

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Industry, Tourism and Resources Portfolio

Supplementary Budget Estimates 2005-2006, 2 November 2005

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, TOURISM AND RESOURCES
OUTCOME/OUTPUT: Outcome 1, Output 1.2
TOPIC: CHINA-AUSTRALIA FREE TRADE AGREEMENT
REFERENCE: WRITTEN QUESTION

QUESTION No.SBI-60

Senator Campbell asked:

Can you provide an update on the Department's involvement in the China-Australia Free Trade Agreement (FTA)?

ANSWER

The Department has been heavily involved in the FTA process, providing substantial input to the Department of Foreign Affairs and Trade (DFAT) in developing Australia's negotiating position. Departmental officers have participated in all three negotiation sessions that have been held so far, and will participate in all negotiation rounds that take place during the FTA process.

The focus of the initial negotiation rounds has been to exchange information on the two parties' respective trade and investment regimes. As part of this exchange, the Department has compiled a substantial amount of information on the industry sectors within its responsibility (e.g. manufactures, particularly textiles, clothing and footwear and automotive vehicles and parts; resources; tourism; and technical barriers to trade), which has been passed to DFAT as input into Australia's exchange with China. The Department has also been responsible for developing questions to be put to the Chinese on their trade and investment regimes, and for answering relevant questions the Chinese have asked on Australia's regime.

The Department has been heavily involved in the FTA industry consultation process. In the past year, departmental officers have attended consultation sessions in all Australian state and territory capitals. Information gathered through these sessions has been used to develop initial negotiating positions across the Department's sectoral responsibilities. The Department has also been involved in the review of public submissions on the FTA. To date, over 100 public submissions have been received and departmental officers have reviewed all submissions of relevance to the Department's responsibilities.

QUESTION No.SBI-61

Senator Campbell asked:

Can you explain the nature and process of consultations that are taking place?

ANSWER

Initial industry consultations have already been held in all Australian state and territory capitals and these consultations will continue for the duration of negotiations. DFAT chairs the majority of consultations, with participation by other Government departments. The Department has participated in (and will continue to participate in) all relevant industry consultations on the FTA.

Broad-based industry consultations are undertaken in the form of roundtable discussions which are open to all interested parties from industry, non-government organisations (NGOs) and the public. In such public forums, officers from the negotiating team, including DITR officers, provide a presentation on the status of the negotiations, before throwing discussion open to the audience for their questions or statements.

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Consultations are also conducted with groups of invited stakeholders who represent specific or sensitive sectoral concerns (e.g. automotives, textiles, clothing and footwear, and resources). Invite lists for these forums are generally developed with the participation of relevant Chambers of Commerce, Industry Associations and State Government agencies.

The negotiating team also consults individually with major companies, peak body industry organisations, unions and other prominent NGOs. This usually involves a visit by officers of the negotiating team to the organisation's premises or a visit by the organisation to Canberra.

The consultation process is supplemented through public submissions. All members of the public are invited to make a submission on the FTA to DFAT, summarising their views, concerns and interests. All public submissions are reviewed and points raised are used in developing Australia's negotiating position. Officers of DITR review all public submissions of relevance to the Department's responsibilities. To date, over 100 public submissions on the FTA have been received.

QUESTION No.SBI-62

Senator Campbell asked:

Can you outline the forward schedule for the FTA process from here?

ANSWER

The fourth round of negotiations is scheduled to be held in Canberra in February or March of 2006. No firm date has yet been agreed with the Chinese. The two sides have so far been engaged in exchanging information on each other's trade and investment regimes. Negotiation over specific items to include in the FTA, and the initial drafting of some elements of text, will commence in 2006. No timeframe has been set for the completion of the agreement.