

Conclusions

- 18.1 During the course of its three month inquiry into the proposed AUSFTA, the Committee received over 215 submissions and held 11 days of hearings in seven cities. Since its establishment in 1996, the Joint Standing Committee on Treaties has reported on all treaties signed by Australia. The AUSFTA is of unprecedented breadth and complexity.
- 18.2 Looking at the experience of the ANZCERTA since 1983 it is clear that bilateral trade agreements can evolve with time leading to deeper integration and increased trade between the Parties. The Committee has made a number of recommendations which it trusts will assist this liberalisation to Australia's benefit.
- 18.3 The Committee took evidence on the models forecasting the economic benefit of the AUSFTA. Economic models have some use as a guide but rely on their underlying assumptions. While dynamic benefits are hard to quantify, it is reasonable to expect long term dynamic effects on the economy. While the size of the benefit of AUSFTA will no doubt be the result of continuing debate, the Committee has concluded that Australia will receive a positive economic benefit from the AUSFTA.
- 18.4 The Committee also took evidence on the advantages of multilateral trade liberalisation as opposed to bilateral trade liberalisation. Most witnesses agreed that multilateral trade liberalisation was preferable to bilateral trade liberalisation. However in the absence of progress in the Doha round, pursuing a bilateral trade agreement can offer benefits which are not immediately available in the WTO context.

- 18.5 In weighing whether the ratification of the AUSFTA is in Australia's national interest the Committee has carefully taken note of the concerns and potential benefits raised in evidence. It is the Committee's view that ratification of the AUSFTA will be in the Australia's national interest.
- 18.6 The evidence received by the Committee can be divided into three groups. There were those who supported the Agreement and proposed that Australia ratify the AUSFTA; there were those who opposed the Agreement and proposed that Australia not ratify and then there was a third group who highlighted potential problems with particular Chapters without expressing an opinion on whether Australia should ratify.
- 18.7 Having determined that ratification is in Australia's national interest, the approach the Committee has taken to address the concerns of this third group has been to make a number of recommendations which it believes are consistent with the spirit and text of the Agreement. These recommendations can be found throughout this Report.
- 18.8 There has been an extensive public debate about several Chapters of the AUSFTA. The Committee has made recommendations such as the shape of the review mechanism for the Pharmaceutical Benefits Scheme, the extension of copyright term and progressing the issues of mutual recognition and work visas for business people.
- 18.9 Lastly the Committee would like to thank all those who made submissions and appeared before the Committee in a public hearing.

Recommendation 23

The Committee recommends that binding treaty action be taken with respect to the Australia - United States Free Trade Agreement.

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Chair