

**QUEENSLAND GOVERNMENT COMMENTS
PREPARED FOR THE JOINT STANDING COMMITTEE ON TREATIES
16 APRIL 2009**

The Queensland Government is supportive of the ratification by Australia of the ASEAN –Australia-New Zealand Free Trade Agreement.

As a group, ASEAN and New Zealand constitute a larger trading partner for Australia than any single country, representing some 21% of Australia’s total trade, valued at \$103 billion in 2007/08.

The AANZFTA will provide freer market access to Australian firms to the ASEAN market with a total population of 600 million people.

The AANZFTA locks in binding low tariffs, and delivers, over time, elimination of between 90 and 100 percent of tariff lines from the more developed ASEAN members, covering 96 percent of current Australian exports to the region (refer Table 1).

Country	2005 Base Tariffs (%)	2010 (%)	2013 (%)	Final Tariff Elimination	Year Achieved
Australia	47.6	96.4	96.5	100	2020
Brunei	68	75.7	90	98.9	2020
Burma	3.7	3.6	3.6	85.2	2024
Cambodia	4.7	4.7	4.7	88	2024
Indonesia	21.2	58	85	93.2	2025
Laos	0	0	0	88	2023
Malaysia	57.7	67.7	90.9	96.3	2020
New Zealand	58.6	84.7	90.3	100	2020
Philippines	3.9	60.3	91	94.6	2020
Singapore	99.9	100	100	100	2009
Thailand	7.1	73	87.2	99	2020
Vietnam	29.3	29	29	89.8	2020

Table 1: Percentage of Tariff Lines with Tariff-Free Treatment

Some examples of market access of significance to Queensland include:

- Existing liberal access for live bovine animals will be guaranteed through tariffs bound at 0% on entry into force, or phased to either 0% or 2.5% with Indonesia, Malaysia, the Philippines and Vietnam (the major markets with which Australia does not currently have bilateral FTAs).

- Malaysia will bind its tariffs on sugar at 0% on entry into force, while Vietnam will reduce its tariffs. Indonesia and the Philippines have excluded sugar from their tariff commitments.
- Tariffs on almost all mineral tariff lines will be bound at 0% on entry into force, or phased to 0% in Indonesia, Malaysia and the Philippines.
- Copper, lead and zinc and associated products will be bound at 0% on entry into force except for one tariff line in Indonesia (refined copper cathodes).
- Tariffs on wool and cotton will be bound at 0% on entry into force or phased to 0%.
- In construction services, Indonesia and Malaysia have committed to allowing joint ventures with aggregate foreign equity of 55 and 49 percent respectively.
- In education, Malaysia has committed to allow joint ventures in higher education with foreign equity up to 51 percent, Laos up to 100 percent, and the Philippines 40 percent.
- Pharmaceutical tariffs on all tariff lines will be bound at 0 percent on entry into force, or phased to 0 percent except for 1 tariff line (waste pharmaceuticals) in Indonesia and Vietnam, and 3 lines phased to 5 percent in Vietnam.

By lowering tariff and non-tariff barriers to trade and providing greater certainty and transparency for Queensland's food and agribusiness exporters, AANZFTA will contribute significantly to both of these outcomes.

The Sanitary and Phytosanitary Measures Chapter of AANZFTA should improve market access for fresh products, particularly in relation to Queensland's large and diverse horticultural sector. In particular, the Sub-Committee on Sanitary and Phytosanitary Measures will provide valuable forum for strengthening information exchange, cooperation and consultation on quarantine and technical market access issues.

The Trade in Services Chapter of AANZFTA will assist Queensland to increase its exports of agricultural services, leveraging the State's strengths in tropical agriculture R&D, genetics, biosecurity systems, food safety, abattoir design and automation, farm management practices and training, and supply chain development. Developing countries in the Asia-Pacific region are looking to import such expertise and knowledge to expand their own agricultural production and exports and this will be facilitated by the market access and national treatment provisions of the Trade in Services Chapter.