

Documents tabled on 13 June 2007:

**National Interest Analysis [2006] ATNIA 16
with attachment on consultation**

**Agreement on Health Care Insurance
between
Australia
and
the Kingdom of Belgium
done at Canberra on 10 August 2006**

[2006] ATNIF 19

Background information:

Country political brief and country fact sheet

List of other treaties with that country

List of treaties of the same type with other countries

NATIONAL INTEREST ANALYSIS: CATEGORY 1 TREATY

SUMMARY PAGE

Agreement on Health Care Insurance between Australia and the Kingdom of Belgium done at Canberra on 10 August 2006

[2006] ATNIF 19

Nature and timing of proposed treaty action

1. It is proposed to bring into force the Agreement on Health Care Insurance between Australia and the Kingdom of Belgium (the Agreement).
2. The Agreement was signed on 10 August 2006. Article 16 of the Agreement provides for entry into force on the first day of the third month after the date of the last notification in writing by both Australia and Belgium that their respective domestic processes for the entry into force of the Agreement have been fulfilled. This will occur as soon as practicable to both Parties.

Overview and national interest summary

3. This Agreement provides residents of either country with reciprocal access to the public health care benefits of the other country for any necessary treatment that is required before returning home. It contributes to a safer travel environment for Australians visiting Belgium by giving them access to necessary health care, which covers medical services, pharmaceuticals and public hospital care.

Reasons for Australia to take the proposed treaty action

4. Australia has a number of bilateral agreements on health care insurance and medical treatment with countries which have health systems of a similar standard to Australia and which are able to provide a comparable level of health care. These countries are New Zealand, the United Kingdom, the Republic of Ireland, Italy, Malta, the Netherlands, Sweden, Finland and Norway.
5. The bilateral health agreements assist in the following ways:
 - provide cover for persons with pre-existing medical conditions who are fit to travel but unable to obtain travel insurance for their needs;
 - cover those who find it difficult to obtain travel insurance due to their age;
 - promote goodwill and a safer environment for tourists, people on working holidays and business people.

Obligations

6. Article 4 of the Agreement stipulates that Party nationals will be subject to the same obligations and entitled to the same benefits under legislation as nationals of the other Party whilst lawfully in the territory of the other Party.
7. Article 5(1) of the Agreement provides that a person from the territory of one Party who receives treatment for an episode of ill-health that requires prompt medical attention while in the territory of the other Party, is entitled to the public health care benefits of the other Party. Article 5(3) excludes those entering either country for the specific purpose of receiving medical treatment.
8. Article 6 allows students and their accompanying family members who are lawfully present in the territory of the other Party to have equal access to public health care benefits as the other Party's nationals receive in like circumstances under their domestic legislation.
9. Article 7 provides that persons subject to Articles 9 to 11 of the *Agreement on Social Security between Australia and the Kingdom of Belgium*, dated 20 November 2002, are entitled to benefits in kind while lawfully present in the territory of the other Party.
10. Article 8 requires each Party to pay the expenses of providing like benefits to the nationals of the other Party. The Parties may agree on a refund.
11. Article 9 requires the competent authorities of each Party to take the necessary steps to implement this Agreement and directly communicate on matters concerning its implementation and any legislative amendments that affect the operation of the Agreement.
12. Article 10 provides that the competent authorities of the Parties shall provide free assistance to one another in the application of this Agreement, unless otherwise agreed between the Parties.

Implementation

13. Section 7(1) of the *Health Insurance Act 1973* provides that the Government of Australia may enter into agreements with the Governments of other countries for the purpose

of the provision of health care to visitors to the host country as if they were residents of that country.

14. Section 7(2) of the *Health Insurance Act 1973* provides that a visitor to Australia to whom an agreement under section 7 relates shall, subject to the agreement, be treated as an “eligible person” for the purposes of the Act during their stay in Australia. This means that once the Agreement has come into force, the Act applies automatically to visitors covered by the Agreement.

15. No further legislative action by the Commonwealth or the States and Territories is required to implement the Agreement.

Costs

16. The Agreement has been estimated to cost the Australian Government \$25,000 per annum in health benefits. This cost has been agreed to by the Department of Finance and Administration.

17. Data from the Australian Bureau of Statistics and the Belgian Government indicate that in 2005 12,214 Belgians visited Australia and approximately 15,000 Australians visited Belgium. The similar numbers of people travelling between Australia and Belgium is the basis for the reciprocal obligations stipulated in the Agreement. This means that the cost of providing medical care to Belgian visitors in Australia will be matched by a similar obligation in Belgium for Australian visitors.

