

## **Recommendations of Labor Senators**

On March 7 2001, in an appearance before the United States House of Representatives Ways and Means Committee, US Trade Representative Robert Zoellick told Congress that '...if we approach this [Free Trade Agreement with Australia], I want to make sure that it's done in a fashion that has bipartisan support in Australia.'

It is unfortunate that the Government did not listen to this advice. Instead the Government acted unilaterally and pursued a trade deal for political purposes, with an unrealistic negotiating time frame imposed by the US electoral cycle.

This was a deal which Deputy Prime Minister John Anderson said would be un-Australian if it did not include sugar<sup>1</sup>. The Government repeatedly stated that the Pharmaceutical Benefits Scheme (PBS) was 'off the table'. However the Parliament was presented with a deal that did not include sugar and made some changes to the administration of the PBS, yet it was expected to provide immediate support.

In pressing for the passage through the Senate of legislation to implement the Australia-US Free Trade Agreement (AUSFTA) the Government is asking the Parliament, and thereby the people of Australia, to take an enormous amount on trust. There are some outstanding issues surrounding the Agreement that are simply not addressed by the implementing legislation, and set out hereunder is a number of recommendations that seek to address these many and varied shortcomings and unknowns.

It is recommended that the Senate pass the appropriate legislation that will give effect to the Australia-US Free Trade Agreement.

In choosing this path Labor Senators contend that there remain areas of concern which could largely have been avoided if proper process had been followed both in the initiation of the FTA proposal and in its subsequent negotiation and signing. This is elaborated briefly below, and in detail in the body of the report.

In turning to the merits of the Agreement, the Labor Senators note that Australia will enjoy enhanced access to US markets in a number of areas. There are many areas where both the Australian and US markets are already very open.

The gains in agriculture will assist Australia's primary industries sector, although it is universally acknowledged that there is disappointment over extended phasing out periods of tariffs, continued quotas, and let-out clauses which allow for the reimposition of tariffs in the event of strong competition (safeguards) with respect to some important Australian export commodities.

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<sup>1</sup> Australian Financial Review, 24/1/2004, 'Sugar Doubts Could Kill Trade Talks'.

Investment, while already a fairly open market, is further encouraged by this Agreement, although it seems very unlikely that the gains will be anywhere near those that have been proclaimed on the basis of the Government's commissioned study by the Centre for International Economics (CIE). Both the US International Trade Commission and the Government's own impact analysis concur that the Agreement is not likely to produce a new wave of investment in Australia by American interests. It can only be hoped that the much-vaunted 'dynamic gains' actually emerge from the new trading environment – an aspect of econometric guesswork that does not have a track record.

Likewise, the burgeoning services area may enjoy greater opportunities for trade with America, notwithstanding some uncertainty about the willingness of many of the American states to sign on to enhanced access in the area of government procurement. Assistance needs to be put in place for Australian firms to take up the government procurement opportunities provided by the Agreement.

Unfortunately, the FTA has not delivered on the matter of mutual recognition of qualifications and the movement of business people between the two countries. This remains a key impediment to cross-border trade in services.

There have been several economic analyses of the costs and benefits of the AUSFTA, and these have produced wildly divergent assessments. Labor Senators are persuaded that the assessment of the Select Committee's consultant Dr Philippa Dee is the most judicious assessment. It concludes that the Agreement is likely to be beneficial overall, but only marginally so. Dr Dee's report, and the exchange of views that transpired in relation to it, are included in this report.

Notwithstanding the benefits outlined above, there remain a number of areas in the AUSFTA as it stands that require action to ameliorate many of the downsides or threats that flow from the Agreement. These risks are manifested most worryingly in the areas of health care, intellectual property, cultural protection and the impact of the Agreement on Australia's manufacturing sector. They are explored at length in the body of this report.

Again, the concerns that have arisen in relation to such crucial and complex areas as intellectual property would probably not have emerged if the Government, in its undue haste to secure an FTA with America, had not over-ridden the comprehensive review processes and recommendations that had been undertaken domestically to ensure a robust and fair intellectual property regime in Australia.

The question of due process remains one of the outstanding failures of the whole AUSFTA business. Instead of ensuring that the Agreement was initiated and negotiated on the basis of a thorough and independent assessment of what was in Australia's national interest –through the Productivity Commission, for example - the Prime Minister launched an approach to the US government, and then committed Australian officials to an unprecedentedly short time frame in which to negotiate the most complex trade agreement Australia has ever pursued. It is no wonder that various

assurances and commitments given by Government ministers at the outset were eroded as the US exerted its economic, political and negotiating muscle.

