



THE HON STEVEN CIOBO MP

Minister for Trade, Tourism and Investment

8 March 2018

Hon David Parker
Minister for Trade and Export Growth
New Zealand

Dear Minister

I have the honour of acknowledging receipt of your letter of 8 March 2018 which states as follows:

“In connection with the signing on this date of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (the “Agreement”) and in the context of the Australia New Zealand Closer Economic Relations Trade Agreement (“CER”) done at Canberra on 28 March 1983 and its related agreements and understandings, and in the context of the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area done at Cha-am on 27 February 2009 (AANZFTA), and in the context of the Trans-Pacific Partnership Agreement signed in Auckland on 4 February 2016 (TPP), I have the honour to confirm the following agreement reached between the Government of Australia and the Government of New Zealand during the course of negotiations on the Agreement:

1. Nothing in the Agreement shall be construed to derogate from any rights or obligations of New Zealand or Australia under CER or AANZFTA.
2. Chapter 6 (Trade Remedies) of the Agreement shall not create any rights or obligations between New Zealand and Australia.
3. No investor of New Zealand shall have recourse to dispute settlement against Australia under Chapter 9, Section B (Investor-State Dispute Settlement) of the Agreement.
4. No investor of Australia shall have recourse to dispute settlement against New Zealand under Chapter 9, Section B (Investor-State Dispute Settlement) of the Agreement.
5. New Zealand shall only rely on Entry 2 in New Zealand's schedule to Annex IV of the Agreement with respect to air transport services between New Zealand and Australia where:
 - (a) non-commercial assistance provided to a state-owned enterprise supplying the service is solely intended to enable the state-owned enterprise to continue operating as a going concern; and

- (b) the non-commercial assistance does not cause:
- (i) a significant increase in the state-owned enterprise's market share of the service; or
 - (ii) a significant price undercutting by the service supplied by the state-owned enterprise as compared with the price of a like service supplied by an Australian service supplier in the same market, or a significant price suppression, price depression or lost sales in the same market

I have the further honour to propose that this letter and your letter of confirmation in reply, shall constitute an agreement between Australia and New Zealand which shall enter into force on the date on which the Agreement enters into force for both Australia and New Zealand."

I have the further honour to confirm that your letter reflects the agreement reached by the Governments of Australia and New Zealand during the course of the negotiations on the Agreement and that your letter and this letter in reply, shall constitute an agreement between Australia and New Zealand.

Yours sincerely



Steven Ciobo

8 March 2018

The Hon Steven Ciobo, MP
Minister for Trade, Tourism and Investment
Australia

Dear Minister Ciobo

In connection with the signing on this date of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (the "Agreement") and in the context of the Australia New Zealand Closer Economic Relations Trade Agreement ("CER") done at Canberra on 28 March 1983 and its related agreements and understandings, and in the context of the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area done at Cha-am on 27 February 2009 (AANZFTA), and in the context of the Trans-Pacific Partnership Agreement signed in Auckland on 4 February 2016 (TPP), I have the honour to confirm the following agreement reached between the Government of Australia and the Government of New Zealand during the course of negotiations on the Agreement:

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 - (ii) a significant price undercutting by the service supplied by the state-owned enterprise as compared with the price of a like service supplied by an Australian service supplier in the same market, or a significant price suppression, price



depression or lost sales in the same market.

I have the further honour to propose that this letter and your letter of confirmation in reply, shall constitute an agreement between Australia and New Zealand which shall enter into force on the date on which the Agreement enters into force for both Australia and New Zealand.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Parker', written in a cursive style.

Hon David Parker
Minister for Trade and Export Growth
New Zealand