

Appendix 3

Australia-US Free Trade Agreement:

Australian Objectives

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Free trade leads to higher economic growth, better living standards and more and better job opportunities. The Government is committed to negotiating a Free Trade Agreement with the United States that will reduce restrictions on the ability of the two countries to do business with each other. Australia will aim to ensure that the outcomes of the FTA negotiations complement and reinforce our objectives in the Doha Round of World Trade Organization negotiations and in Asia Pacific Economic Cooperation forums, and set a high standard for other FTAs in the region. Australia's shared approach with the United States on many issues in both the WTO and APEC provides a strong foundation for achieving that goal.

The higher incomes that free trade brings will enhance the ability of both the US and Australia to achieve fundamental economic and social policy objectives. Nevertheless, the Government will ensure that outcomes from the FTA negotiations do not impair Australia's ability to meet fundamental policy objectives in health care, education, consumer protection, cultural policy, quarantine and environmental policy. The Government will continue to place a high priority on consultations with the States and Territories, industry and professional bodies and community organisations as the negotiations proceed.

The Government's specific objectives for negotiations with the United States are as follows:

Trade in Industrial Goods and Agriculture

- Seek to eliminate tariffs and other barriers to trade between Australia and the United States on the broadest possible basis.
- Seek the removal of tariff rate quota restrictions on Australian exports to the United States, including those affecting exports of beef, dairy products, sugar, peanuts and cotton.
- Seek the elimination or reduction of United States agricultural subsidies that affect Australian exports to the United States or to third country markets, as well as agreement for the United States not to subsidise exports of agricultural products to Australia.
- Reaffirm our commitment to work together in the WTO negotiations towards substantial improvements in market access globally, eliminating all export subsidies on agricultural products, and substantial reduction in domestic support for agriculture.
- Seek the removal of legislative barriers to the export of Australian-built fast ferries and other vessels to the United States.
- Secure improved market access for Australian manufactured goods by addressing non-tariff barriers in such areas as standards certification and technical regulation.
- Pursue opportunities for harmonisation or mutual recognition of mandatory and/or voluntary technical standards.

Rules of Origin

- Agree on a set of rules of origin that ensure that the benefits of preferential tariff treatment under the FTA apply only to Australian and US goods eligible for such treatment while avoiding unnecessary obstacles to trade.

- Agree on conditions to maintain the integrity of the rules and seek to ensure they are not unnecessarily burdensome to administer from the points of view of business and government.

Quarantine / Sanitary and Phytosanitary (SPS) Measures

- Seek to have the United States reaffirm its WTO commitments on SPS measures and eliminate any unjustified SPS restrictions.
- Seek to strengthen cooperation between Australian and US quarantine authorities.
- Seek to reinforce mutual commitment to the development and application of science-based quarantine measures, consistent with the WTO SPS Agreement.
- Seek to strengthen collaboration with the US in implementing the SPS Agreement and to enhance cooperation with the US in relevant international bodies on developing international SPS standards, guidelines, and recommendations.

Trade Remedies

- Pursue exemption of Australian products from US general safeguards legislation.
- Seek provisions that minimise the impact of other US trade remedy laws on Australian exports to the US.

Customs Cooperation

- Ensure that the customs procedures of both parties are transparent, efficient, and consistent and that they facilitate trade.
- Strengthen cooperation in the investigation and prevention of infringements of customs law and in combating illegal trans-shipment of goods.
- Pursue harmonisation of customs policies, data and procedures, and develop cooperation in such areas as customs techniques and research and development.

Trade in Services

- Seek reduced impediments in accessing the United States market for Australian services suppliers such as providers of professional services, other business services, education services, environmental services, financial services and transport services.
- Explore the scope for improvements in the recognition of the qualifications and experience of Australian professionals in the United States.
- Look for opportunities to reduce any unnecessary access impediments imposed on Australian service suppliers by licensing requirements, standards or other regulations in the United States, including Australians seeking access to US capital markets.
- Pursue opportunities to enhance the temporary entry of business persons and other Australians to the United States.
- Ensure that the negotiations take account of Australia's cultural and social policy objectives, and the need for appropriate regulation and support measures to achieve these objectives in areas such as audiovisual media.
- Ensure that the outcome of the negotiations does not limit the ability of government to provide public services, such as health, education, law enforcement and social services.

Investment

- Seek an enhanced framework to govern investment flows between Australia and the United States that will complement the outcome of the negotiations in relation to trade in goods and services.
- Look for opportunities to reduce any unnecessary impediments that licensing requirements, standards or other regulations in the United States impose on Australian investors
- Ensure that the negotiations take account of Australia's foreign investment policy, and the need for appropriate policies to encourage foreign investment, while addressing community concerns about foreign investment.

Intellectual Property Rights

- Reaffirm the standards established in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights and other international intellectual property agreements to which the USA and Australia are signatories.
- Seek to ensure that the rights of Australian holders of intellectual property are protected according to international standards in the US, including the right to be remunerated fairly for use of their works.
- Ensure that Australia remains free to determine the appropriate legal regime for implementing internationally agreed intellectual property standards, maintaining a balance between the holders of intellectual property rights and the interests of users, consumers, communications carriers and distributors, and the education and research sectors.
- Deepen cooperation on intellectual property issues of mutual interest, advancing our common objectives in multilateral intellectual property negotiations; and strengthening cooperation between our respective intellectual property agencies.
- Explore opportunities to work with the United States to promote the implementation of effective and appropriate intellectual property systems in the Asia-Pacific region, without limiting the scope of existing activities of this nature.

Telecommunications and Electronic Commerce

- Develop agreed principles in the regulation of telecommunications on the basis of non-discrimination, transparency, predictability, consultation with stakeholders and independence and autonomy of regulators.
- Address licensing and other procedural constraints on participation of Australian companies in the US telecommunications market.
- Seek to promote international Internet charging arrangements that are applied on fair, non-discriminatory and pro-competitive terms.
- Seek to enhance the growth of electronic commerce in goods and services with the United States in terms that promote the use of electronic commerce globally.
- Reaffirm the current practice of not imposing customs duties on electronic transmissions between Australia and the United States.

Government Procurement

- Agree on rules for government procurement that are flexible, transparent and fair.

- Seek to expand access for Australian goods and services to US government procurement markets.

Competition Policy

- Build upon existing bilateral treaty arrangements to foster cooperation on competition law and policy, and provide for consultations on specific problems that may arise.

State-to-State Dispute Settlement

- Encourage the early identification and settlement of disputes through consultation.
- Establish fair, transparent, timely, and effective procedures to settle disputes arising under the agreement.

Environmental issues

- Seek to ensure that trade and environment policies are mutually supportive by maintaining Australia's ability to protect and conserve its environment and to meet its international environmental obligations.