In eschewing due process, the Prime Minister failed to provide the leadership necessary to bring the Australian community along with him. The Select Committee has witnessed much public anger, anxiety and disappointment as it sought to provide at least some opportunity for Australians to have their say about an Agreement with potentially enormous consequences. Almost none of the detail about many aspects of the implementation of the Agreement has been made available. Legitimate concerns were either ignored or summarily dismissed as the Government simply proclaimed more fiercely the alleged benefits and waved about highly-contested econometric 'evidence' to support its claims.

There must be far greater involvement of the Parliament at every stage of the Agreement-making process, and sound proposals are set out in the Committee's report. The States and Territories – who will be significantly impacted upon by the Agreement – had an extremely limited role during negotiations, and none had the necessary information about what was in the deal to enable cabinet ministers to adequately assess the implications of the AUSFTA for their jurisdictions. The Treaties Council of Australian ministers did not even meet to consider the matter. This is a major procedural flaw.

Another major shortcoming is that the Government has not explained – if indeed it has any idea – how the AUSFTA fits into a broader strategy for promoting Australia's national interest through trade. The proliferation of preferential trade agreements involving several of Australia's trading partners throughout the Asia-Pacific risks the emergence of a 'spaghetti bowl' of deals, each with their own special arrangements, which can easily turn into a red-tape nightmare for Australian firms trying to do business in a variety of Asia Pacific Economic Cooperation (APEC) markets.

Moreover, the proliferation of these preferential agreements – although ostensibly promoted by the Government as encouraging 'competitive liberalisation' which sets benchmarks and aspirations for future World Trade Organisation (WTO) discussions – may well have precisely the opposite effect, sucking the oxygen out of multilateral trade negotiations when the multilateral process is universally acknowledged as the best way to liberalise global trade.

In short the Government has attempted to harass the Parliament and the Australian people into accepting an Agreement that has enormous implications for our national interests. The Americans quickly adopted the Agreement. This is no surprise – it clearly delivers Australian markets to high-tech, highly aggressive American firms seeking a big slice of the Australian economic action. Australians are clearly not so sure. It seems there will be an overall economic benefit, but Australia's national interest must always be considered in more than economic terms.

As long as many of the worst fears expressed by people coming before the Select Committee are not realised, the AUSFTA will deliver meaningful benefits. The recommendations made by the Labor Senators must be implemented in order to

provide a robust grounding for the acceptance of the Agreement. A 'trust me' approach is inadequate when Australia's national interest is at stake. Only the actions recommended here can deliver to the Australian people the assurance that they both need and deserve.

### **Recommendation 1**

Labor Senators recommend that the Senate agree to the Australia-US Free Trade Agreement Implementation Bill.

## **Chapter 2 – Process**

The main body of this report raises a number of concerns regarding the process by which the Australia-US FTA was entered into. The following recommendations address these concerns.

### **Recommendation 2**

That the Prime Minister order a review of the Treaties Council with particular consideration to ensuring that when international agreements are being negotiated there is:

- timely consultation with States and Territories regarding National Interest Analyses,
- a more systematic approach to consultation and consideration of when negotiations should be elevated to Ministerial level.

In addition, because of the significant increase in negotiation of bilateral agreements, the review should consider mechanisms to ensure that current legislation/regulation across all jurisdictions, conforms and continues to conform to treaties.

### **Recommendation 3**

Labor Senators recommend that the Government introduce legislation to implement the following process for parliamentary scrutiny and endorsement of proposed trade treaties:

- (a) Prior to making offers for further market liberalisation under any WTO Agreements, or commencing negotiations for bilateral or regional free trade agreements, the Government shall table in both Houses of Parliament a document setting out its priorities and objectives, including comprehensive information about the economic, regional, social, cultural, regulatory and environmental impacts which are expected to arise.
- (b) These documents shall be referred to the Joint Standing Committee on Foreign Affairs, Defence and Trade for examination by public hearing and report to the Parliament within 90 days.

