

FREE TRADE AGREEMENT, DISCUSSIONS BETWEEN GOVERNMENTS OF AUSTRALIA AND THE
UNITED STATES

1001. Mr J.B. D'ORAZIO to the Minister for State Development:

I refer to the ongoing discussions between the Governments of Australia and the United States of America. What are the potential benefits and implications of such an agreement for Western Australia?

Mr C.M. BROWN replied:

Members are aware that discussions are ongoing between the Australian Government and the Government of the United States of America to enter into a free trade agreement. The Prime Minister of Australia and the President of the United States have indicated they would like to secure an agreement, if possible, by the end of this calendar year. This is an important issue because all free trade agreements provide potential benefits for both sides, but they also provide implications for both sides. It is important that the Western Australian business community understands the benefits and the implications of such an agreement.

Obviously, this State already has a considerable number of companies that export to the United States of America that would benefit from the liberalisation of trade arrangements between Australia and the United States. However, it is important in the context of the ongoing negotiations that companies that not only are exporters, but also operate in the domestic market, take an interest in the discussions taking place and the outcome of those discussions. The reason I say that is that one of the issues that is the subject of discussions between the two Governments relates to government purchasing arrangements; that is, purchasing arrangements by both the Australian Government and State Governments. If an agreement is concluded on that matter, although it is potentially possible for Western Australian companies to be given access to United States federal government and federal administration contracts and to contracts that are issued by various state administrations in the United States, likewise it will be possible for US-based companies to seek the same sort of access to state government purchasing contracts in both Western Australia and other States. Many companies in Western Australia derive part of their income from contracts with the State Government, and of course those companies may not export or be in the export market. As such, it is important for all companies, whether or not they are in the export market or export to the United States, to take an active interest in these negotiations in order to provide feedback to both the federal and State Governments on the implications of such trade liberalisation arrangements.

There are some critical issues and I will deal with some very quickly. Obviously, from an agricultural perspective, the issues of the Australian single desk and quarantine arrangements are very important for our primary producers, particularly given single desk arrangements in the United States. There are also implications from the operation of the Jones Act in the United States for our shipbuilders in Western Australia. This is an important question. It is one that businesses in Western Australia, whether they operate in the domestic market or in the international market, need to take an active interest in. We are looking at holding some forums in various parts of the State to engage with the business community on the implications of the free trade agreement so that the entire business community understands what the implications and benefits may be.