

Report 102

Treaties tabled on 12 and 16 March 2009

Agreement Establishing the Association of Southeast Asian Nations-Australia-New Zealand Free Trade Area (Cha-am, Phetchaburi, Thailand, 27 February 2009)

Agreement between the Government of Australia and the Government of the Isle of Man on the Exchange of Information with Respect to Taxes (London, 29 January 2009)

Agreement between the Government of Australia and the Government of the Isle of Man for the Allocation of Taxing Rights with Respect to Certain Income of Individuals and to Establish a Mutual Agreement Procedure in Respect of Transfer Pricing Adjustments (London, 29 January 2009)

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Membership of the Committee

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Resolution of Appointment

The Resolution of Appointment of the Joint Standing Committee on Treaties allows it to inquire into and report on:

- a) matters arising from treaties and related National Interest Analyses and proposed treaty actions and related Explanatory Statements presented or deemed to be presented to the Parliament;
- b) any question relating to a treaty or other international instrument, whether or not negotiated to completion, referred to the committee by:
 - (i) either House of the Parliament, or
 - (ii) a Minister; and

such other matters as may be referred to the committee by the Minister for Foreign Affairs and on such conditions as the Minister may prescribe.



List of abbreviations

AANZFTA	Agreement Establishing the ASEAN – Australia – New Zealand Free Trade Area
ASEAN	Association of South East Asian Nations
ATO	Australian Taxation Office
AUSTRAC	Australian Transaction Reports and Analysis Centre
FTA	Free Trade Agreement
HMAC	Horticulture Market Access Committee
IoM	Isle of Man
NIA	National Interest Analysis
OECD	Organisation for Economic Co-operation and Development
TIEA	Taxation Information Exchange Agreement



List of recommendations

2 Agreement Establishing the ASEAN – Australia – New Zealand Free Trade Area

Recommendation 1

The Committee recommends that the Australian Government pursue all possible bilateral and multilateral avenues to secure improved tariff outcomes for the horticulture industry.

Recommendation 2

The Committee recommends that, in the absence of other measures designed to improve free trade, a free trade agreement negotiated by Australia should not include a tariff outcome on a tariff line that is worse than the existing tariff on that tariff line.

Recommendation 3

The Committee recommends that in future free trade agreements, Australia should negotiate for the binding tariff rate to be the lower of either the rate at the time of binding, or the Most Favoured Nation tariff rate at the time the free trade agreement comes into force.

Recommendation 4

The Committee recommends that the Department of Foreign Affairs and Trade prepare a report for the Committee examining mechanisms to allow negotiators to directly consult with industry representatives during the negotiation process.

Recommendation 5

The Committee recommends that the Australian Government include consideration of environment protection, protection of human rights and labour standards in all future negotiation mandates for free trade agreements.

Recommendation 6

The Committee supports the *Agreement Establishing the ASEAN – Australia – New Zealand Free Trade Area* and recommends that binding treaty action be taken.

3 Two taxation Agreements with the Isle of Man

Recommendation 7

The Committee supports the *Agreement between the Government of Australia and the Government of the Isle of Man on the Exchange of Information with Respect to Taxes* and recommends that binding treaty action be taken.

Recommendation 8

The Committee supports the *Agreement between the Government of Australia and the Government of the Isle of Man for the Allocation of Taxing Rights with Respect to Certain Income of Individuals and to Establish a Mutual Agreement Procedure in Respect of Transfer Pricing Adjustments* and recommends that binding treaty action be taken.

Introduction

Purpose of the Report

- 1.1 This report contains advice to Parliament on the review by the Joint Standing Committee on Treaties of three treaty actions tabled in Parliament on 12 and 16 March 2009. These treaty actions are:
- the *Agreement Establishing the Association of Southeast Asian Nations-Australia-New Zealand Free Trade Area (Cha-am, Phetchaburi, Thailand, 27 February 2009)*;¹
 - the *Agreement between the Government of Australia and the Government of the Isle of Man on the Exchange of Information with Respect to Taxes (London, 29 January 2009)*;² and
 - the *Agreement between the Government of Australia and the Government of the Isle of Man for the Allocation of Taxing Rights with Respect to Certain Income of Individuals and to Establish a Mutual Agreement Procedure in Respect of Transfer Pricing Adjustments (London, 29 January 2009)*.³
- 1.2 The report refers frequently to the National Interest Analysis (NIA) prepared for each proposed treaty action and a Regulatory Impact Statement (RIS) for the *Agreement Establishing the Association of Southeast Asian Nations-Australia-New Zealand Free Trade Area*. These

1 Australia, House of Representatives 2008-09, *Votes and Proceedings*, No. 84, p. 936; Australia, Senate 2008-09, *Journal*, No. 63, p. 1716.