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- (c) Both Houses of Parliament will then consider the report of the Joint Standing Committee on Foreign Affairs, Defence and Trade, and then vote on whether to endorse the Government's proposal or not.
  - (d) Once Parliament has endorsed the proposal, negotiations may begin.
  - (e) Once the negotiation process is complete, the Government shall then table in Parliament a package including the proposed treaty together with any legislation required to implement the treaty domestically.
  - (f) The treaty and the implementing legislation are then voted on as a package, in an 'up or down' vote, i.e. on the basis that the package is either accepted or rejected in its entirety.
  - (g) The legislation should specify the form in which the Government should present its proposal to Parliament and require the proposal to set out clearly the objectives of the treaty and the proposed timeline for negotiations.

#### **Recommendation 4**

Labor Senators recommend that Australian governments – prior to embarking on the pursuit of any bilateral trading or investment agreement – request the Productivity Commission to examine and report upon the proposed agreement. Such a report should deliver a detailed econometric assessment of its impacts on Australia's economic well-being, identifying any structural or institutional adjustments that might be required by such an agreement, as well as an assessment of the social, regulatory, cultural and environmental impacts of the agreement. A clear summary of potential costs and benefits should be included in the advice.

#### **Recommendation 5**

Labor Senators recommend that all committees and working groups prescribed by and established under the AUSFTA report annually on their activities and outcomes. These reports should be tabled in the Parliament by the Minister for Trade within 15 sitting days of their receipt. Each report shall be accompanied by a statement from the Minister setting out the Government's views on the report received and drawing attention to any notable outcomes.

### **Chapter 3 – Intellectual Property**

A major concern of Labor Senators is that Australia entered into the Intellectual Property (IP) obligations of the Agreement in a manner that cut across established processes for copyright law reform and which did not appear to be part of a strategic vision of intellectual property.

Labor Senators were also concerned that it was difficult to get a comprehensive explanation from Government officials on many of the implications of the FTA on Australia's IP regime.

These concerns and more specific issues raised in the main report are addressed by the following recommendations:

### **Recommendation 6**

Labor Senators recommend that the Senate establish a Select Committee on Intellectual Property to comprehensively investigate and make recommendations for an appropriate IP regime for Australia in light of the significant changes required to Australian IP law by the AUSFTA.

### **Recommendation 7**

Labor Senators recommend that the Commonwealth Government enshrine in the *Copyright Act 1968* the rights of universities, libraries, educational and research institutions to readily and cost effectively access material for academic, research and related purposes. Labor Senators further recommend that the issue of such use of copyright material should be referred to the Senate Select Committee on Intellectual Property to investigate whether universities, libraries, educational and research institutions should be exempt from paying royalties after 50 years.

### **Recommendation 8**

Labor Senators recommend that the Senate Select Committee on Intellectual Property investigate options for possible amendments to the *Copyright Act 1968* to expand the fair dealing exceptions to more closely reflect the 'fair use' doctrine that exists in the United States and to address the anomalies of 'time shifting' and 'space shifting' in Australia.

### **Recommendation 9**

Labor Senators recommend that the Senate Select Committee on IP review the standard of originality applied in Australia in relation to copyright material with a view to raising the threshold to a standard such as that in the United States.

### **Recommendation 10**

Labor Senators recommend that the Senate Select Committee on Intellectual Property should investigate the possibility of establishing in Australia a similar regime to that set out in the *Public Domain Enhancement Bill 2004 (US)*, with a view to addressing some of the impacts of the extension of the term of copyright, in particular the problems relating to 'orphaned' works.

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**Recommendation 11**

Labor Senators recommend that the Senate Select Committee on Intellectual Property investigate amendments to *Copyright Act 1968* to provide that a contract that purports to exclude or modify exceptions to copyright infringement such as fair dealing is not enforceable.

**Recommendation 12**

Labor Senators recommend that the Commonwealth Government use the two year implementation period applying to effective technological protection measures to ensure exceptions will be available to provide for fair dealing including temporary copies, research and study and the legitimate private use and application of all legally purchased or acquired audio, video, DVD and software items on components, equipment and hardware, regardless of the place of acquisition.

**Recommendation 13**

Labor Senators recommend that the Commonwealth Government use the two year implementation period applying to effective technological protection measures to ensure exceptions will be available to provide for the sale and distribution of legitimate audio, video, DVD and software items, as well as related components, equipment and hardware, regardless of the place of acquisition.

