

THE AUSTRALIA-UNITED KINGDOM CHAMBER OF COMMERCE
TOP 12 PRIORITIES FOR THE AUS-UK FTA

Top 12 Priorities for the Australia-UK Free Trade Agreement

Statement of Intent:

The Australia-United Kingdom Chamber of Commerce and our Members support a modern, comprehensive and ambitious Free Trade Agreement (FTA) between Australia and the UK that further strengthens the bilateral economic relationship and sets a gold standard for future FTAs in both countries. We are seeking positive reciprocal outcomes for business operating in both markets, to aid competitiveness, encourage cross-border innovation, enable mobility of talent and increase two-way trade and investment. We support free and open rules-based trade in the recognition that the intent of an Australia-UK FTA is not to flood either market with an overwhelming volume of Australian or British products or services but rather to provide access to high-quality goods and services drawing on the unique strengths of each country. We also support an FTA that is inclusive for all businesses including SMEs and that is built to last, integrating data and the digital economy, sustainability and a mechanism for regular review and revision. Based on this intent, the Chamber and its Members would like to see the following provisions within the FTA:

On Goods

1. The reciprocal removal of tariffs and quotas on goods upon entry into force of the FTA, including:

- Wine – Removal of the UK Tariff of 10p/bottle (finished goods) and 8p/bottle (bulk) on Australian wine exports to the UK.
- Spirits – Removal of the 5% tariff on UK-distilled spirit on British spirit exports to Australia.
- Cane sugar – Removal of UK tariffs on Australian exports (currently €98 euros per metric tonne for volumes within the small WTO tariff-rate quota and to the EU of €339 per metric tonne for out-of-quota volumes).
- Beef, sheepmeat and goat – Removal of tariffs on Australian exports to the UK.
- Grain and oilseed – Removal of all tariffs - for example the £79 per tonne tariff on Australian wheat exports (protein content between 13-14.6%) to the UK.

2. The regulatory harmonisation and/or recognition of goods pertaining to:

- The processing, testing, labelling, certification, rules of origin, geographical indication and international definitions applied across the categories of wine & spirits in both Australia and the UK.
- Streamlined customs processes to fast track the movement of goods moving between Australia and the UK.
- The mutual recognition of wine-making practices and regulations, which would circumvent the need for wine specific import certificates such as Vi1s/Certificates of Analysis.
- UK recognition of Australia's meat export standards and requirements on systems-based approvals in country of origin to allow for more efficient movement of goods.

3. Additional measures for the Wine & Spirits sector to encompass the above and other issues, in recognition of the importance of this sector for the Australia-UK trading relationship, including:

- The inclusion of a Wine & Spirits Annex along similar lines to Annex 8-A of CPTPP, which sets out a range of regulatory best practices in the sector.
- Ensuring that Australian and UK wine and spirits producers are not commercially disadvantaged by future tax reforms, such as the current UK review of alcohol duties. This includes avoiding outcomes which would favour one category of alcoholic beverages over another or favour certain products over others within a category.
- Mechanisms that enable both markets to address ongoing legal, tax, protection and regulatory issues; for example, by the UK acceding to the World Wine Trade Group and through the establishment of a bilateral industry-government working group.
- An arrangement that enables Australian wines to be sweetened, carbonated and blended in the UK to diminish unnecessary costs & risk of spoilage through export.

(Noting that the above issues could be included in an annex or addressed as additional side issues).

On Services

4. Provisions to ensure greater exchange of data and digital services between Australia and the UK, such as:

- The mutual recognition of privacy and data protection regimes to encourage tech innovation and enable greater flow of data.
- A Most Favoured Nation clause that supports and maintains cross-border open access and data transfer when subsequent FTAs are signed or when legislative/regulatory reform is introduced in either country.
- Clear mutual rules on cross-border data flows.
- Clear mutual rules on e-commerce.
- Establishing a Digital Trade identity to lower the barriers to international trade, particularly for SMEs, to streamline regulatory compliance requirements and reduce the burden of setting up in new jurisdictions by helping establish more efficient digital trade channels.
- Enabling businesses to choose to store data in either country when doing business in the other, without having to comply with unreasonable mandatory localisation requirements.
- Regulatory alignment in emerging areas of technology to allow greater development, testing and roll-out of innovations.

(Noting that some of the above may be more appropriately dealt with as side issues).

5. The introduction of a financial services passport:

- To allow financial services companies regulated in either Australia or the UK to promote and provide their services to the other market. This would enable greater access to capital and remove the need for duplicative services in both countries, thereby increasing cost savings which can be passed onto customers.

6. The mutual recognition of security clearances for non-government employees to enable greater collaboration and ease of doing sensitive, government-related business.

7. The streamlining of regulatory requirements in the services sector, including:

- Mutual recognition of digital document authorisation for financial services.
- Mutual support of pro-competitive licensing and operating conditions for international subsea telecommunications networks to encourage investment in critical infrastructure for both nations.

On Mobility of Talent & Movement of Capital

8. Mutual recognition of qualifications, including:

- The healthcare sector: Implement measures that provide Australian GPs and nurses recognition of qualifications and a less onerous registration process with the UK General Medical Council, the Nursing and Midwifery Council and other relevant regulatory bodies.
- The legal sector: Implement a mechanism for lawyers qualified in the UK or Australia to have those qualifications recognised in the other jurisdiction more easily.

9. Greater mobility of talent including:

- Option for short term visas to be extended beyond their initial term in both countries (this will include, but is not limited to, Tier 5 and 400-Class visas).
- Reinstatement of the pathway to permanent residency for UK professionals working on short term visas in Australia, following Australian Government reforms to the 457 visa in 2018.
- Enablement of current visa holders to switch or extend in-country, both in Australia and in the UK, to reduce unnecessary cost and travel burdens on employers and individuals.
- Removal of onerous local market testing requirements to enable mobility of skilled professionals from the UK to Australia at more junior levels.
- Mode 4 provisions to enable greater mobility of talent including for project-based secondments, particularly those in priority areas such as engineering, infrastructure, technology and university research.
- Introduction of 'Certificate of Coverage' scheme in Australia that recognises contributions to overseas pension/superannuation funds. This will support businesses to manage their cost-to-hire without disadvantaging individuals.

10. Inclusive and equitable outcomes for SMEs encompassing all applicable provisions within the FTA:

- Noting that SMEs carry a disproportionate cost and administrative burden for complying with regulatory requirements and enabling mobility of talent, relative to their available resources.

11. Application to UK investors of the highest possible FIRB thresholds to allow the UK greater ability to invest in Australia without the need for FIRB approval.

Additional Measures / Agreement to Explore Side Issues

12. A built-in biennial review mechanism to ensure the FTA is reviewed and updated in line with other international trade agreements and evolving economic conditions.

- Mutual agreement to investigate opportunities for new regulatory and market bridges between the two countries (similar to the FinTech and Space Bridges) in sectors of mutual interest including: healthcare, education, energy, infrastructure, research and innovation, defence, security and specific technologies.