

Submission 9  
TT 28 March 2006



RECEIVED  
14 SEP 2006  
BY: *[Signature]*

---

**The Hon Mark Vaile MP**

**Deputy Prime Minister  
Minister for Trade  
Leader of The Nationals**

**13 SEP 2006**

Dr Andrew Southcott MP  
Chair  
Joint Standing Committee on Treaties  
Parliament House  
CANBERRA ACT 2600

Dear Dr Southcott

Thank you for your letter of 16 August 2006 concerning the Exchange of Letters constituting an Agreement between the Government of Australia and the Government of New Zealand to Amend Article 3 of the Australia New Zealand Closer Economic Relations Trade Agreement (ANZCERTA) of 28 March 1983.

As you are aware, the Minister for Industry, Tourism and Resources, Ian Macfarlane and I announced on 3 February 2006 that new Rules of Origin (ROO) would be adopted under ANZCERTA. The new ANZCERTA ROO are the result of a lengthy and rigorous process, including a comprehensive study by the Productivity Commission, detailed negotiations between the Australian and New Zealand Governments and extensive consultations with Australian and New Zealand industry.

The Australian and New Zealand Governments, and industry on both sides of the Tasman are of the view that the proposed adoption of new ANZCERTA ROO based on a change of tariff classification approach will bring significant benefits to trans-Tasman trade by reducing costs for business and simplifying the rules. Any changes to the new arrangements would require the agreement of the Australian and New Zealand Governments and further consultations with Australian industry.

I note the advice in your letter that Albright & Wilson (Australia) Limited has made representations to the Committee requesting that the current ANZCERTA regional value content-based rule for tariff category 3402.20 (washing preparations for retail sale) be applied exclusively during the 5-year grandfathering period proposed under the new ANZCERTA ROO. The company has made similar representations to me.

In order to respond to the Committee and the company I have sought advice from the Industry Minister, Mr Macfarlane, on the issues raised and whether those issues could potentially negatively affect other Australian companies that have trade contracts with New Zealand companies. Once I have that advice, I will provide a detailed reply to your letter.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Mark Vaile'.

MARK VAILE