**Recommendation 14**

Labor Senators recommend that the Commonwealth Government ensure that specific exceptions will be available in the implementation of Australia's obligations in relation to Technological Protection Measures (TPMs) to provide for the manufacture of interoperable software products.

**Recommendation 15**

Labor Senators recommend that the Commonwealth Government implement Recommendations 15 and 16 of the Digital Agenda Review report prepared by Phillips Fox to ensure that temporary reproductions and caching are explicitly protected under Australian law.

**Recommendation 16**

Labor Senators recommend that any notice and take-down scheme introduced by regulations should balance the interests of copyright owners while appropriately protecting the personal information of Internet users. Regulations should ensure that carriage service providers are not required to disclose personal information about their customers unless compelled to do so by a court order.

**Recommendation 17**

Labor Senators recommend that the reasonable costs to internet service providers of complying with a notice and take-down procedure should be met by the issuer of the notice.

**Recommendation 18**

Labor Senators recognise that assessing whether a copyright infringement has occurred is a complex issue, appropriately determined by a court. Any notice and take-down scheme should not require a carriage service provider to assess whether a copyright infringement has occurred, or the relative seriousness of any infringement.

**Chapter 4 – Pharmaceuticals****Recommendation 19**

Labor Senators support Joint Standing Committee on Treaties (JSCOT) recommendation 5 that any independent review must ensure the fundamental integrity of the PBS listing processes, should not consider information that was not before the Pharmaceutical Benefits Advisory Committee (PBAC) and should base its recommendation on the same criteria as PBAC. The submission of the pharmaceutical company to the independent review should be made public.

**Recommendation 20**

Labor Senators recommend that an evaluation of the review process should be carried out after 12 months of operation and every 12 months thereafter. As well as assessing the accountability, transparency and practicality of the review process, the evaluation should consider the impact of the review process on the rate at which new drugs are listed on the PBS or the prices at which they are listed. The outcomes of the review should be tabled in Parliament.

**Recommendation 21**

Labor Senators recommend that the ANAO or the Productivity Commission should be asked to carry out an independent audit of the PBS listing process after the additional transparency mechanisms are implemented. This audit should examine the cost and efficiency of the new procedures and whether they benefit the Government, consumers and pharmaceutical companies. It should assess whether the transparency requirements affect the process of negotiating pricing agreements with pharmaceutical companies.

**Recommendation 22**

The Government must ensure that increased information on PBS listing procedures is balanced. Where the Government provides more information on PBAC decision making processes, it must ensure it can disclose the clinical and economic data that



forms the basis of those decisions. There must be clear guidelines on determining what material is 'commercial-in-confidence' and this should be only material that is genuinely pertinent and sensitive to the business operations of a pharmaceutical company.

### **Recommendation 23**

Labor Senators recommend that the Government should table in Parliament a statement of the terms of reference and schedule of meetings of the Medicines Working Group established under the Agreement as soon as they are determined. The Government should also be required to table an annual statement in Parliament on the operations of the Medicines Working Group. This statement should include details of each meeting, including: who attended, what topics were discussed, the outcomes of those discussions including any commitments made by Australia and what consultation took place with stakeholder groups before and after the meeting.

### **Recommendation 24**

Labor Senators recommend that the Government monitor the impact of the new legislation on the rate at which generic drugs enter the market following expiration of a patent and consult with the generic pharmaceutical industry on the impact of the changes. An independent study of the entry of generic drugs to the market and the strategies of patent holders before and after the legislative changes should be undertaken and the results tabled in Parliament. If the new procedures are found to create incentives for 'evergreening' patents, the Government must amend the legislation so as to minimise the legal obstacles to putting generic drugs on the market once the original patent has expired, while ensuring the integrity of the patent system.

### **Recommendation 25**

Labor Senators recommend the creation of an offence for the lodgement of a spurious patent claim that delays the entry of a generic drug onto the market. The validity of a patent claim would be determined by a court.

### **Recommendation 26**

Labor Senators recommend that consistent with the terms of the Free Trade Agreement that the Commonwealth Government ensure that:

- Whenever possible all blood products to be used in the Australian medical system must be sourced from Australian blood plasma.
- That Australian blood plasma continue to be collected by voluntary donation.
- If plasma fractionation is to occur outside of Australia that Australian plasma should be processed on separate production lines.

- If plasma fractionation occurs outside of Australia then overseas suppliers must satisfy at least the same level of medical standards that apply to Australian suppliers.