2 Australia, House of Representatives 2008-09, *Votes and Proceedings*, No. 83, p. 931; Australia, Senate 2008-09, *Journal*, No. 64, p. 1731.

3 Australia, House of Representatives 2008-09, *Votes and Proceedings*, No. 83, p. 931; Australia, Senate 2008-09, *Journal*, No. 64, p. 1731.

documents were prepared by the Government agencies responsible for the administration of Australia's responsibilities under each treaty. Copies of each NIA and the RIS may be obtained from the Committee Secretariat or accessed through the Committee's website at:

www.aph.gov.au/house/committee/jsct/12march2009/tor.htm

www.aph.gov.au/house/committee/jsct/16march2009/tor.htm

- 1.3 Copies of each treaty action, the NIAs and the RIS may also be obtained from the Australian Treaties Library maintained on the internet by the Department of Foreign Affairs and Trade. The Australian Treaties Library is accessible through the Committee's website or directly at:

www.austlii.edu.au/au/other/dfat/

Conduct of the Committee's Review

- 1.4 The reviews contained in this report were advertised in the national press and on the Committee's website.⁴ Invitations to lodge submissions were also sent to all State Premiers, Chief Ministers, Presiding Officers of parliaments and to individuals who have expressed an interest in being kept informed of proposed treaty actions. Submissions received and their authors are listed at Appendix A.
- 1.5 The Committee also received evidence at public hearings held on 7 May 2009, 11 May 2009 and 29 May 2009 in Darwin and Canberra. A list of witnesses who appeared at the public hearing is at Appendix B. Transcripts of evidence from public hearings may be obtained from the Committee Secretariat or accessed through the Committee's website at:

www.aph.gov.au/house/committee/jsct/12march2009/hearings.htm

www.aph.gov.au/house/committee/jsct/16march2009/hearings.htm

4 The Committee's reviews of the proposed treaty actions were advertised in *The Australian* on 18 March 2009. Members of the public were advised on how to obtain relevant information both in the advertisement and via the Committee's website, and invited to submit their views to the Committee.

Agreement Establishing the ASEAN – Australia – New Zealand Free Trade Area

Introduction

2.1 The Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) is a free trade agreement between ASEAN, Australia and New Zealand. The members of ASEAN are:

- Burma;
- Brunei Darussalam;
- Cambodia;
- Indonesia;
- Laos;
- Malaysia;
- the Philippines;
- Singapore;
- Thailand; and
- Vietnam.¹

2.2 The AANZFTA was signed by all Parties on 27 February 2009, and will come into force on or after 1 July 2009 provided that Australia, New Zealand and at least four ASEAN countries notify each other of the completion of their internal requirements.

2.3 The AANZFTA is the first plurilateral free trade agreement that Australia has signed. It is also the largest free trade agreement that Australia has

1 AANZFTA NIA, Paragraph 1.

signed.² ASEAN member countries and New Zealand together account for 21 per cent of Australia's total trade in goods and services, amounting to \$103 billion in 2007/08.³

- 2.4 The AANZFTA is intended to liberalise and facilitate trade between the Parties to the Agreement. Countries are obliged to eliminate tariffs applied to goods and services imported from other countries that meet the agreed rules of origin criteria. Above 90 per cent of goods and services traded between the more developed countries are expected to be tariff free by 2013.⁴ However, longer transition periods have been agreed for Vietnam, Burma, Cambodia and Laos. These nations are not expected to reduce tariffs at all before 2013, and will not remove tariffs altogether until 2024.⁵
- 2.5 In terms of costs to Australia, the Treasury has estimated that Australia will lose \$971 million in revenues from tariff reductions up to the 2012/13 financial year.⁶
- 2.6 The bulk of submissions received as part of this inquiry supported Australia ratifying AANZFTA.⁷ In particular, submitters supported the:
- regime of investment protections that will create greater transparency and certainty for Australian investors in the region;⁸
 - the commitments in trade related areas such as intellectual property;⁹ and
 - the economic cooperation component which will provide technical assistance and capacity building to developing ASEAN countries to assist in implementation of the free trade agreement.¹⁰
- 2.7 This technical assistance is an integral part of the FTA and the Australian Government has committed to provide up to \$20 million in funding for worthwhile projects over a five-year period.¹¹

2 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 2.

