



An Australian/US Free Trade Agreement – Opportunities and Challenges

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CER Lessons

by

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1. Introduction

The possibility of Australia and the US forming a Free Trade Area is a most important trade policy issue for Australia.

It would not of course be the first free trade area for either country. In 1983 the Closer Economic Relations Agreement between Australia and New Zealand came into effect. (Before that in 1966 the original NAFTA Agreement, the New Zealand Australia Free Trade Agreement, came into effect. This was a limited agreement in terms of commodity coverage and other features.)

Over the last two years Australia has signalled a major shift in trade policy by declaring a willingness to consider other regional trading agreements. In October 1999, ASEAN and CER Ministers agreed to establish a taskforce to explore the feasibility of an AFTA-CER free trade area. The Prime Minister took another step in the direction of regional agreements in May 2000 during his visit to Korea when he and the Korean President agreed to explore a “free trade association” with Korea. In September 2000 the Minister of Foreign Affairs indicated that we would be happy to join ASEAN +3 at some later stage if invited to do so. After the APEC Leaders Meeting in November 2000, the Australian and Singaporean Prime Ministers announced that they had agreed to begin immediate negotiations for a Free Trade Area between Australia and Singapore, and the Australian Cabinet agreed in the same month to seek a free trade agreement with the US.

This shift in policy is still being debated. Personally, I have declared my view that this shift in strategy is correct in an environment of increasing discrimination in our export markets because of the formation of regional trading agreements in other regions of the world. If we do not join in regional trading agreements with our major trading partners, the costs of exclusion from markets may be high (Lloyd, forthcoming).

In this situation our experience with the CER has a number of lessons that may assist the negotiation of a free trade area with the US. Section 2 outlines the main features of the CER and Section 3 looks at the benefits and lessons from this experience. Section 4 concludes with the lesson that where there is a will there is a way forward in trade negotiations.

2. Outline of the Main Features of CER

Table 1 sets out the agreements under CER which apply currently. It omits the interim agreements relating to trade in goods that applied during the transition period up to 1 July 1990 and those which have been superseded. This table provides an account of the direction of the CER Agreement since its inception.

Free Trade in Goods and Services

The elimination of barriers to goods trade between the two countries was accelerated by the Protocol on Acceleration of Free Trade in Goods that resulted from the first five yearly Review of CER in 1988. By 1 July 1990 all tariffs, import licensing and quantitative restrictions and export incentives on trans-Tasman trade which satisfied the rules of origin were eliminated; that is, all of the traditional border instruments used to restrict imports or promote exports were removed. This was five years ahead of the timetable laid down in the original Agreement. The changes to the rules of origin reflect continuing difficulties for some exporters and importers in satisfying the rules. Despite the liberal rules, changes in exchange rates and sources and prices meant that those on the margin were uncertain if the goods would satisfy the rules. The rules were relaxed to cater for such variations.

Customs and quarantine policies and procedures were completely harmonised under 1988 Agreements and subsequent exchanges of letters and understandings. These have been classified as a part of trade in goods as they apply exclusively to international trade. Provision for customs harmonisation was made in Article 21 of the CER Agreement. Similarly, food inspection measures for both risk classified foods and non-risk classified foods are classified as border trade measures as they apply at the border.

CER was extended to trade in services by the 1988 Protocol on Trade in Services. This Protocol provides for free trade in services across the Tasman. As the Protocol was written before the GATS Agreement made during the Uruguay Round, it is not stated in terms of the four modes of supply recognised in that agreement but it contains similar provisions. The Protocol provides for market access and rights of “commercial presence” which here relate to rights of establishment, national treatment, and most favoured nation treatment. It does not contain any provisions that relate to the modes of supply by cross-border movement and the movement of natural persons. However, the supply of services by the modes of cross-border movement is guaranteed by the freedom of movement of goods under CER and the movement of natural persons is guaranteed by a separate Agreement, the Trans-Tasman Travel Arrangements.

