Recommendations

Chapter 2

The Trade Debate

Recommendation 1

The Committee recommends that the government have more regard to the negotiating needs of, and the capacity and resource constraints on, developing countries that participate in the WTO processes. Given that the WTO is a body that operates by consensus, Members from developing countries in particular need sufficient time and resources to develop appropriate responses to complex trade issues.

Chapter 3

Treaties and the parliamentary process

Recommendation 2

The Committee recommends 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.

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.

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 3

The Committee recommends that the government commission multi-disciplinary research to evaluate the socio-economic impact of trade liberalisation in Australia since the conclusion of the Uruguay Round.

Chapter 5

GATS: implications and impacts

Recommendation 4

The Committee recommends that the Government clearly define and make public its broad interpretation of Article I.3 of the GATS so that the public is aware of the basis on which future negotiations are undertaken.

Recommendation 5

The Committee recommends that in its future public consultation processes on trade issues the Department of Foreign Affairs and Trade publishes submissions it receives, or a list of submitters with information on how to obtain copies of submissions, on its website.

Recommendation 6

The Committee recommends that the Department of Foreign Affairs and Trade consult widely with industry groups, unions, non-government organisations and other relevant bodies prior to preparation of Australia's offers and requests under the GATS, and provide constructive feedback to all organisations about how their views have been taken into account in the preparation of Australia's negotiating position.

Recommendation 7

The Committee recommends that the Department of Foreign Affairs and Trade consult again with stakeholders with expertise in the relevant areas once Australia's draft offer(s) have been prepared in future GATS negotiations, and prior to such offer(s) being communicated to the WTO as Australia's official offer.

Recommendation 8

The Committee recommends that the Government does not make any offers in the GATS, either in this round or in future negotiations, in the area of postal services which would adversely affect Australia Post's reserved (standard letter) service.

Recommendation 9

The Committee recommends that the Government make no further commitments under the GATS in areas of provision of public health services, public education and the ownership of water.

Recommendation 10

The Committee recommends that the Government continue to recognise the essential role of creative artists and cultural organisations in reflecting the intrinsic values and characteristics of Australian society and that it make no commitments in current or future GATS negotiations that might adversely impact on cultural industries. The Committee further recommends that the government continue the Most Favoured Nation exemption for co-production arrangements beyond 2004.

Chapter 6

The Australia-US Free Trade Agreement

Recommendation 11

The Committee recommends that the government – 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 12

The Committee recommends that future bilateral trade agreements be pursued without recourse to a negative list approach.

Recommendation 13

The Committee recommends that the government declare that it will not entertain any further proposals from the United States that go to the structure or operation of the Pharmaceutical Benefits Scheme, or that in any way undermine the effectiveness of the PBS as a price capping mechanism. Accordingly, the government should exempt the PBS from the proposed Australia-US Free Trade Agreement.

Recommendation 14

The Committee recommends that in view of the risks associated with the negative list approach, the government exempt Australia's quarantine laws from negotiations for the proposed Australia-US Free Trade Agreement.

Recommendation 15

The Committee recommends that in view of the risks associated with the negative list approach, the government exempt Australia's genetic engineering regulatory regime (including that dealing with labelling and GE free zones) from negotiations for the Australia-US Free Trade Agreement**.**

Recommendation 16

The Committee recommends that:

a) the narrow definition for e-commerce used in the Singapore-Australia FTA be the definition for e-commerce in the Australia-US Free Trade Agreement; and

b) the government ensure that Australia's cultural objectives will not be compromised by avoiding any concessions or undertakings that would enable future technologies or content delivery platforms to undermine or circumvent existing or future cultural protection policies.

Accordingly, the Committee recommends that the government exempt Australia's cultural industries from the proposed Australia-US Free Trade Agreement.

Recommendation 17

The Committee recommends that:

a) the Australian government retain its capacity to regulate foreign investment, including the retention of the Foreign Investment Review Board; and

b) no investor-state provisions be included in the Australia-US Free Trade Agreement.

Recommendation 18

The Committee recommends that the government retain the 'single desk' arrangements for wheat exports and that these arrangements be exempt from the proposed Australia-US Free Trade Agreement.

Recommendation 19

The Committee recommends that any rules of origin applied in the Textile, Clothing and Footwear sector provide for goods made-up in Australia to access the US market without tariffs, irrespective of the source of the original yarn or fabric**.**

Recommendation 20

The Committee recommends that the Senate refer the final text of the *Australia-US Free Trade Agreement* to the Senate Foreign Affairs, Defence and Trade References Committee for examination and report.