3 AANZFTA NIA, Paragraph 3.

4 AANZFTA NIA, Paragraph 13.

5 AANZFTA NIA Annex 1 – *Summary of Key Obligations*, Paragraph 5.

6 AANZFTA NIA, Paragraph 21.

7 Australian Industry Group, *Submission*, p. 2; Insurance Council of Australia, *Submission*, p. 1; National Farmers' Federation, *Submission*, p. 1; Universities Australia, *Submission*, p. 1.

8 Minerals Council of Australia, *Submission*, p. 1; Telstra, *Submission*, p. 1.

9 Media Entertainment and Arts Alliance, *Submission*, p. 2; Music Council of Australia, *Submission*, p. 2.

10 National Institute of Accountants, *Submission*, p. 5; Business Council of Australia, *Submission*, p.1.

11 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 2.

The prudential purpose of the Agreement

- 2.8 The AANZFTA appears to be serving a strategic and prudential purpose from Australia's point of view. The National Interest Analysis (NIA) highlights two reasons for undertaking the treaty action.
- 2.9 The first is to safeguard Australia's position against the risk of tariff increases in ASEAN countries. The NIA argues that this will provide a degree of certainty for Australian exporters to the ASEAN region.¹² This point was also emphasised by the Minister for Trade, the Hon. Simon Crean MP, in his press release announcing the signing of the Agreement:
- Before this agreement, Australian exporters selling into ASEAN had a threat hanging over them that their products would suddenly be hit with a major tariff increase to the maximum permitted under World Trade Organisation rules. With this agreement, however, Australian producers now know they cannot be locked out overnight with a major tariff rise.¹³
- 2.10 The Department of Foreign Affairs and Trade (the Department) advised the Committee that the AANZFTA immediately binds the 2005 applied tariff rates for all but a few tariff lines. By and large, the World Trade Organisation tariff bindings for ASEAN countries are much higher than the 2005 applied tariff rates.¹⁴
- 2.11 The Department was keen to emphasise the benefits to be derived from binding tariff rates at their 2005 level, arguing that, even if a country has not agreed to eliminate their tariffs, they have provided an international commitment as to where the tariff levels will remain, providing certainty to exporters.¹⁵
- 2.12 The binding nature of the AANZFTA will, in future, protect Australian exporters from events such as Indonesia's increase in the tariff on six horticultural tariff lines from five per cent to 25 per cent in 2004.¹⁶
- 2.13 The second reason relates to countering economic agreements being reached by ASEAN member countries with regional trading powers such as China, Japan, Korea and India. The NIA states:
- Failure to secure improved access to ASEAN markets for Australian exporters through an FTA would risk seeing Australian

12 AANZFTA NIA, Paragraph 6.

13 The Hon. Simon Crean MP, Minister for Trade, Media Release, 17 March 2009.

14 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 2.

15 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 8.

16 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 7.

industry's competitiveness erode over time as regional competitors negotiate better access through FTAs.¹⁷

- 2.14 The Department stated that the fact that ASEAN had already concluded agreements with China, Korea and Japan was factored into the approach and thinking in the negotiations.¹⁸

Interaction with other treaties and the treatment of rules of origin

- 2.15 As indicated above, Australia and New Zealand are already parties to a trade related Treaty: the Australia-New Zealand Closer Economic Relations Agreement. While the interaction of this Treaty and the AANZFTA has been comprehensively dealt with as part of the negotiations of the AANZFTA, this is not the only extant Treaty between Australia and other Parties to the AANZFTA.¹⁹
- 2.16 Australia has bilateral investment treaties with Indonesia, Laos, the Philippines and Vietnam; and free trade agreements with Singapore and Thailand. With the exception of the treatment of Chapter 11, relating to investment,²⁰ there is very little indication in the AANZFTA or its supporting documentation about how these treaties will interact.
- 2.17 The Committee was advised that the existing agreements will continue to function as distinct, separate agreements.²¹ In other words, it is possible that two different free trade agreements with different tariff rates will apply to the export of a particular product. The Department argued that the choice of which tariff rate to apply will be at the discretion of the exporter in relation to each transaction.²²
- 2.18 The Department argued that the choice of tariff rate will not necessarily be only based on the lowest rate. Exporters may choose a higher tariff rate in the AANZFTA in order to avail themselves of the benefit of the regional rules of origin it contains.²³
- 2.19 Because the AANZFTA is an Agreement with a regional organisation of nations, goods and services containing components sourced from various

17 AANZFTA NIA, Paragraph 10.

18 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 6.