The Protocol exempts from these provisions services that are inscribed in the Annex to the Protocol. These make a negatives list. The inscriptions list has been substantially reduced since the protocol was first introduced. Table 2 sets out the inscriptions at the time of writing (June 2001). New Zealand now inscribes only two services (Aviation and Coastal Shipping) and Australia only six (Aviation and Shipping, and Broadcasting and Television, Broadcasting and Television [Short-wave and Satellite Broadcasting], Third Party Insurance and Postal Services).

In most cases the inscriptions exclude only certain aspects of the regulation of the service industry concerned. For example, in relation to Civil Aviation, after the signing of the MOU on Open Skies, the Australian inscription is now restricted to the powers of State governments to regulate intra-state aviation whereas the important regulations of the industry are those imposed by the Federal government. One of the two major domestic airlines in Australia is owned by Air New Zealand and one of the two major Australian-

owned airlines is expanding its operations in New Zealand. All new services are automatically subject to the free trade provisions of the Protocol.

The Protocol allows for one further restriction on intra-area movements of capital in service industries. Article 2.2 states that “The provisions of this Protocol shall apply subject to the foreign investment policies of the member States.” These could override the effects of the Protocol. However, in the administration of the foreign investment approvals of both countries, the CER is a national interest criterion for the assessment of proposals originating in the other country. As a result of the report of the Joint Prime Ministerial Task Force on Bilateral Economic Relations in 1999, further changes were made to Australia’s foreign investment regime aimed at facilitating investment between Australia and New Zealand. There have been no cases in recent years where the Foreign Investment Review Board in Australia or the Overseas Investment Commission in New Zealand has blocked a proposed trans-Tasman investment proposal though it could happen.

The result of this liberalisation under CER is that there is now almost complete freedom of service trade between the two countries. The remaining restrictions on trade in services are minor with the exception of cabotage restrictions on coastal shipping in both countries. The last major restrictions were those applying to civil aviation. Although the negotiations of the Open Skies agreement were difficult and protracted, airlines now have unrestricted access to, within and beyond the territory of the other country. There is a single aviation market covering the CER area. (The only exclusion is the Seventh Freedom rights to pick up and put down traffic with no requirement that the flight go via the other country. The MOU contains a commitment to examine the possibility of extending Seventh Freedom rights to passenger traffic.)

While the original 1983 agreement extended preferential trade in goods to purchases made by the Australian Commonwealth Government and the New Zealand Government, it did not apply to purchases by Australian State Governments. This omission was overcome in 1989 by the device of allowing New Zealand to join the National Preference Agreement (NPA) under which States had earlier agreed not to apply preferences against each other. New Zealand is now a party to the Commonwealth/State Procurement Agreement that superseded the NPA.

Hence, trade in goods and services, private and government, has been made free across the Tasman.

Harmonisation of Domestic Policies

The second area of policies under CER is harmonisation of domestic policies. This is what is commonly known as “deep integration” in contradistinction to “shallow integration” which merely covers the liberalisation of cross-border trade. In principle, harmonisation can apply to any domestic regulations.

Article 12 of the 1983 Agreement made a general provision for harmonisation of domestic policies. Under this Article the two governments undertook to “examine the scope for taking actions to harmonise requirements relating to such matters as standards, technical specifications and testing procedures, domestic labeling and restrictive trade practices”. The 1988 MOU on Business law Harmonisation required the two countries to “examine the scope for harmonisation of business laws and regulatory practice including the removal of any impediments that are identified.” The MOU states quite explicitly in Article 8 that “both governments recognise that effective harmonisation does not require replication of laws, although that may be appropriate in some cases”. Similar language is repeated in the 2000 MOU on the Coordination of Business Law.

The areas of harmonisation under CER to date are limited but significant. They include technical barriers to trade, food standards, some business law, and subsidies.

