



## Benefits for Australia

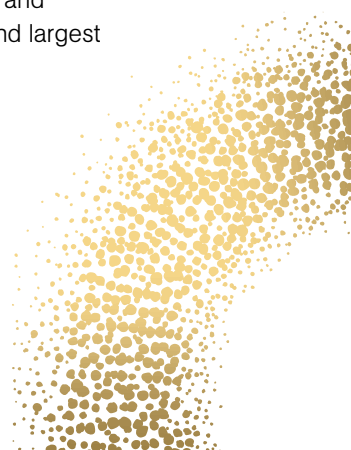
Tying together the shared threads of history, and our commitment to open, rules-based trade, the Australia-United Kingdom Free Trade Agreement (A-UKFTA) will deliver mutual benefits and create a closer and stronger economic future for us both.

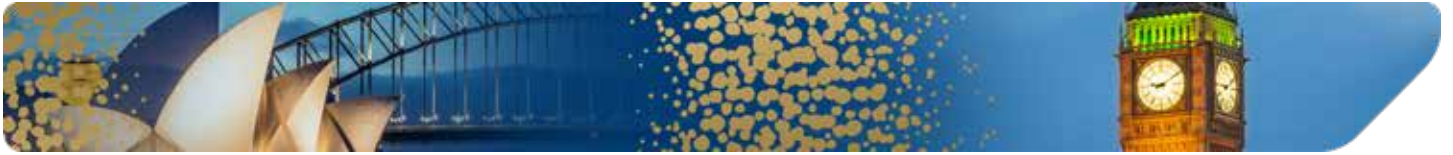


### Key Outcomes

The United Kingdom is Australia's fifth largest trading partner. Once the A-UKFTA is in force, it will open up new commercial opportunities for Australian business and promote job creation. It will eliminate tariffs on trade in goods and remove red tape that slows trade down.

Building on our exceptional people-to-people links, the A-UKFTA will enhance mobility pathways for workers and young people who wish to work in the UK, while making it easier for Australian service companies and professionals to do business there. It will deepen our already strong investment ties with our second largest source of foreign investment.





## Goods

The A-UKFTA will deliver better and more certain access to the UK market for Australia's world-class exporters, including farmers and small businesses.

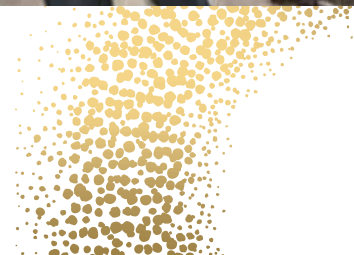
Currently 89 per cent of Australian goods are exported into the UK duty free. From the day the A-UKFTA enters into force, over 99 per cent of Australian goods exports by value to the UK will enter without tariffs. This is commercially significant for around \$9.2 billion worth of annual Australian merchandise trade into the UK.

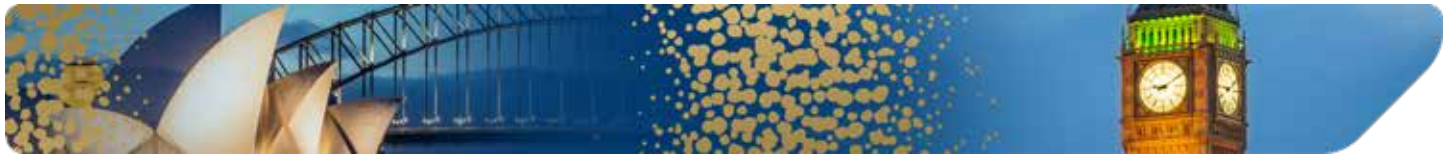
The agreement will see the immediate elimination of tariffs on goods such as wine, short and medium grain rice, honey, nuts, olive oil and food supplements. Furthermore, there will be immediate elimination of tariffs on industrial goods exports, such as auto parts, electrical equipment and fashion goods. For key agriculture products, including beef and sheep meat, sugar and dairy products, Australia will have duty free transitional quotas, with eventual elimination of all tariffs.

The A-UKFTA seeks to smooth out customs procedures to boost efficiency, reduce costs and cut red tape. It will make it simpler for traders and customs authorities to prove the originating status of goods. This includes reducing the amount of paperwork traders need to prepare at the border.

Customs processes will be expedited and cheaper. The agreement requires that goods are to be released from customs within clear timeframes to provide certainty in the supply chain and reduce costs. This will be within 48 hours of arrival at customs where possible, and within 6 hours to prevent avoidable loss or deterioration of perishable goods.

Australia and the UK will remove unnecessary obstacles to exporting and importing between our two countries. The A-UKFTA contains provisions to ensure that technical barriers to trade do not discriminate, while preserving our ability to take measures to fulfil legitimate objectives, including for the protection of health, safety and the environment.