18. Under the bilateral health treaties, each country absorbs the cost of providing medical care to visitors. This permits simplicity in administration which results in negligible operating cost.

Regulation Impact Statement

19. The Office of Best Practice Regulation was consulted and confirmed that a Regulation Impact Statement is not required.

Future treaty action

20. The Agreement does not provide for the negotiation of any future legally binding instruments nor does it elaborate procedures for amendments. Consistent with Article 39 of the Vienna Convention on the Law of Treaties (VCLT), the Agreement may be amended by agreement between the parties. The rules established in Part II of the VCLT would apply to such an agreement. Any amendment to the provisions of the Agreement would be subject to Australia’s domestic treaty process, including tabling before parliament and scrutiny by the Joint Standing Committee on Treaties.

Withdrawal or denunciation

21. Article 15 of the Agreement contains a procedure for its termination. It allows for termination twelve months after either party gives written notice, to the other party, of its intention to terminate the Agreement. Any such termination is subject to Australia’s domestic treaty process.

Contact details

Medicare Eligibility Section
Medicare Benefits Schedule Policy Implementation Branch
Department of Health and Ageing.

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Consultation

1. Information on the proposed Agreement has been provided to the States and Territories through the Commonwealth-State-Standing Committee on Treaties of Treaty Action.
2. All State and Territory health authorities have been advised in writing of the proposed Agreement with the Kingdom of Belgium.
3. Correspondence was sent to the following:
 - July 2002, letters sent to State/Territory health departments
 - ACT Health
 - NSW Department of Health
 - VIC Department of Human Services
 - SA Department of Health
 - WA Department of Health
 - NT Department of Health and Community Services
 - QLD Health
 - TAS Department of Health and Human Services

advising that formal negotiations with Belgium have commenced.

 - October 2003, letters sent to State/Territory health departments giving an update on the consultation process.
 - October 2005, letters sent to Attorney-General's, the Prime Minister and the Minister for Foreign Affairs and Trade requesting for approval for the draft text of the Belgium treaty.
 - November 2005, letters sent to State/Territory health departments advising them that a draft agreement with Belgium has been finalised.
 - May 2007, letters sent to State/Territory health departments advising them that the signed treaty is being prepared for ratification.
4. The Attorney-General's Department and the Department of Foreign Affairs' and Trade have provided advice on the Agreement text as it was being developed. The Prime Minister, Attorney-General and Minister for Foreign Affairs and Trade gave the necessary approval prior to signing the Agreement.
5. Medicare Eligibility Section of Medicare Australia has been made aware of the proposed Agreement with Belgium. This occurred in the course of the Department's regular consultations with Medicare Australia.

6. The Department of Health and Ageing has not received comment from State/Territory health departments on the treaty.

June 2007.

Political Brief on Belgium

Australia-Belgium Relations

1. Australia enjoys positive and constructive relations with Belgium. The bilateral commercial relationship is growing. We share similar approaches to many international issues, including arms control, whaling and Antarctica. Belgium is a member of the Australia Group on Chemical Weapons. The Australian community in Belgium is estimated at 700 and an estimated 5100 persons in Australia were born in Belgium.

Belgium Overview

2. Belgium is a constitutional monarchy with King Albert II (who acceded in 1993) as head of state. The country became a federal state in 1995 as part of a long process of devolution. There are three main forms of government in Belgium - the federal government, regional governments and community councils.

3. Belgium is divided into three regional government areas. Flanders comprises mainly Dutch speakers while Wallonia and Brussels are French speaking regions (a small German speaking community also exists). The regions have jurisdiction over a wide range of policy areas, including economic, transport, public works, and industrial policy. Education and other 'cultural issues' are devolved to three community councils which have similar levels of authority to regional governments. These are divided along linguistic, not geographic, lines representing the Dutch, French and German speaking peoples.

4. The Belgian government devolved agriculture and foreign trade responsibilities to the regional governments through part of a June 2001 institutional reform program. The regions also gained greater fiscal autonomy, and there was a restructuring of finances for the linguistic community councils. The Federal government is now responsible only for issues such as justice, the interior, foreign policy, defence, social security and some health matters. In addition to the regions and linguistic community councils, there are 10 provinces and 589 municipalities.

Government

5. The head of the Liberal-led government is Prime Minister Guy Verhofstadt (VLD - Flemish Liberal and Democratic Party). The government was formed after the 2003 Federal elections, with the next elections to be held in June 2007.