In the area of technical barriers to trade, the countries have worked towards uniform standards. The 1990 Agreement on Standards, Accreditation and Quality ties the countries firmly to the principles of standards harmonisation and mutual acceptance of certification and accreditation a further development was the formation of a trans-Tasman Joint Accrediation System (JAS-ANZ) and the establishment of a JAS-ANZ Council working towards uniform criteria, procedures and practices for conformity assessment..

In the areas of food standards, the countries have opted for the adoption of joint (i.e. common) food standards applying throughout the area. These are developed by The Australia New Zealand Food Authority (ANZFA). It published the Food Standards Code in December 2000 and continues to develop food standards.

In the area of business law, the principal agreement on harmonisation covered to date is the area of competition law. This arose as a supplement to the effort in 1988 to remove anti-dumping action as a remedy for unfair trade across the Tasman. At the time of removing the trans-Tasman anti-dumping remedy in 1990 the Trans Tasman Competition Provisions were enacted in both countries. These provisions extended extraterritorially the application of the competition law prohibition on the abuse of market power (Australia) or of a dominant position (New Zealand) for anti-competitive purposes. They did so by creating a “trans-Tasman market”, that is, a market in Australia, New Zealand or Australia and New Zealand. However, the effect of these trans-Tasman provisions is limited. It applies only to the abuse of market powers aspects of competition law and in this area it excludes markets exclusively for services.

At the time of writing, legislative changes to competition laws are being considered in both countries. The New Zealand Commerce Act is presently being amended to ‘strengthen’ some key provisions by reference to Australian law. Its purpose statement is also being amended to provide explicit reference to the long-term benefits to consumers and New Zealanders as a whole. While adoption of Australia’s competition law tests of ‘substantially lessening competition’ for business acquisitions and ‘taking advantage of a substantial degree of power in a market’ for unilateral conduct, clearly brings New Zealand’s statutory language much closer to Australia’s, the New Zealand Government

has been saying that the primary reason is to strengthen the Commerce Act rather than harmonisation *per se*. On the other hand, there is clearly a divergence in the current policy positions on parallel imports. In Australia's case, proposed amendments are presently before the Australian Parliament are consistent with gradual moves to remove restrictions on parallel importing, whereas in New Zealand's case, the Government is wanting to reverse the 1998 amendments to the Copyright Act by selectively re-introducing restrictions. Ironically, this is at a time when New Zealand's competition law is being amended and when the Government is actively trying to promote electronic commerce. (For a review, see Vautier, forthcoming)

The 2000 MOU on the Coordination of Business Law lists other areas of existing coordination. These are consumer laws including fair trade laws; cross investment activity including the offer of securities between Australia and New Zealand, in particular, equities and interests in managed funds, cross border listings on ASX and NZSE and the cross border operations of the two futures markets, SFE and NZFE; and mutual recognition of registered occupations, as provided under the TTMRA. In this context, "coordination" covers a variety of actions including cross-listings and the convergence of laws. The MOU also lists in an Annex areas identified by both governments as possible candidates for coordination. These areas are financial services, intellectual property rights, electronic commerce and competition law (beyond that presently covered by the Trans-Tasman Provisions).

The last area of harmonisation is an unusual one. Following the first five-yearly General Review of CER in 1988, the two countries signed an Agreed Minute on Industry Assistance in which they agreed not to pay (from 1 July 1990) production bounties or like measures on goods exported to the other country and undertook to try to avoid the adoption of industry-specific measures (bounties, subsidies and other financial support) which have adverse effects on competition within the free trade area. Following the second five-yearly General Review in 1992, this was strengthened by an agreement that each country would also give due consideration to representations from the other on the effect industry-specific non-financial assistance measures may have on competition within the free trade area. These measures have effectively eliminated trade distortions due to subsidies of all forms, a unique achievement among RTAs. They are much stronger than the controls on "state aids" in the EU. Furthermore, separate from CER, both countries have since 1988 eliminated most subsidies and now have probably the lowest levels of subsidies of any OECD country for both agricultural goods and non-agricultural goods. (For agricultural goods, this is confirmed by the latest annual survey of subsidy measures reported in the OECD, 1999)

