



THE AUSTRALIA/UNITED STATES FREE TRADE AGREEMENT

What Australian Writers' Guild Members Need to Know

WHAT IS THE AUSTRALIA/UNITED STATES FREE TRADE AGREEMENT?

Free Trade Agreements (FTA) are like contracts between countries to provide more opportunities for trade between those countries. The goal of these agreements is to reduce tariffs and government regulations and increase market access between the signatory countries. These agreements are not only binding on the governments that negotiate them, but on all future governments.

Australia is negotiating with the United States for a FTA. This agreement was announced in November last year, and last month Prime Minister John Howard and President George W Bush said they want it concluded by the end of 2003. Given that it took Australia two years to negotiate a FTA with Singapore, this is a very ambitious timeline.

Australian cultural policy, cultural services and the audiovisual sector are amongst the most contentious and controversial areas potentially affected by the Australia/US FTA.

WHY IS CULTURE AT RISK?

Australia's film, television and performing arts industries are dynamic and vital industries that rely on Australian Government support through subsidies and regulation.

These Government policies recognise the importance of our cultural industries in reflecting Australian stories and faces on our stages and screens and promoting our unique cultural identity to the rest of the world. They are essential in order for our cultural industries to thrive.

And thrive they do. Our film and television industries are amongst the world's most efficient and, for a country of only 20 million people, when it comes to international performance, we punch well above our weight.

Some of the cultural policies that have encouraged our cultural industry and talent to flourish include:

- Local content regulations for commercial television, pay television and radio.
- Direct subsidies for production and development through Federal and State funding agencies.
- Tax concessions for investment in Australian feature films, television mini-series and documentaries.

Although the Australian Government says that Australia's cultural and social policies will be taken into account during the negotiations, the AWG believes that Australia is under enormous pressure from the United States to trade off our cultural industry and substantially de-regulate the cultural sector.

As long as culture remains on the negotiating table **our** stories, **our** culture, **our** skills are at risk.

The AWG demands that the Australian Government retains the right to regulate our market to ensure space for the development, reflection and unfettered growth of our own culture. Space to write and tell our own stories.

To do this, culture must be permanently taken off the negotiating table. It must and can be removed from the Australia/US Free Trade Agreement.

BUT THE AMERICAN'S SAID THEY DON'T WANT OUR CONTENT QUOTAS ...

At the end of May after the second round of negotiations (held in Hawaii) concluded, the leading US negotiator Ralph Ives said:

'We're not seeking, as some in Australia have indicated, to abolish either the broadcast quota or the subsidies – let's make that clear. If the current system is working for Australians, and if it is working for the US industry that we consulted with, then I'm not sure there is any reason to change.'

Sounds like good news doesn't it? It isn't. It simply confirms the AWG's belief that the US wants nothing less than 'standstill' commitments. Standstill commitments mean exactly that – Australia would commit to not introducing government regulations beyond those that we have now in 2003. This means that we couldn't increase the current content quotas and we couldn't create new Government cultural regulations to regulate new technologies. Australian cultural policy would remain in 2003 forever.

The AWG cannot read the future. But we know that in 2010 the world and technologies will look remarkably different. In 2008 it is expected that Australians will begin the switch to digital television. Analogue TV will be thrown in the great dustbin of history along with the technology formerly used to write and copy scripts – typewriters and gestetter machines.

If Australia does not remove cultural services from the FTA and makes standstill commitments our cultural policy regulations will have as much potency as a stone catapult would have had during the Iraq war. We will be at risk of losing our own cultural space within our own market.

WHAT IS E-COMMERCE?

Books, video, DVD, music and downloadable films are now traded via e-commerce and e-commerce is a chapter within the Australia/US FTA. While the negotiations are being carried out in secret, the AWG believes that the US approach to e-commerce in this FTA will be substantially similar as their approach was in the Chile/US and the Singapore/US

FTAs where the US was successful in defining e-commerce as anything and everything that is digitally broadcast and traded.

What is slated to be digitally broadcast in 2008?

That's right. Australian Television.

While we don't know what technology will look like and therefore what e-commerce will come to mean in the future, we do know that we want Australia to maintain its ability to regulate cultural content as it sees fit. The AWG demands that all culture and content be removed from Australia/US FTA, including anything that could impact on cultural services within the e-commerce chapter.

WHY WOULD AUSTRALIAN CONTENT DISAPPEAR FROM OUR TELEVISION SCREENS?

Here's a snapshot.

In the US the cost of television production is substantially or fully recovered from the local US market. US television product is then sold into the Australian market at a fraction of the real costs of production. An American AUD\$3 million per hour series, fully financed out of the US, can be sold to an Australian broadcaster for AUD\$30,000/100,000 per hour, in other words between 1% - 3.5% of its production costs.

An Australian AUD\$500,000 per hour is a big budget series. Local broadcasters only pay AUD\$250,000 per hour and the rest is funded against potential overseas sales by the Australian production company.

So if you're an Australian broadcaster and you're no longer required to produce Australian drama, would you spend half a million Aussie dollars on producing one hour of Aussie drama or would you spend a fraction of that amount on an American show that looks like 3 million dollars? Hmmmm.

FREE TRADE MEANS FAIR TRADE

The AWG is neither anti free trade nor anti American. We welcome and encourage a culturally diverse range of films, television, plays, books, music etc.

The American industry is huge compared with ours. The US Copyright industries are worth AUD\$ 850 billion. Our copyright industries are worth AUD\$ 20 billion, making the US industry 40 times bigger than ours.

Of the 250 films released in Australia every year, around 70% are from the US and 10% are Australian. US films take approximately 92% of our cinema box office. In terms of Australian television, over 63% of new shows are from overseas

It is the opinion of the AWG that our cultural policies and regulations ensure that we have culturally diverse representation of ourselves on our screens and stages. Unless Australia maintains its cultural sovereignty, this cultural diversity will vanish. We'll lose our image of ourselves.

In the US, five companies (AOL/Time Warner, Viacom/CBS/UPN, GE/NBC, Disney/ABC, and Fox/News Corp.) both produce and distribute the programming seen by the vast majority of Americans on broadcast and cable. This means that Americans ultimately hear only the voices of those five corporate leviathans, no matter how many channels they receive.

Australia could face the same crisis if we do not maintain our cultural sovereignty.

Cultural services must never bow to trade. By virtue of their unique and irreplaceable role, artistic works, cultural productions and cultural goods and services are not commodities like any other and can therefore not be reduced to economic terms alone.

Culture is important. Trade agreements should never take away our freedom to tell our stories.

SO WHAT CAN YOU DO TO HELP?

Write to your local Member of Parliament.

Log on to <http://www.aph.gov.au/house/members/index.htm> and check out who's who in the House of Representatives. This will help you find out your electorate and your elected representative.

Like with any form of writing, your own voice is the most effective. However you may like to include the following demands:

- Australia must exclude all cultural goods and services from the Australia/United States Free Trade Agreement.
- The inclusion of the cultural industries in any free trade agreement puts our culture and cultural sovereignty at risk.
- Australia must never accede to a 'standstill' position.

And there are a few other things you can do...

Ensure that the AWG has your email address so that you can receive the fortnightly electronic updates.

Contact the AWG and get active in the campaign so that you are able to bring other writers up to speed. It's important that you know all the facts and keep informed

Talk to people – tell them about it. 71% of Australians have said that they would not support a Free Trade Agreement if it resulted in fewer Australian films and television programs broadcast on television.

Encourage working writers and emerging writers to join the AWG. If we are to win this campaign we need a strong Guild.

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