6. The 2004 regional elections produced a coalition government of Christian Democrats (NVA) and the far right Vlaams Blok in the region of Flanders. In Brussels and Wallonia, the Socialists won by significantly increasing their vote.

Political Developments/Current Issues

7. During its first term in office, Prime Minister Verhofstadt's government implemented a number of administrative reforms including of the police and judicial system, civil service and armed services. Other priorities for the government during its first term included reform of the federal social security system and the electoral system. The government also worked to address continuing tensions in the three-tiered government system by devolving more responsibilities and greater control over taxes to the regions and communities.

8. The government's policy priorities during the present term include increased health and welfare expenditure, job creation and a number of measures in the environment, transport and justice sectors. In October 2005, the government released a package of reforms aimed at boosting employment, encouraging spending on research and development and improving business conditions.

Bilateral Trade and Investment Relationship

9. Belgium ranked as Australia's 24th largest merchandise trading partner in 2005-2006, with two-way merchandise trade totalling \$2.51 billion. Two-way services trade totalled \$221 million.

10. In 2005, Belgium was ranked as Australia's 8th largest source of investment, with total investment inwards to Australia from Belgium at \$23.09 billion. Investment outwards from Australia to Belgium totalled A\$1.29 billion in 2005.

June 2007.



BELGIUM

Fact Sheet

General information:

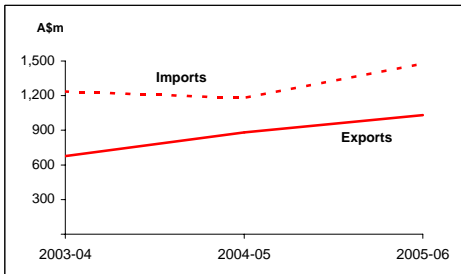
Fact sheets are updated biannually; May and September

Capital:	Brussels
Surface area:	31 thousand sq km
Official languages:	Dutch, French, German
Population:	10.4 million (2005)
Exchange rate:	A\$1 = 0.5920 Euros (July 2006)

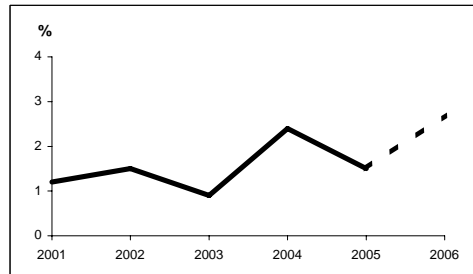
Head of State:	H.M. King Albert II
Head of Government:	Prime Minister Mr Guy Verhofstadt

<i>Recent economic indicators:</i>	2001	2002	2003	2004	2005(a)	2006(b)
GDP (US\$bn) (current prices):	231.9	252.7	310.5	357.4	371.7	387.0
GDP PPP (US\$bn) (c):	280.3	287.8	297.4	313.5	325.2	338.5
GDP per capita (US\$):	22,496	24,406	29,869	34,363	35,712	37,164
GDP per capita PPP (US\$) (c):	27,192	27,792	28,603	30,142	31,244	32,500
Real GDP growth (% change YOY):	1.2	1.5	0.9	2.4	1.5	2.7
Current account balance (US\$m):	7,896	11,729	12,698	12,171	10,096	10,931
Current account balance (% GDP):	3.4	4.6	4.1	3.4	2.7	2.8
Goods & services exports (% GDP):	85.0	81.9	80.4	83.4	87.1	96.7
Inflation (% change YOY):	2.4	1.6	1.5	1.9	2.5	2.4

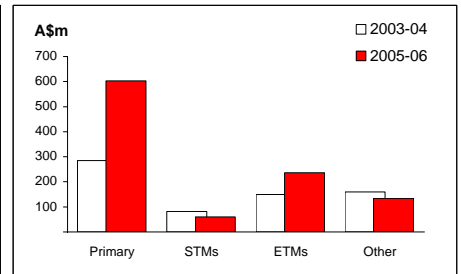
Australia's merchandise trade with Belgium (d)



Real GDP growth



Australia's merchandise exports to Belgium (d)



Australia's trade relationship with Belgium (e):

Australian merchandise trade with Belgium, 2005-06:		<u>Total share:</u>	<u>Rank:</u>	<u>Growth (yoy):</u>
Exports to Belgium (A\$m):	1,033	0.7%	23rd	17.1%
Imports from Belgium (A\$m):	1,478	0.9%	23rd	25.4%
Total trade (exports + imports) (A\$m):	2,511	0.8%	24th	21.8%

Major Australian merch. Exports*, 2005-06 (A\$m):

Coal	306
Lead ores and concentrates	101
Nickel	101
Medicaments (incl. veterinary)	44

Major Australian merch. imports, 2005-06 (A\$m):

Passenger motor vehicles	326
Medicaments (incl. veterinary)	157
Medicinal & pharmaceutical products	139
Pearls and gems	57

*Includes A\$132m of confidential items, 12.8% of total exports.