In summary, the progress towards harmonisation of domestic policies has been substantial but piecemeal. It is guided in several instances more by a pragmatic concern over possible obstacles to trade between the countries than by the classic efficiency arguments for harmonisation; this applies, for example, to the harmonisation of competition law and subsidies. Yet, in other instances, there is a clear vision of a single area-wide market. This holds for the concept of the "trans-Tasman market" in the 1990 trans-Tasman provisions of competition law and in the Single Aviation Market. SAM

should be considered as an area of harmonisation as the open sky measures go beyond the flight freedoms to matters such as safety, aviation security and user charges.

Another notable milestone was the creation, under the Agreement on Joint Food Standards, of ANZFA. This is the first and only regulatory agency that covers the trans-Tasman area.

Indeed, The Australia New Zealand Food Authority is the only permanent agency or body created under the CER. Furthermore CER has no secretariat or standing committees. In this respect, CER differs markedly from other regional trading agreements that have embarked on deep integration of the member economies as distinct from just the establishment of a free trade area or customs union, such as the EU, NAFTA and ASEAN.

Other Features of the Agreement

There are some other features of the Agreement than can be noted in the context of the possibility of an Australia-US Free Trade Area.

One is the absence of any specific dispute settlement procedures under the CER Agreement. The Agreement provides merely for consultations but these are non-binding. There have been some serious disputes between the two countries during the lifetime of the Agreement. There has been an ongoing series of disputes over quarantine restrictions on the entry of such New Zealand agricultural produce as apples and pears and some other fruits and vegetables. Probably the most serious dispute was that over the establishment of the single aviation market. But the remarkable thing is that there have been no disputes that seriously threatened the agreement or cooperation between the two governments. Similarly, neither government has ever taken a trade dispute against the other to the GATT or WTO.

Similarly, CER contains no specific provisions on environment protection or labour standards or intellectual property rights. In all of these areas, the two governments cooperate closely in an informal way bilaterally and at the multilateral level. The absence of an agreement reflects the close alignment of the laws and regulations in the two countries and the absence of trade conflicts in these areas; for example, both Australia and New Zealand are net importers of intellectual property .

There are no provisions in the Agreement relating to factor movements. Foreign investment was excluded from the original agreement and there is no other bilateral agreement relating to foreign investment. But the preamble to the CER treaty itself marked the area of “investment” as one of the areas that could be developed subsequently. At the annual Australia/New Zealand Trade Ministers’ Meetings New Zealand has sought an agreement on investment on several occasions but Australia has been firmly opposed. Australia’s view is that liberalisation of the movement of capital across borders should be achieved on an MFN basis and, in particular, that any bilateral

freeing of the movement of capital is ruled out by non-discrimination clause of the Basic Treaty of Friendship and Cooperation with Japan. “This [NARA] Treaty, when read with the Protocol and the Agreed Minutes, requires Australia, subject to specified exceptions, to treat Japanese companies in Australia no less favourably than those of any third country.” (APEC, 1996, p. 34). This argument has not been accepted by the New Zealand Government and it has not prevented Australian discrimination against Japan in trade in goods services in the CER but it has prevented a preferential agreement on investment to date. Lloyd (1997) discusses alternative ways in which an agreement on investment might be incorporated into CER.

Both countries now recognise the importance of FDI for the operation of the Agreement. There was an Exchange of Letters in September 1996 on the subject of investment and tax aspects of CER. In this the Ministers undertook to “aim to avoid to the fullest possible extent, further restrictions on investors and confirm that trans-Tasman investment should be subject to minimum constraint.” but no concrete measures were adopted at that time.

