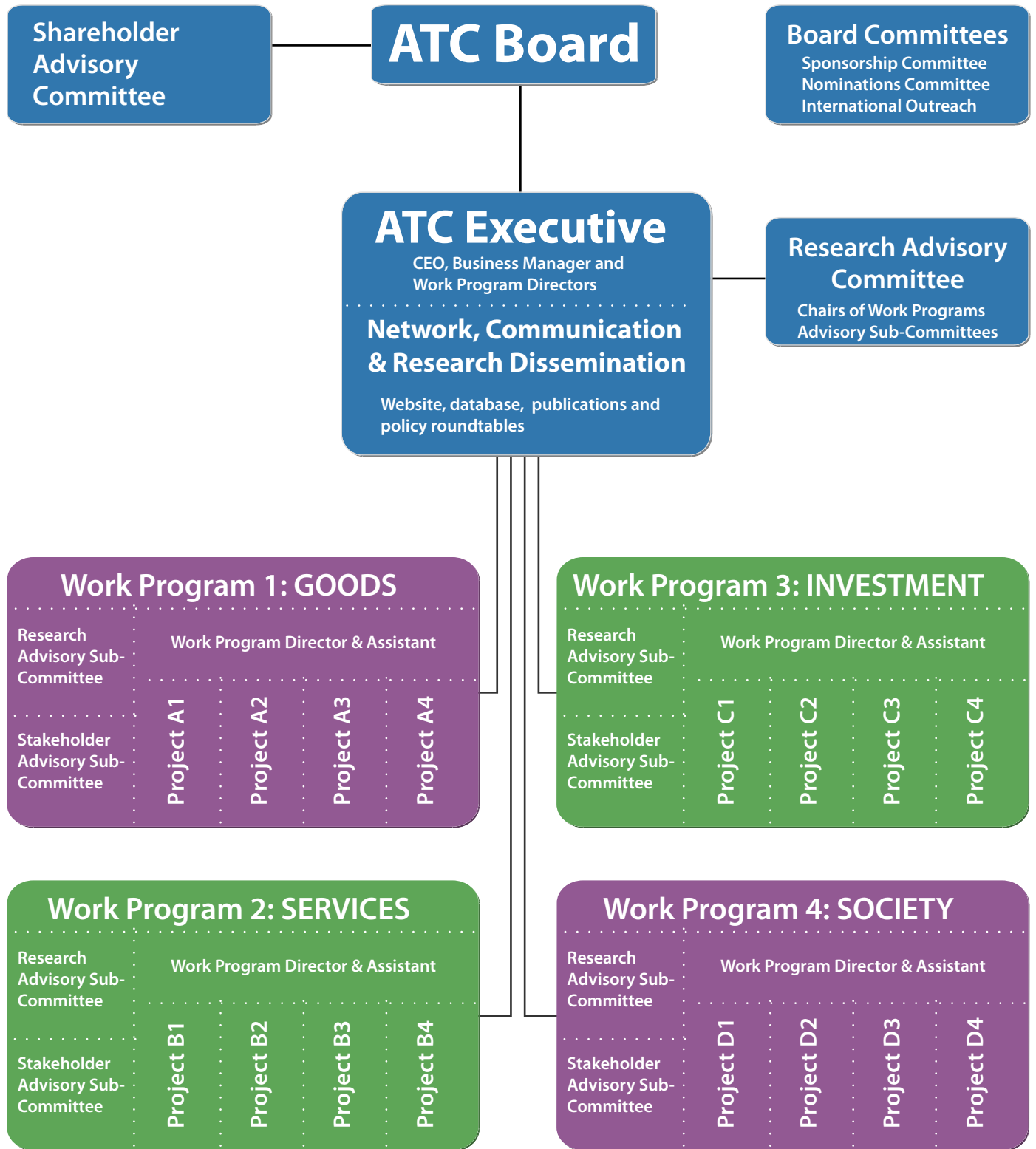
The Executive Assistant will support the work of the Executive, including the organisation of meetings and events, front-desk assistance and reporting.

### Work programs and organisational structure

The ATC's work programs are designed around four key issue areas: goods, services, investment and society. These areas are interrelated and the work undertaken will be interdisciplinary. The four areas will report to the ATC Executive who will in turn report to the Board.

Each work program will have a permanent academic from a participating university as its Director, and a cluster of academics, projects and postgraduate students attached to it. The Research Advisory Sub-Committee and Stakeholder Advisory Sub-Committee will inform each area's research agenda. The governance and management structure is shown in Figure 3.

**Figure 3. Governance and management of the Australian Trade Centre**



## Resourcing

The ATC will rely on a network of scholars and trade experts to thoroughly analyse current and emerging trade policy issues. What makes this initiative unique is its aim to bring together academics, business and government to collaborate, in a nonpartisan manner, on trade issues of national and international importance.