Australia's trade in services with Belgium, 2005-06 (f):

Exports of services to Belgium (A\$m):	152	<u>Total share:</u> 0.4%
Imports of services from Belgium (A\$m):	69	0.2%

Major Australian service exports, 2005-06 (A\$m) (f):

Personal travel excl. education	41
Financial services	18

Major Australian service imports, 2005-06 (A\$m) (f):

Other business services	23
Personal travel excl. education	12

Belgium's global merchandise trade relationships:

Belgium's principal export destinations, 2005:

1	Germany	19.3%
2	France	17.3%
3	Netherlands	11.7%
29	Australia	0.4%

Belgium's principal import sources, 2005:

1	Netherlands	17.7%
2	Germany	17.2%
3	France	11.4%
34	Australia	0.3%

Compiled by the Market Information and Analysis Section, DFAT, using the latest data from the ABS, the IMF and various international sources.

(a) All recent data subject to revision; (b) IMF/EIU forecast; (c) PPP is purchasing power parity; (d) There has been a break in the series; prior to 1 July 2003 data was recorded for the Belgium-Luxembourg Union; (e) Total may not add due to rounding. (f) Includes Luxembourg.

List of other treaties with Belgium

In Force:

Convention [between United Kingdom and Belgium] respecting Legal Proceedings in Civil and Commercial Matters

[1928] ATS 1

Convention [between United Kingdom and Belgium] supplementary to the Convention respecting Legal Proceedings in Civil and Commercial Matters of 21 June 1922

[1935] ATS 1

Agreement [between Australia, Canada, India, New Zealand, Pakistan, South Africa and the United Kingdom, and Belgium] respecting the War Cemeteries, Graves and Memorials of the British Commonwealth in Belgian Territory

[1951] ATS 14

Agreement with the Kingdom of Belgium for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income

[1979] ATS 21

Treaty on Extradition with the Kingdom of Belgium

[1986] ATS 24

Protocol amending the Agreement with the Kingdom of Belgium for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income of 13 October 1977

[1986] ASTS 25

Agreement with the Kingdom of Belgium on working holiday arrangements

[2004] ATS 13

Agreement on Social Security with the Kingdom of Belgium

[2005] ATS 14

Agreement with the Kingdom of Belgium on the gainful employment of certain dependants of diplomatic and consular personnel

[2006] ATS 14

List of treaties on bilateral health care with other countries

In Force:

Agreement on Health Services with the United Kingdom of Great Britain and Northern Ireland
[1986] ATS 13

Agreement on Health Services with the Republic of Malta
[1988] ATS 13

Reciprocal Agreement with Italy in the Matter of Health Assistance
[1988] ATS 24

Agreement on Medical Treatment for Temporary Visitors with the Kingdom of Sweden
[1989] ATS 5

Agreement with the Kingdom of the Netherlands concerning the Provision of Medical Treatment
[1992] ATS 3

Agreement on Medical Treatment for Temporary Visitors with the Kingdom of Finland
[1993] ATS 24

Exchange of Letters constituting an Agreement with Sweden to Amend Article 1(1) of the Agreement on Medical Treatment for Temporary Visitors of 14 February 1989
[1995] ATS 16

Agreement on Medical Treatment for Temporary Visitors with Ireland
[1998] ATS 14

Exchange of Letters amending Articles 1, 2 and 3 of the Agreement on Health Services with the Republic of Malta of 6 July 1988
[1998] ATS 15

Agreement on Medical Treatment for Temporary Visitors with New Zealand
[1999] ATS 15

Exchange of Letters amending Articles 1, 2 and 3 of the Agreement with the United Kingdom of Great Britain and Northern Ireland on Health Services of 21 March 1986
[2000] ATS 28

Exchange of Letters amending the Agreement on Medical Treatment for Temporary Visitors with Ireland of 12 September 1997
[2003] ATS 2

Agreement with the Kingdom of Norway on Medical Treatment for Temporary Visitors
[2004] ATS 6

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