The 2000 Air Services Agreement, as part of the MOU on Open skies between Australia and New Zealand, contains a provision that removes the restriction on foreign investment in airlines across the Tasman. A SAM airline (Single Aviation market airline), that is, an airline that is majority owned and effectively controlled by nationals of either country and has its principal place of business in Australia or New Zealand, has unrestricted rights of establishment and investment. For example, this enables QANTAS to invest in New Zealand or to acquire stock in Air New Zealand, subject in the latter case to the approval of the Board of Air New Zealand of course and to approval of the competition authorities of the two countries. This agreement provides a precedent that could be extended to other areas of foreign direct investment.

In contrast, there is complete freedom of movement of natural persons between the two countries. Under the Trans-Tasman Travel Arrangements (TTTA) citizens of both countries can move freely between the two countries. This agreement pre-dates and is outside the CER Agreement, in fact going back to the 1920s (see Burnett, 1980). It enables citizens to take up residence and work in the other country without the need for visas or permits.

3 Benefits and Lessons

The CER Agreement has yielded net benefits to Australia. The main benefit is the direct benefit of freeing trade between partners. But there are other benefits. In the case of CER, this was a small step in the direction of trade liberalisation that encouraged Australia to take other steps towards trade liberalisation unilaterally and within the context of the WTO Uruguay Round. It also gave us experience in new areas of trade liberalisation or facilitation; for example, the Protocol on Services was our first international agreement in the area of services trade.

One lesson from the CER experience is the advantage of simple clean rules. In many respects, the CER has simple rules with no or few exceptions. This applies in areas of goods trade such as tariffs, rules of origin, safeguards, export subsidies and subsidies and, in services, the negatives list.

A second lesson of CER is the importance of close relations in general to the conclusion of the Closer Economic Relations Agreement and its smooth operation throughout its history. CER should be regarded as just one aspect of the exceptionally close relations between the two economies and societies. There is in fact a large number of inter-government bilateral agreements outside the CER Agreement, covering many areas. These include defence industry cooperation under Closer Defence Relations arrangement and the bilateral commitments to ANZUS, many area of legal assistance and cooperation such as deportation, custody and maintenance, double taxation, the Trans-Tasman Travel Arrangements (TTTA), the Reciprocal Agreement on Social Security and the Reciprocal Agreement on Medical Treatment. Proximately, the last two derive largely from the considerable numbers of Australians and of New Zealanders who have taken up residence in the other trans-Tasman country under the provisions of the TTTA. (Burnett, 1980 is a valuable collection of documents leading to these and other bilateral agreements.)

Ultimately, however, all of these closer relations derive from the common history of the two countries as former colonies of the British Empire. Until the formation of the Australian Commonwealth of States in 1901, they were known as the Seven Colonies and jointly administered by the Colonial Office. (An excellent account of the links between the two countries is provided in a volume produced for the Bicentenary of Australia in 1988; Sinclair, 1988.)

Some of these non-CER bilateral agreements are relevant to the operation of CER as an area in which goods and services are traded freely. The most important is the Trans-Tasman Travel Arrangements. These have had a major impact on trade in goods as the movement of workers tends to be a converging factor in terms of wage rates between the two countries. They are also relevant to the free trade in services, as this term is understood post-Uruguay Round, as they guarantee the movement of natural persons, executives and skilled and professional workers, for Australian companies with affiliates in New Zealand and *vice versa*.

Another part of the common heritage of the two ex-colonies that is relevant to the operation of CER is the sharing of British common law and other legal principles. This common heritage has greatly facilitated the harmonisation of competition laws and other areas of finance and business law noted above.

While it is not easy to measure the social closeness or distance between two countries, Australia and the US must rank as close societies on a world scale. We even share the feature of being ex-British colonies. More broadly, our common use of the English language, our experience as immigrant societies, security links and our liberal economic policies including support for the multilateral trade system provide a background to favourable consideration of a free trade area between Australia and the US.