## **Chapter 5 – Sanitary and Phytosanitary Measures**

### **Recommendation 27**

Labor Senators recommend that both the bilateral committees operate under a terms of reference that does not provide any avenue for influence on Australia's quarantine decision-making process.

### **Recommendation 28**

Labor Senators recommend that a process to engage key industry and community stakeholders to participate in committee discussions be developed.

### **Recommendation 29**

Labor Senators support the Joint Standing Committee on Treaties recommendation 8 for greater stakeholder consultation.

### **Recommendation 30**

Labor Senators recommend that Australia's Quarantine Import Risk Assessment process be enshrined in regulation to insulate the process from external pressures.

## **Chapter 6 - Local Media Content**

### **Recommendation 31**

Labor Senators acknowledge the concern expressed by many witnesses on the 'ratchet' nature of Australia's commitments for local content. Labor Senators therefore recommend that Australia's local content requirements for free-to-air television, subscription television and radio be enshrined in legislation, so that reductions in these quotas require reference to the Parliament.

### **Recommendation 32**

Labor Senators recognise that the Free Trade Agreement means that Australia's local content quotas cannot be increased above their current level except in limited circumstances. However they also recognise that over the longer term future technologies are likely to result in these quotas becoming an ineffective mechanism for encouraging the creation of local content. Labor Senators therefore recommend that the Government consider new or increased direct incentives to encourage local content production, but that local content requirements apply in emerging technological platforms, wherever possible.

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## Chapter 7 – Manufacturing

The Select Committee found that there is significant debate about the impact of certain provisions of the AUSFTA on Australian industry and that the Government has failed to adequately analyse the impact. As a result the Labor Senators have severe reservations that cannot be tested.

### Recommendation 33

Labor Senators recommend that the Government refer the following to an independent commission of inquiry as a matter of priority.

The review should canvass but should not be limited to:

1. the effect of the Agreement on the manufacturing industry generally, and in particular the Textile Clothing and Footwear (TCF), chemicals, plastics, pharmaceuticals and automotive industries immediately and over the next 20 years. This would include the scale of the threat from imports, affect on employment, investment (capital and research and development), prices, exports, skill acquisition, knowledge transfers, brand recognition;
2. whether the agreement will lead to closer integration between US subsidiaries in Australia and their parent companies in the US, and the potential impact of this integration;
3. the means through which manufacturing, in particular the automotive and TCF sectors, can inoculate itself from these threats through both their own initiative and through assistance from Government;
4. the extent to which industry development measures will be necessary for manufacturing, in particular automotive and TCF manufacturing, and the components and cost of such a package;
5. the impact of the Agreement on manufacturing businesses in regional Australia;
6. the extent to which industry development measures will be needed for regional Australia, the components of these measures / packages, and the cost;
7. the impact of the Rules of Origins provisions on industry, the compliance costs, and whether there are opportunities to achieve greater uniformity through existing agreements; and
8. legislative changes required to facilitate industry development; and
9. the impact on Australian industry of the government procurement provisions on Commonwealth, State and Territory government purchasing policies, and regional Australia.

**Recommendation 34**

Given a possible negative impact of the agreement on the Automotive Components Sector, Labor Senators recommend that the Government develop as a matter of urgency an Industry Development Plan to assist the sector meet future challenges. At a minimum, this package should include:

- a new 10 year industry strategy and vision for the sector to replace the outdated Action Agenda;
- a non-means tested labour adjustment package to assist in education, retraining, developing English language skills, and finding new employment;
- a program that encourages greater linkages across the automotive supply chain and clustering;
- a Research and Development (R&D) grants program dedicated to the industry to assist it to meet emerging markets overseas and to build on existing niche capability, that will assist it to compete with the US; and
- a regional component to assist restructuring in regional towns and cities – both labour adjustment and industry restructuring.

**Recommendation 35**

Given the possible negative impact of the Agreement on the Textile Clothing and Footwear sector, Labor Senators recommend that the Government develop as a matter of urgency an Industry Development Plan to assist the sector meet future challenges. At a minimum, this package should include:

- a new 10 year industry strategy and vision for the sector to replace the outdated Action Agenda;
- a more generous non-means tested labour adjustment package to assist in education, retraining, developing English language skills, and finding new employment;
- an R&D grants program dedicated to the industry to assist it to meet emerging markets overseas and to build on existing niche capability; and
- a regional component to assist restructuring in regional towns and cities – both labour adjustment and industry restructuring.

