



Jon Stanhope MLA

CHIEF MINISTER

ATTORNEY GENERAL MINISTER FOR THE ENVIRONMENT
MINISTER FOR COMMUNITY AFFAIRS

MEMBER FOR GINNINDERRA

Senator Peter Cook
Chair
Senate Select Committee on the Free Trade Agreement
between Australia and the United States of America
Parliament House
CANBERRA ACT 2600



Dear Senator Cook

I refer to my letter of 3 May 2004 making a submission on behalf of the ACT Government to the Senate Select Committee on the Australia-United States Free Trade Agreement (AUSFTA).

The ACT Government has decided to participate in the Government Procurement Chapter of the AUSFTA.

However, I must emphasise that the ACT Government's participation does not constitute an endorsement of the agreement as a whole.

As I expressed in the ACT Government's submission to the Senate Select Committee, I consider that the AUSFTA is disappointing in many respects and falls significantly short of the objectives declared by the Commonwealth Government at the commencement of the negotiations.

The ACT's participation in the Government Procurement Chapter of the AUSFTA, along with all other Australian States and Territories, has not been matched by comprehensive Australian access to US State government procurement markets.

The participation of only 27 US States means that the AUSFTA provides Australian companies with access to a US State-level procurement market only approximately 72% of the size of that liberalised in the US-Chile Free Trade Agreement.

This outcome is, needless to say, sub-optimal, and reflects the unbalanced nature of the final AUSFTA outcome.

ACT LEGISLATIVE ASSEMBLY

London Circuit, Canberra ACT 2601 GPO Box 1020, Canberra ACT 2601
Phone (02) 6205 0104 Fax (02) 6205 0433

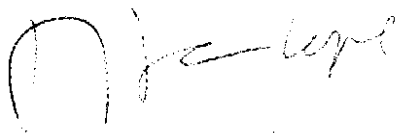


In addition, the ACT Government remains concerned with the AUSFTA's potential implications for the Pharmaceutical Benefits Scheme (PBS), which contain the significant risk of increasing costs for consumers and for State and Territory health systems.

The ACT Government is also concerned that the AUSFTA not undermine the ability of Australian governments to legislate in the interests of environmental protection, nor undermine the Commonwealth Government's capacity to regulate for local content in new and emerging media.

Therefore, despite our participation in the Government Procurement Chapter of the AUSFTA, the ACT Government cannot endorse the Agreement as a whole.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Jon Stanhope', is written over a circular stamp or seal.

Jon Stanhope MLA
Chief Minister

26 MAY 2004