

Chapter 1

Introduction

Referral of inquiry

1.1 On 27 March 2014, the Senate referred an inquiry into the Korea-Australia Free Trade Agreement (KAFTA) to the Foreign Affairs, Defence and Trade References Committee for inquiry and report.¹

1.2 The terms of reference for the inquiry are as follows:

1. That the proposed Korea-Australia Free Trade Agreement be referred to the Foreign Affairs, Defence and Trade References Committee for inquiry and report, with particular reference to the impact of the agreement on Australia's economy and trade, investment, social, cultural and environmental policies.
2. That in conducting the inquiry the committee shall:
 - (a) review the agreement to ensure it is in Australia's national interest, and
 - (b) have regard to the report of the Joint Standing Committee on Treaties on the proposed agreement.
3. That the committee report within one month of the tabling of the report of the Joint Standing Committee on Treaties on the proposed agreement.

1.3 KAFTA was tabled in the Parliament on 13 May 2014 and referred to the Joint Standing Committee on Treaties (JSCOT) for inquiry and report.² JSCOT tabled its report into KAFTA on 4 September 2014.³

Conduct of inquiry

1.4 The committee advertised the inquiry on its website and in *The Australian* newspaper. The committee also wrote to individuals and organisations likely to have an interest in the bill, drawing their attention to the inquiry and inviting them to make written submissions. The committee received 68 submissions. Submissions are listed at Appendix 1 and available on the inquiry website at: www.aph.gov.au/senate_fadt.

1.5 The committee held public hearings for the inquiry in Canberra on Monday, 8 September 2014 and Tuesday, 9 September 2014. A list of the witnesses who

1 *Journals of the Senate*, 27 March 2014, p. 744.

2 House of Representatives, *Votes and Proceedings*, 13 May 2014, p. 452

3 House of Representatives, *Votes and Proceedings*, 4 September 2014, p. 810.

appeared at the public hearings is at Appendix 3, and the *Hansard* transcripts are available through the committee's website.

Structure of the report

1.6 The committee's report is in five chapters. Chapter 2 provides a background to the agreement and a summary of the provisions of the treaty. Chapter 3 deals with Australia's trade relationships, trade outcomes, the implementation of KAFTA and the treaty making process. Chapter 4 discusses some of the specific issues raised during the inquiry including provisions on investor state dispute settlement, intellectual property, certificates of origin and labour rights issues. Chapter 5 contains the committee's conclusion and recommendations.

Acknowledgements

1.7 The committee thanks all those who contributed to the inquiry by making submissions, providing additional information or appearing at the public hearings to give evidence.

Note on references

1.8 References to the committee *Hansard* are to the proof *Hansard*. Page numbers may vary between the proof and the official *Hansard* transcripts.