

30 July 2008

Honourable
Alejandro Foxley Rioseco
Ministry of Foreign Affairs
Teatinos 180
Santiago
Chile

Dear Minister Foxley

In connection with the signing on this date of the Australia-Chile Free Trade Agreement (the "Agreement"), I have the honour to confirm the following understanding reached by the Governments of Australia and the Republic of Chile regarding Chapter 9 (Cross-Border Trade in Services) and Chapter 10 (Investment) regarding education services.

Nothing in the above Chapters shall 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 have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.

Yours sincerely

[signed]

Stephen Smith
Minister for Foreign Affairs

30 July 2008

Mr Stephen Smith MP
Minister for Foreign Affairs
Parliament House
Canberra ACT 2600

Dear Minister Smith

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

“In connection with the signing on this date of the Australia-Chile Free Trade Agreement (the “Agreement”), I have the honour to confirm the following understanding reached by the Governments of Australia and the Republic of Chile regarding Chapter 9 (Cross-Border Trade in Services) and Chapter 10 (Investment) regarding education services.

Nothing in the above Chapters shall 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 have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.”

I have the further honour to confirm that my Government shares this understanding and that your letter and this letter in reply shall constitute an integral part of the Australia-Chile Free Trade Agreement.

Yours sincerely,

[signed]

Alejandro Foxley Rioseco
Minister for Foreign Affairs