19 AANZFTA NIA Annex 1 – *Summary of Key Obligations*, Paragraph 50.

20 AANZFTA NIA Annex 1 – *Summary of Key Obligations*, Paragraph 50.

21 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 5.

22 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 4.

23 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 3.

countries covered by the Agreement are to be subject to it. This could not be achieved through bilateral treaties with each country.

2.20 There are two mechanisms in the AANZFTA for determining origin. The Agreement contains Australia's preferred 'change in tariff classification' test, and ASEAN's preferred 'regional value content' test. Producers of most goods and services will be offered the choice of using either test to determine whether their goods comply with the rules of origin.²⁴

2.21 To illustrate how this might work, the Department used the following example from the automotive sector:

The point is that we actually have this situation at the moment with the Thailand FTA and the AANZFTA, where there is a lower tariff outcome under the bilateral agreement. We have to wait longer for Thailand to come up to the mark in terms of what it is prepared to do bilaterally in the regional FTA; we have to wait to 2020 to get that zero tariff. The point is that the rule of origin in the regional FTA gives greater flexibility to source components from within the region and other suppliers. So you have more flexibility to source. Whereas, in the bilateral FTA you are dependent on either Australian or Thai product in meeting that specific rule of origin. That is why, in terms of looking at the future, this is an important agreement in that it provides for that flexibility and is able to plug in to these global supply chains.²⁵

The outcome for particular tariff lines

2.22 The 'prudential' basis of Australia's negotiating position discussed in detail above seems to have lead to a focus on macro level tariff outcomes. For example, the Department pointed out that the AANZFTA achieved a higher degree of tariff elimination at the macro level than achieved in other free trade agreements with ASEAN:

...we can say with confidence that the overall levels of tariff elimination we have got from ASEAN countries are higher than what they have done in any of their FTAs with other dialogue partners. In none of their other FTAs have the key ASEAN countries committed to do more than 90 per cent elimination of tariffs on more than 90 per cent of tariff lines.²⁶

24 AANZFTA NIA, Paragraphs 8-10.

25 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 4.

26 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 6.

2.23 In relation to specific tariff lines, however:

Clearly, you may have circumstances where, on an individual product, the degree of liberalisation achieved in a specific FTA with another dialogue partner may be greater – certainly in the example of mandarins and a range of other horticultural products, particularly with China.²⁷

2.24 The horticulture industry, represented by the Horticulture Market Access Committee (HMAC) is of the view that:

...the horticulture tariff outcomes under AANZFTA ... are in significant cases below optimal outcomes and lock Australian horticulture either temporarily or permanently into certain inferior trading positions against Australian horticulture's competitors into the ASEAN market.²⁸

2.25 HMAC calculates the total benefit of a zero tariff outcome in the AANZFTA on the top 170 horticulture tariff lines would have been \$7.7 million annually. In comparison, the tariff reductions agreed in the AANZFTA will bring a total benefit of \$2.2 million in 2012, rising to \$4.7 million in 2020 on those tariff lines.²⁹

2.26 Their specific concerns in relation to the outcome for horticulture are as follows:

- the AANZFTA does not match the horticulture outcomes in the ASEAN – China free trade agreement;³⁰
- tariff outcomes in the AANZFTA that are worse than the tariff outcomes in previous bilateral free trade agreements with ASEAN members;³¹
- applied tariff outcomes in the AANZFTA that are above the globally applied Most Favoured Nation rate;³² and
- the effectiveness of Australian negotiators in representing the interests of the horticulture industry.³³

27 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 6.

28 Horticulture Market Access Committee, *Submission*, p. 1.

29 Horticulture Market Access Committee, *Submission*, p. 3.

30 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 27.

31 Horticulture Market Access Committee, *Submission*, p. 9.

32 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 25.

33 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 29.