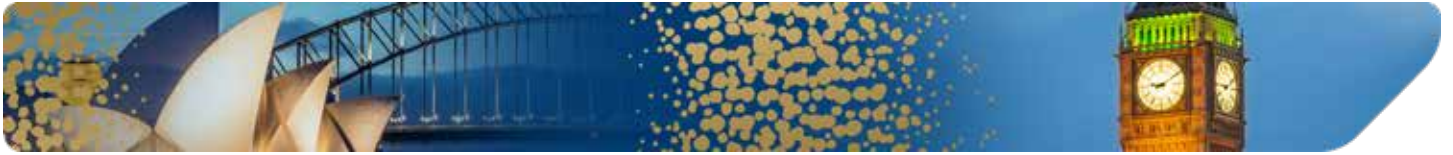




Goods	Highlights
Wine	Elimination of tariffs on entry into force (EIF), saving around \$43 million* annually in duties.
Beef	Elimination of tariffs after 10 years with immediate access to duty-free transitional quotas.
Sheep meat	Elimination of tariffs after 10 years with immediate access to duty-free transitional quotas.
Sugar	Elimination of tariffs over 8 years, with immediate access to a duty-free quota during the transition period.
Dairy	Elimination of tariffs over 5 years, with immediate access to duty-free quotas for dairy products during the transition period.
Rice	Elimination of tariffs for short and medium grain milled rice on EIF. Elimination of tariffs on broken rice over 4 years, with immediate access to a duty-free transitional quota. Access to a permanent annual duty-free quota for long grain milled rice.
Seafood	Elimination of tariffs on most products on EIF, and remaining tariffs over 3 years. Tariffs eliminated on EIF include those on all finfish and the 12% tariff on fresh and frozen rock lobster.
Honey	Elimination of the 16% tariff on EIF.
Horticulture	Elimination of tariffs on most fruits and vegetables on EIF, with tariffs on other products of Australian export interests eliminated over 3 years, and all remaining tariffs eliminated over 7 years.
Wheat, barley and other cereals	Elimination of tariffs over 4 years. Immediate access to a duty-free quota of 80,000 tonnes per year for wheat, and a duty-free quota of 7,000 tonnes per year for barley.
Processed foods	Elimination of tariffs on most processed foods on EIF.
Industrial products	Elimination of tariffs on all Australian origin industrial goods, except ammonia and aluminium where tariffs of up to 6% will be eliminated over 3 years.

\* Figures based on 2017-2019 trade.





## **Mobility**

Reflecting our deep people-to-people links, Australia and the UK are committed to offering enhanced opportunities for our people to live and work in each country.

The UK has guaranteed access for managers and specialists across all sectors to undertake three-year intra-corporate transfers to the UK, and for graduate trainees to have one-year transfers.

Australians entering the UK as Contractual Service Suppliers and Independent Professionals will have the same access as European Union nationals. This will provide new opportunities for our service suppliers to work in the UK on contracts for up to a year.

The A-UKFTA will improve working holiday opportunities in the UK for young Australians. Within two years of EIF, eligibility to participate in the UK's Youth Mobility Scheme will be raised from 30 to 35 years of age, and stays of up to three years will be allowed.

To help encourage innovation flows into Australia, a new visa pathway for innovators and early career development will be piloted for UK citizens to come to Australia. This program will be streamlined and capped at 1000 in the first year, rising to 2000 the second year, after which it will be reviewed to assess future implementation.

To assist labour in the agriculture and agribusiness sectors, the A-UKFTA includes a Joint Declaration on Agriculture and Agribusiness Workers detailing the visa pathways available for workers in this sector from both countries. The UK has also been invited to participate in the Australian Agriculture Visa, which is under development.

## **Services and investment liberalisation**

High-quality rules in the A-UKFTA include obligations to provide access to the UK market for Australian service suppliers and investors, to treat Australian and UK service suppliers and investors equally, and at least as well as service suppliers and investors of any other country.

The A-UKFTA has precedent-setting commitments that maintain impartiality, transparency and responsiveness by UK regulators. This will ensure that technical standards and licensing and qualification requirements and procedures are not unnecessary barriers to services suppliers and investors.

The A-UKFTA guarantees that Australian service suppliers will have access to and use of public telecommunications networks and services. It ensures safeguards and approaches to regulation are in place to prevent anti-competitive practices and discrimination in the telecommunications sector.

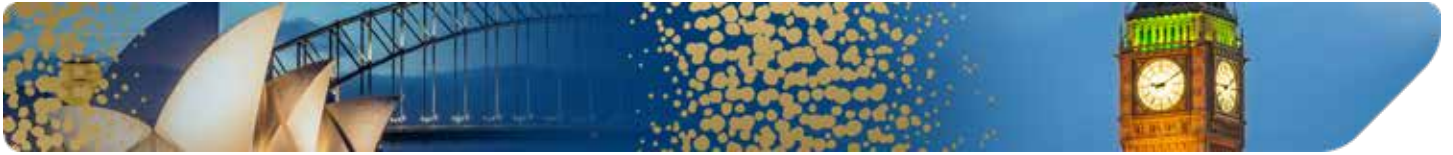
Financial service providers will benefit from expanded opportunities to provide services into the UK and greater certainty around the rules that apply when providing services to UK clients. Cooperation between financial services regulators will be enhanced through targeted dialogues. Provisions on innovative Financial Technology (FinTech) services will enable services that are new, or delivered via new technologies, to be supplied in each other's territory, subject to domestic regulatory requirements.

