

PROPOSED EXCHANGE OF LETTERS
EDUCATION

The Honourable Robert B. Zoellick
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Zoellick:

I refer to the Australia-United States Free Trade Agreement that was signed today (the "Agreement") and to the discussions during the negotiation of Chapters Ten (Cross-Border Trade in Services) and Eleven (Investment) of the Agreement regarding the supply of education services.

I have the honour to confirm the understanding reached by Australia and the United States that nothing in the above chapters will interfere with:

- (a) the ability of individual education and training institutions to maintain autonomy in admissions policies (including in relation to considerations of equal opportunity for students and recognition of credits and degrees), in setting tuition rates, and in the development of curricula or course content;
- (b) non-discriminatory accreditation and quality assurance procedures for education and training institutions and their programs, including the standards that must be met;
- (c) government funding, subsidies or grants, such as land grants, preferential tax treatment, and other public benefits, provided to education and training institutions; or
- (d) the need for education and training institutions to comply with non-discriminatory requirements related to the establishment and operation of a facility in a particular jurisdiction.

I would be grateful if you would confirm that your government shares this understanding and propose that the above understanding be treated as an integral part of the Agreement.

Sincerely,

MARK VAILE

DRAFT
SUBJECT TO LEGAL REVIEW FOR ACCURACY, CLARITY AND CONSISTENCY
MARCH 1, 2004

[Letter in Reply]

The Honourable Mark Vaile MP
Minister for Trade
Parliament House
Canberra ACT 2600

Dear Minister Vaile:

I have the honour to confirm receipt of your letter of this date, which reads as follows:

“Dear Ambassador Zoellick:

I refer to the Australia-United States Free Trade Agreement that was signed today (the “Agreement”) and to the discussions during the negotiation of Chapters Ten (Cross-Border Trade in Services) and Eleven (Investment) of the Agreement regarding the supply of education services.

I have the honour to confirm the understanding reached by Australia and the United States that nothing in the above chapters will interfere with:

- (e) the ability of individual education and training institutions to maintain autonomy in admissions policies (including in relation to considerations of equal opportunity for students and recognition of credits and degrees), in setting tuition rates, and in the development of curricula or course content;
- (f) non-discriminatory accreditation and quality assurance procedures for education and training institutions and their programs, including the standards that must be met;
- (g) government funding, subsidies or grants, such as land grants, preferential tax treatment, and other public benefits, provided to education and training institutions; or
- (h) the need for education and training institutions to comply with non-discriminatory requirements related to the establishment and operation of a facility in a particular jurisdiction.

I would be grateful if you would confirm that your government shares this understanding and propose that the above understanding be treated as an integral part of the Agreement.

Sincerely,

MARK VAILE”

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SUBJECT TO LEGAL REVIEW FOR ACCURACY, CLARITY AND CONSISTENCY
MARCH 1, 2004

I have the honour to confirm that my government shares this understanding and that your letter and this reply are an integral part of the Agreement.

Sincerely,

Robert B. Zoellick

DRAFT
SUBJECT TO LEGAL REVIEW FOR ACCURACY, CLARITY AND CONSISTENCY
MARCH 1, 2004

[Signature]

[Letter from United States to Australia to confirm above language]