4. Where there is a will there is a way

Whether Australia gains from the formation of a free trade area with the US will depend on the terms of the agreement and on our access to the US market in the absence of an agreement, the latter in turn depending on the prospects for the US forming free trade areas with other countries and on multilateral trade liberalisation. It is not my task to examine particular issues that may arise in negotiations with the US but a few remarks on some issues arise from the CER experience.

One important issue is agricultural trade. CER treats agricultural trade in the same way as other goods trade, that is, all border restrictions on trade between the two countries have been removed. However, we should remember that Annexes C, E and F allowed a longer period of trade liberalisation for specified products, most of which were agricultural goods and forest products.

As background to the Australia-US Free Trade Area possibility, Table 3 presents the estimates of the support to agricultural producers in OECD countries including Australia, New Zealand and the US. Among all of the countries of the OECD, Australia and New Zealand stand out as having the lowest levels of support for their agricultural producers by a wide margin. The first row shows the total support to the sector from policies that support agriculture. Obviously, these dollar figures are a combination of the average levels of support and the aggregate size of the sector. The second row expresses the support per farmer. Perhaps the best measure is the percentage increase in farm receipts over and above what farmers would receive if farm sales were valued at world prices. This is given in the third row. It is a measure of the nominal rate of assistance comparable to tariff rates and other standard measures of the nominal rate of assistance.

This table also shows a rate of assistance to American farmers (28 per cent) which, although well above that in Australia (7 per cent) and New Zealand (0 per cent), is considerably less than that of many other OECD countries. Compared to the OECD average, the US is a low assistance country, like Australia and New Zealand. While the US is not a member of the Cairns Group, it has consistently pushed for multilateral reduction in barriers to trade in agricultural goods. The device of a longer transition period is one obvious possibility, decidedly preferable to the permanent exclusion of these products from trade liberalisation.

Perhaps most importantly, the experience of CER has shown that obstacles to agreement in negotiations that appear difficult or even unsurmountable can be overcome if there is a will. For example, the Open Skies agreement which is now operating smoothly was unthinkable at the time of the negotiation of the Protocol. It took long negotiations but it demonstrated that countries can make a major shift in trade policy if we do not lose sight of the gains from opening up markets.

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Table 1. Agreements under CER**1. Trade in Goods and Services**Trade in Goods

Australia New Zealand Closer Economic Relations – Trade Agreement (CER) (1983)
Annexes A-F no longer operative

Harmonisation of Customs Policies and Procedures:

Exchange of Letters and Joint understanding of Customs Policies and Procedures (1988)

1988 CER Review Joint Understanding: Harmonisation of Customs Policies and Procedures

Protocol and Agreed Minutes on Harmonisation of Quarantine Administrative Procedures (1988)

Agreement on Food Inspection Measures (1996)

Rules of Origin:

Amendment to Article 3- Rules of origin (1992 Review of CER)

Exchange of letters on Rules of origin (1992)

Exchange of letters on direct Shipment Rules (1992)

Protocol on Customs Procedures for Trans Tasman Textile, Clothing and Footwear Rules of Origin Enquiries (1995)

Rules Governing Entitlement to Preferential Rates of Duty for Trans-Tasman Trade (1995)

Exchange of letters on Third Country Dumping (1992)

Trade in Services

Protocol on Trade in Services (1988)

1992 Review

1995 Review (Exchange of Letters)

Memorandum on Open Skies between Australia and New Zealand (2000)

Air Services Agreement 2000

(These replaced the Memorandum of Understanding dated 1 August 1992, the Air Services Agreement dated 25 July 1961 and the Single Aviation Market Arrangements dated 19 September 1996)

Government Purchasing

Agreed Minute on State Government Purchasing Preferences (1988)

Government Procurement Agreement (1991)

2. Harmonisation of Domestic Policies

Memorandum of Understanding on Harmonisation of Business Law (1988)