Additional rules to encourage investment include commitments not to introduce new discriminatory regulation that may distort investment decisions and discourage investment.

Australia has retained its right to screen investment on national and security grounds, while raising the investment screening threshold to match that given to other key investment partners. This will encourage more investment to support Australian growth and jobs by British investors.

Services and investment commitments lock in future liberalisation except in areas of identified sensitivity, where both Australia and the UK have retained policy space.





## Professional services

The A-UKFTA will support the bilateral advancement of professional skills, commercial interests and modern value chains. Australian professionals will benefit from provisions to support mutual recognition of qualifications and greater certainty as they enter the UK labour market.

## Investor protection

The investor protection outcomes in the A-UKFTA support our strong investment partnership and reflect our mutual confidence in each other's economy. For the first time in an FTA, the UK has agreed to include investment protections covering portfolio as well as direct investment. This is an important outcome for Australian funds, including super funds, investing in the UK market.

There is no investor-state dispute mechanism in the A-UKFTA, reflecting the confidence we share in each other's legal systems.

## Breaking down barriers to digital trade

The A-UKFTA will facilitate digital trade by addressing restrictive practices such as requirements for paper-based trade administration documents and making a commitment to accept electronic contracts, except in specific circumstances. Any exceptions will be published on a single government website, providing clarity for businesses. Australia and the UK will aim to establish interoperable electronic invoicing frameworks and ensure that electronic transactions regulations are implemented in a manner consistent with international frameworks. The A-UKFTA also contains a commitment to not impose customs duties on electronic transactions.

## Government procurement

The A-UKFTA locks in greater access for Australian goods, services and construction suppliers of all sizes, including small and medium sized enterprises (SMEs) and Indigenous-owned businesses, to the government procurement market of the UK, worth an estimated half a trillion dollars annually.

The Government Procurement Chapter includes commitments that go beyond the benefits Australia already receives from the UK under the World Trade Organization (WTO), creating more opportunities for Australian suppliers to secure UK government contracts.

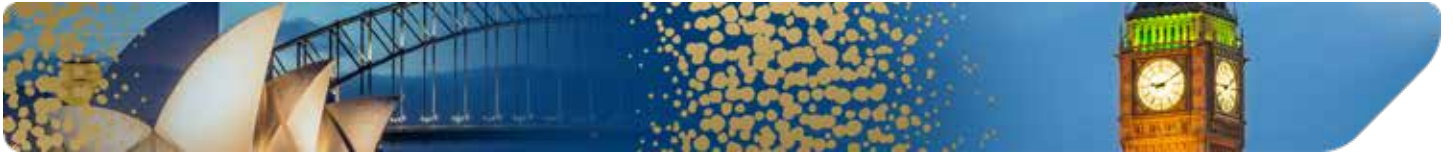
## Environment

The A-UKFTA includes commitments relating to a number of environment issues, consistent with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). It affirms commitments by each country to tackle climate change, including under the Paris Agreement, and acknowledges the role of global trade and investment in these efforts. The FTA also identifies bilateral cooperation with the UK on a broad range of environmental issues, including to support the transition to a low carbon and climate resilient economy.

## Small and medium enterprises

The A-UKFTA contains a range of provisions which will support SME engagement in bilateral trade. Both countries have committed to providing easy access to information that will assist SMEs interested in trading, investing, or doing business with the other country. In the SME Chapter, both countries recognise the importance of the participation of SMEs, including those owned or led by indigenous peoples, in international trade.





## **Women**

The A-UKFTA includes commitments aimed at supporting women's access to the full benefits that flow from trade and investment. This includes supporting cooperation between Australia and the UK to promote businesses owned or led by women accessing markets, technology, financial services, and business and leadership networks. A dialogue mechanism will support the implementation of commitments on gender equality and women's economic empowerment.

## **Indigenous**

The A-UKFTA includes a range of commitments that will advance Indigenous interests and deliver new opportunities and revenue streams for Indigenous exporters. The FTA will also reserve Australia's right to implement policy measures which provide more favourable treatment to Indigenous Australian people. This will include a broad carve out against investment and cross-border Trade in Services disciplines, as well as preserving Australia's existing government procurement exceptions, including for measures that benefit Indigenous-owned businesses and SMEs more broadly.

## **Innovation**

The A-UKFTA contains Australia's first ever chapter dedicated to innovation. Australia and the UK will establish a Strategic Innovation Dialogue to: promote trade-facilitative innovation policy; cooperate on mutual interests which may include emerging and transformative technologies and supply chain resilience; and encourage trade in innovative goods and services in sectors such as agriculture, health and energy. The chapter recognises the important role that innovation plays to support economic growth by stimulating competitiveness, increasing productivity, encouraging investment, and promoting international trade.