We are seeking support for this proposal through both in-kind and direct financial sponsorship. ACCI and ANU have held successful meetings between university partners, business and industry groups, and the federal government. All meetings have confirmed the desire, need and support for such a centre (Appendix A). Formal support from third party stakeholders is now necessary to realise the vision for the ATC. We are seeking support from:

- > The business sector
- > The federal government
- > Universities/academic institutions
- > International interlocutors.

The baseline funding to realise this proposal is A\$1 million co-funding per annum for five years from the federal government, plus matched \$1 million co-funding per annum from the business sector. The contribution from the university sector will be largely in-kind through staff and infrastructure.

## Budget

The proposed budget takes into consideration the aspects considered necessary to operate the ATC over an initial five year period. As such, funding commitments are being sought from both the public and private sectors. (See Table 1.)

Companies are invited to pledge an investment of \$50,000 (ex GST) per year for a five year period to the establishment and development of the ATC. This would be a total investment of \$250,000 (ex GST) per firm. Organisations are also encouraged to consider an investment to support and sponsor a higher degree project (e.g. PhD scholarship) aimed at developing the objectives of the ATC. The cost of this sponsorship is \$20,000 (ex GST) per year for three years—a total investment of \$60,000 (ex GST).

## What companies get

A full commitment of \$250,000 (ex GST) over five years provides companies with the following:

- > A position on an ATC Board committee
- > Direct input into the research agenda of the ATC
- > A position on one or more relevant work program steering committees/reference group
- > Direct access to a network of national and international trade experts
- > Preferential access to research outcomes
- > Company listing as a founding sponsor on all marketing material
- > Access to exclusive sponsor-only events (such as roundtables, high-level meetings and special events)
- > Access to top tier, job ready research graduates
- > Direct influence in the national and international trade research agenda.

Sponsorship of a higher degree for a total commitment of \$80,000 (ex GST) over three years provides companies with the following:

- > Direct naming rights of the scholarship awarded (i.e. The <insert name of company> International Trade PhD Scholarship)
- > Input into the determination of the higher degree research project topic
- > Access to top tier, job ready research graduates.



**Table 1. Australian Trade Centre five-year costings**

	Years 1 through to Year 5							Grand Total
	Cash		In-kind			Total In-kind		
	Federal Government	Business Community	Total Cash	ANU	Other Universities			
Income	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000	\$ 1,699,749	\$ 5,099,247	\$ 6,250,000	\$ 13,048,996	\$ 23,048,996
Expenditure								
Salaries and Related Costs	\$ 3,093,910	\$ 2,571,923	\$ 5,665,832	\$ 1,699,749	\$ 5,099,247	\$ 6,250,000	\$ 13,048,996	\$ 18,714,829
Scholars Expenses (4 Scholarships) + scholar travel support in Year 1	\$ -	\$ 553,567	\$ 553,567	\$ -	\$ -	\$ -	\$ -	\$ 553,567
Other Expenses	\$ 665,970	\$ 665,970	\$ 1,331,939	\$ -	\$ -	\$ -	\$ -	\$ 1,331,939
Travel Field & Survey Expenses	\$ 423,794	\$ 408,795	\$ 832,589	\$ -	\$ -	\$ -	\$ -	\$ 832,589
Equipment - Non Capital	\$ 23,087	\$ 23,086	\$ 46,173	\$ -	\$ -	\$ -	\$ -	\$ 46,173
Contingency	\$ 500,000	\$ 500,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Consumables	\$ 293,241	\$ 276,660	\$ 569,901	\$ -	\$ -	\$ -	\$ -	\$ 569,901
<b>Total</b>	<b>\$ 5,000,002</b>	<b>\$ 5,000,000</b>	<b>\$ 10,000,002</b>	<b>\$ 1,699,749</b>	<b>\$ 5,099,247</b>	<b>\$ 6,250,000</b>	<b>\$ 13,048,996</b>	<b>\$ 23,048,999</b>



# APPENDIX A: SUPPORT FOR THE AUSTRALIAN TRADE CENTRE

A series of consultations and meetings were held between May and November 2014 with stakeholders from business, university and policy sectors. Two formal meetings were held with presentations and minuted discussions chaired by Mr Bryan Clark and Prof Jacqueline Lo at ANU in Canberra on 30 June 2014, and at PricewaterhouseCoopers in Melbourne on 11 August 2014. Participants who have indicated in-principle support for the ATC proposal include:

Dr Shiro Armstrong (ANU)	Colin Mackenzie (Australia Malaysia Business Council, ACCI)
Prof Gary Banks (University of Melbourne)	Tony Mahar (National Farmers' Federation)
Peter Barnard (Meat and Livestock Australia)	Andrew McCallum (Meat and Livestock Australia)
Christian Bennet (BHP Billiton)	Charles McElhone (Dairy Australia)
Roberto Bergami (Victoria University)	Peter McMullin (ACCI, Cornwall Stodart)
Ian Birks (Australian Services Roundtable)	Prof Kieron Meagher (ANU)
Peter Blanchard (University of New South Wales)	Fabienne Michaux (Standard and Poor's)
Malcolm Bosworth (ANU)	Rebecca Mohr (ACCI)
Corinne Dooley (National Farmers' Federation)	David Morfesi (University of Adelaide)
Peter Blanchard (University of New South Wales)	Nilofar Morgan (Shell)
Prof AJ Brown (Griffith University)	Suzannah Moss-Wright (Australia Arab Chamber of Commerce and Industry)
Prof Chester Brown (University of Sydney)	Ian Murray (Export Council of Australia)
Prof Ann Capling (Murdoch University)	Prof Luke Nottage (University of Sydney)
Bill Carmichael	Alan Oxley (ITS Global)
Bill Cole (PricewaterhouseCoopers)	John Papadimitriou (Productivity Commission)
Sophie Crowe (PricewaterhouseCoopers)	Brendan Pearson (Minerals Council of Australia)
Greg Cutbush	Zoe Piper (ACCI)
John Denton (Corrs Chambers Westgarth)	Dr Hussain Rammal (University of South Australia)
Dr Anmarie Elijah (ANU)	Dr Imogen Reid (ACCI)
Prof Thomas Faunce (ANU)	Michael Rogers (Australian Food and Grocery Council)
Prof Jim Frederickson (University of Melbourne)	Prof Don Rothwell (ANU)
Paul Gallagher (Australia-ASEAN Business Council, Australia Japan Business Co-operation Committee, ACCI)	Prof Gary Sampson (University of Melbourne)
Dr Jenny Gordon (Productivity Commission)	Jaimie Snashall (Telstra)
Paul Gretton (Productivity Commission)	Ross Thorpe (PricewaterhouseCoopers)
Prof Tim Harcourt (University of New South Wales)	Prof Michael Wesley (ANU)
Ian Harrison (Australian Made)	Andrew Willcocks (ACCI)
Richard Holyman (International Chamber of Commerce Australia)	Dr Brett Williams (University of Sydney)
David Imber (Telstra)	Prof Bruce Wilson (RMIT University)
Prof Vai lo Lo (Bond University)	Prof Ian Young (ANU)



# APPENDIX B: INTERNATIONAL COMPARATORS

**World Trade Institute (WTI)** is a centre of advanced studies of the University of Bern. The institute was founded in 1999 by the Universities of Bern, Fribourg and Neuchâtel. Fostering interaction between students and professionals, the institute allows researchers and practitioners to establish networks and pool expertise. The WTI offers a graduate master's program in international trade law and economics, an annual summer academy, World Trade Organization accession training, an executive education program, and tailor-made courses in trade regulation and economics. In 2005 the WTI became the leading research centre for the Swiss National Centre of Competence in Research which is funded by the Swiss National Science Foundation. The WTI also hosts an annual World Trade Forum conference where interdisciplinary speakers and scholars from the fields of law, economy, political science and international relations discuss topics of the world trading system.

**European Centre for International Political Economy (ECIPE)** is an independent and non-profit policy research think tank dedicated to trade policy and other international economic policy issues of importance to Europe. It was founded in 2006 by Fredrik Erixon and Razeen Sally. ECIPE is rooted in the classical tradition of free trade and an open world economic order. ECIPE's intention is to subject international economic policy, particularly in Europe, to rigorous scrutiny of costs and benefits, and to present conclusions in a concise, readily accessible form to the European public.

**Evian Group**, founded in 1995, is an international coalition of corporate, government and opinion leaders, committed to fostering an open, equitable and sustainable global market economy supported by a rules-based multilateral framework. The Evian Group became a legal part of its host institution, IMD, in 2012 and is now known officially as The Evian Group@IMD (TEG). TEG is currently implementing a program that promotes multi-stakeholder dialogue focusing on the "fault lines" that threaten a sustainable and inclusive globalisation. Through its network of more than 8000+ individuals and institutions, TEG engages in research and convenes issue-specific, multi-stakeholder roundtables that provide breadth and depth of perspective for the global executive and citizen.

**Peterson Institute for International Economics** is a private, non-profit institution based in Washington, D.C. for rigorous, intellectually open, and honest discussion of international economic policy. Its purpose is to identify and analyse important issues to making globalisation beneficial and sustainable for the people of the United States and the world and then to develop and communicate practical new approaches for dealing with them. The institute is nonpartisan and attempts to anticipate emerging issues and be ready with practical ideas, presented in useful and accessible formats, to inform and shape public debate. Its audience includes government officials and legislators, business and labour leaders, management and staff at international organisations, university-based scholars and their students, other research institutions and non-government organisations, the media, and the public at large.

**Cato Institute** is another think tank based in Washington, D.C. It was founded as the Charles Koch Foundation (associated with Koch Industries) in 1974. Cato was established to have a focus on public advocacy, media exposure and societal influence. The institute receives approximately 80 per cent of its funding through tax-deductible contributions from individuals, with the remainder of its support coming from foundations, corporations and the sale of research publications.

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