



## Department for International Trade

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Our ref: MCB2021/05099

By email: [iain.stewart.mp@parliament.uk](mailto:iain.stewart.mp@parliament.uk)

31 August 2021

Dear Iain,

Thank you for your email of 10 August to the Foreign, Commonwealth and Development Office, on behalf of your constituents, regarding the UK-Australia Free Trade Agreement (FTA). I am responding as the Minister responsible.

This deal is the first we have negotiated from scratch since leaving the EU and shows what we are capable of as a sovereign trading nation. It is a fundamentally liberalising agreement that removes tariffs on all UK exports, from cars and whisky to ceramics, as well as deepening access for our services providers.

Our Government believes that our farmers are the best in the world and we are confident that they will prosper as global demand for high-quality and sustainable food grows.

Throughout negotiations we have listened closely to the concerns of farmers. Consequently, we have agreed 15 years of capped tariff free imports from Australia. This means that Australian farmers will only have the same access as those from the EU 15 years after the agreement comes into force. The quotas and safeguards set out in the agreement provide protection and the ability to apply tariffs for the next 15 years should import volumes from Australia exceed specified triggers.

I can also assure your constituents that this deal will not compromise our high standards of animal welfare. In a first for any FTA, we have agreed a non-regression clause on animal welfare with Australia. Securing this commitment means that neither country can lower their animal welfare standards to undercut the other. Furthermore, this agreement does not create new permissions for imports from Australia. All agri-food products imported into the UK under existing or future FTAs will, as now, have to comply with our import requirements, including the ban on hormone-treated beef.

Our deal with Australia also paves the way to membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and accessing the growing middle-class markets of the Pacific rim. Those markets are already Australia's focus, making it unlikely large volumes of beef and sheep will be diverted to the UK. More than 75 per cent of Australian beef exports, and more than 70 percent of sheep meat in 2020, were to the Asia-Pacific, where the costs of beef production can be twice as high than the UK in some markets.

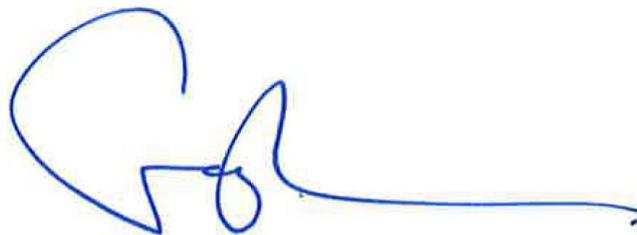
To address your constituent's points around services, the UK was Australia's third-largest trading partner in services in 2019 and this deal will bring numerous benefits to the services sector. In financial services, we will be seeking to lock in the openness in trade between the UK and Australia to provide greater legal certainty and predictability for UK firms; and will go even further by establishing best in class terms for closer regulatory cooperation.

Both sides have also reached consensus over the core elements on professional services and legal services in the UK-Australia FTA. This includes commitments that will secure long term benefits for the UK and Australian professionals, through collaboration between the UK and Australian accreditation and regulatory authorities to allow for British and Australian professionals to deliver their services more easily in each other's markets.

Finally, regarding the questions around Parliament's role in scrutinising the FTA following June's Agreement in Principle (AIP), a number of steps need to be completed before the Agreement can enter into force and any of the commitments outlined at AIP can be carried out. At signature, this includes publishing the full treaty text, an explanatory memorandum, and an independently scrutinised economic impact assessment. We will also provide the agreement to the independent Trade and Agriculture Commission in order for it to prepare its advice, provide time for the relevant Parliamentary Committees to report on the Agreement, and give Parliament an opportunity to scrutinise it. Any legislative changes required to give effect to the agreement will also be introduced before it enters into force.

Thank you once again for writing. I hope my response is helpful and of reassurance to your constituents.

*Yours sincerely,*

A handwritten signature in blue ink, appearing to read 'G Hands', with a long horizontal line extending to the right.

**THE RT HON GREG HANDS MP**  
Minister of State for Trade Policy  
Department for International Trade