Memorandum of Understanding on Technical Barriers to Trade (1988)
Exchange of letters Amending the Memorandum of Understanding on Technical Barriers to Trade (1992)

Agreed Minute on Industry Assistance (1988)
Exchange of Letters amending the Agreed Minute on Industry Assistance (1989)
Exchange of Letters on the Agreed Minute on Industry Assistance (1992)

Agreement between the Governments of New Zealand and Australia Establishing a System for the Development of Joint Food Standards (1995)

Trans-Tasman Mutual Recognition Arrangement (TTMRA) (1996)

Sources: Australian Department of Foreign Affairs website: <http://www.dfat.gov.au>
New Zealand Ministry of Foreign Affairs website: <http://www.mfat.govt.nz>

Table 2. Services Inscribed by Australia and New Zealand

(Where an activity is described further, the exemption in terms of Article 2.4 of the Services Protocol applies to the description only)

New Zealand Inscriptions

Aviation

Airways Services:

Under the Civil Aviation Act 1990, the Airways Corporation of New Zealand is the sole provider of area control services, approach control services, and flight information services. The Civil Aviation Amendment Act 1992 repealed these provisions, but with effect from a date (or dates) to be specified by Order(s) in Council which may be made only on the recommendation of the Minister of Transport. Such recommendation(s) may be made only following consultation with the Civil Aviation Authority and if the Minister is satisfied that an appropriate safety regulatory regime is in place in respect of the services concerned.

Shipping

Coastal Shipping

The Maritime Transport Act 1994 allows cargo or passengers (coastal cargo) to be picked up from one port in New Zealand and carried to another by three categories of ship.

These are:

New Zealand ships;

* ships coming to New Zealand to load cargo for unloading overseas or to unload cargo which was loaded overseas;

* ships which the Minister of Transport authorises to trade on the coast when there are no ships from either of the above two categories available to carry coastal cargo.

Authorisation to carry coastal cargo must be obtained from the Minister of Transport well in advance of the intended carriage.

Authorisation to carry coastal cargo is subject to compliance with other relevant provisions of the Maritime Transport Act and with other law, including the Resource Management Act, the Immigration Act, and border control legislation.

Australian Inscriptions

Air Services

State governments hold powers to regulate intrastate aviation on economic and public interest grounds.

Scheduled passenger and freight services within and between Australia and New Zealand are governed by an air services agreement which has treaty status and a Memorandum of Understanding dated 20 November 2000.

Coastal Shipping

Cabotage policy

Broadcasting and Television

Limits on foreign ownership as set out in the Broadcasting Services Act 1992.

Broadcasting and Television (Short-Wave and Satellite Broadcasting)

Third Party Insurance

Compulsory third party motor vehicle insurance.

Postal Services

The Australian Postal Corporation (Australia Post) has, under section 29 of the Australian Postal Corporation Act 1989, the exclusive right to carry letters for reward within Australia, whether the letters originated within or outside Australia. Section 30 of the Act sets out a number of exceptions to the reserved service, including:

- * the carriage of letters weighing more than 250 grams;
- * the carriage of letters where the charge or fee is at least four times the standard letter rate;
- * the movement of documents within document exchange services; and
- the carriage of letters between offices of the same organisation by a third party.

Source: <http://www.dfat.gov.au> “Annex: Services inscribed by Australia and New Zealand at 9 March 1999”, as amended by the Memorandum on Understanding on Open Skies Between Australia and New Zealand 2000.

Table 3. Levels of Agricultural Support, 1998

	Australia	New Zealand	USA	EU	Japan	OECD24
Producer Support US \$ m Estimate	1,239	44	46,960	129,808	49,059	251,155
Produces Support Estimate per full- time farmer equivalent (US \$)	3,000	0	19,000	19,000	21,000	1,800
Nominal Assistance Coefficient (Percentage)	7	1	28	83	172	60

Source: OECD (1999, Tables III.5 and III.7)