**Recommendation 36**

Given the possible negative impact of the Agreement on the Chemicals and Plastics sector Labor Senators recommend that the Government develop as a matter of urgency

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an Industry Development Plan to assist the sector meet future challenges. At a minimum, this package should include:

- a new 10 year industry strategy and vision for the sector to replace the outdated Action Agenda;
- a more generous non-means tested labour adjustment package to assist in education, retraining, developing English language skills, and finding new employment;
- an R&D grants program dedicated to the industry to assist it to meet emerging markets overseas and to build on existing niche capability; and
- a regional component to assist restructuring in regional towns and cities – both labour adjustment and industry restructuring.

### **Recommendation 37**

Labor Senators recommend that the Government establish a Manufacturing or Industry Council, similar to that which was established in the late 1970s and abolished by the Government in 1996. The Council should:

- involve industry associations, individual businesses, unions and the research sector;
- undertake an analysis of the state of the manufacturing industry in Australia;
- have a significant research capacity; and
- be provided with adequate resources to represent all industry sectors, to meet regularly, to engage experts as required, and to undertake significant research tasks.

### **Recommendation 38**

It is recommended by Labor Senators that the Industry Department be provided with additional resources to:

- undertake its own analysis of the impact of the AUSFTA on Australian industry, in particular manufacturing industries;
- ensure it is fulfilling its function of providing up to date statistical information on the performance of industry sectors including investment in research and development;
- contribute, in an informed manner, to the development of future trade agreements with other countries; and

- contribute to analysing, at least every 5 years, the impact of existing agreements on certain industry sectors.

## **Chapter 8 – Investment**

Labor Senators acknowledge that there is likely to be a net benefit to Australia from the increase in the threshold for Foreign Investment Review Board (FIRB) screening of foreign investment in Australian companies from \$50 million to \$800 million. Indeed all of the economic modelling examined by the Committee assigned the majority of projected gains to the effects of investment liberalisation.

Labor Senators are however concerned that the implementation of AUSFTA leads to an unusual situation in which investment from the United States is treated more generously to investment coming from any other country. There is also a further concern that such discriminatory treatment may breach Australia's obligations to Japan under the Treaty of Nara and to New Zealand under the Australia-New Zealand Closer Economic Relationship.

### **Recommendation 39**

Labor Senators therefore recommend that the Productivity Commission examine the economic and other impacts of extending this measure to investment from any country. It is further recommended that if the Productivity Commission finds that there is an overall benefit from applying FIRB liberalisation to investment from all countries that this should then be implemented.

## **Chapter 9 – Services**

### **Recommendation 40**

Labor Senators recommend that the Professional Services Working Group address immediately the issues of mutual recognition of qualifications and the movement of natural persons involved in service provision, and make recommendations to the Parties for removing as rapidly as possible any outstanding impediments to these functions. The report of the Working Group should be presented to the Parties within twelve months of the establishment of the Group.

### **Recommendation 41**

That the Australian Government press assiduously, through all available diplomatic, official and professional channels, for the removal of all impediments to the mutual recognition of qualifications and the movement of people involved in cross-border service provision.

## **Chapter 10 - Agriculture**

Labor Senators note that generally the Agreement has resulted in a small net benefit while acknowledging that there will be benefits to agricultural producers in some

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sectors as a result of AUSFTA coming into force. However it is the position of Labor Senators that the best hope for significant trade liberalisation still rests in the WTO.

Labor Senators are also dismayed that the Agreement did not provide for the principle of most-favoured-nation (MFN) treatment to apply to trade in agricultural goods as it did for trade in services and investment.

#### **Recommendation 42**

Labor Senators recommend that Australia should, as a matter of high priority, commence negotiations with the United States to obtain a commitment, through treaty or other process, which will ensure that both Parties to the Agreement will not give more favourable access in agricultural products to any third country without also providing the same access to the other Party.

#### **Recommendation 43**

Labor Senators recommend that the Commonwealth Government should invest significant effort into maintaining the strong relationship of the Cairns Group of countries, as the best vehicle for achieving significant agricultural liberalisation in the next WTO round.

**Senator the Hon Peter Cook, Chair**

**Senator Stephen Conroy**

**Senator Kerry O'Brien**