Horticulture in the ASEAN – China free trade agreement

- 2.27 Chinese horticulture exports to ASEAN are subject to near zero tariffs across the board.³⁴ This has resulted in exceptional growth in Chinese horticultural exports to ASEAN member states. Chinese horticultural exports have grown by 132 per cent in the four years to 2007/08.³⁵
- 2.28 From the point of view of the HMAAC, in a situation in which China enjoys zero tariffs on most horticulture lines into most ASEAN countries, and Australia does not and will not for the term of the AANZFTA, Australia's competitive position will suffer for many years.³⁶ According to the HMAAC:
- It is a very sensitive issue for vegetable growers because basically we have lost a lot of our markets in South-East Asia to Chinese competition. When you are trying to talk to vegetable growers about becoming export orientated, they see China getting unfair advantages in, say, these free trade agreements vis-a-vis Australia. The expectation out of all this was that Australian vegetable growers would at least be able to compete on an equal footing with Chinese vegetable growers in these markets. That is where the disappointment comes.³⁷
- 2.29 According to the Department, the tariff outcomes for these specific lines suffered from a reaction in some ASEAN nations to the liberalising effect of the free trade agreement between ASEAN and China.³⁸
- 2.30 The Department is of the view that, in relation to the increase in six horticultural tariffs in Indonesia in 2004 from five per cent to 25 per cent, the tariffs were increased to provide a period of adjustment for the affected industries, and that at the time, the Indonesian Government indicated its intention to bring the tariffs back down to ten per cent in the near future. It should be noted that this has not yet occurred.³⁹
- 2.31 It should also be noted that, in terms of the quantifiable threat to Indonesian horticulture, Australia's horticulture exports total \$4.5 million, while China's horticultural exports total \$403 million.⁴⁰ While Indonesia's negotiating position might reflect a reaction to the ASEAN – China free trade agreement, the negotiated outcome for Australia is not a true

34 Horticulture Market Access Committee, *Submission*, p. 5.

35 Horticulture Market Access Committee, *Submission*, p. 9.

36 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 27.

37 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 27.

38 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 6.

39 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 13.

40 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 35.

reflection of the actual threat posed by Australian exports to Indonesian horticulture.

AANZFTA tariff outcomes worse than bilateral free trade agreements

2.32 In relation to Thailand, the HMAc is concerned that Australia did not take the opportunity to improve on the result of the Thailand – Australia FTA.⁴¹

2.33 The tariff for a number of horticultural tariff lines in the AANZFTA is higher than those contained in the Thailand – Australia Free Trade Agreement.⁴² As previously discussed, in such circumstances, the free trade agreement with the lower tariff outcome will prevail.⁴³

2.34 The Department argued that where a poorer outcome exists in the AANZFTA, this should be considered in light of the benefits offered by the regional rules of origin.⁴⁴ As the Department itself pointed out, however:

...regional rules of origin... is something which is really not relevant to the agricultural sector. A mandarin, a table grape – it is going to meet the rule of origin whether you are talking about a bilateral FTA or a regional FTA, because, essentially, it is wholly grown in Australia. The issue of regional rules of origin really does not have too much impact for the agricultural sector,⁴⁵

2.35 In other words, there is no trade-off available to horticulture exporters for the higher tariff outcome on tariff lines for Thailand in the AANZFTA.

2.36 While the action of the Thailand – Australia Free Trade Agreement means that no actual harm is done by negotiating a worse outcome for Australian horticulture in the AANZFTA, the Committee is at a loss to understand why a worse tariff outcome, that in any case will not apply, would be included in the AANZFTA. If, in such circumstances, Australian negotiators are not able to negotiate a better tariff outcome, then it would be prudent to ensure that any previously applying tariff outcome is carried over to the new free trade agreement.

2.37 Accordingly, in future, the Committee believes the Australian Government ought to pursue bilateral and multilateral avenues to improve the tariff outcomes for the horticulture industry.

41 Horticulture Market Access Committee, *Submission*, p. 9.

42 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 5.

43 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 5.

44 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 4.

45 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 17.

Recommendation 1

The Committee recommends that the Australian Government pursue all possible bilateral and multilateral avenues to secure improved tariff outcomes for the horticulture industry.

- 2.38 In addition, the Committee recommends that, in the absence of other measures designed to improve free trade, a free trade agreement negotiated by Australia should not include a tariff outcome on a tariff line that is worse than the existing tariff on that tariff line.

Recommendation 2

The Committee recommends that, in the absence of other measures designed to improve free trade, a free trade agreement negotiated by Australia should not include a tariff outcome on a tariff line that is worse than the existing tariff on that tariff line.

Applied tariff outcomes and the Most Favoured Nation rate

- 2.39 The HMAAC pointed out that the applied tariffs under the AANZFTA for mandarins, carrots, seed potatoes and a number of other key Australian horticultural exports to Indonesia are higher than the globally applied Indonesian Most Favoured Nation rate.⁴⁶
- 2.40 As has been previously discussed, mandarin exports to Indonesia were subject to a tariff increase from five per cent to 25 per cent in 2004, causing the value of Australian mandarin exports to Indonesia to decline by a third.⁴⁷ The applied tariffs in the AANZFTA are 25 per cent for mandarins, carrots and seed potatoes; falling in 2025 to 18.7 per cent for mandarins and seed potatoes, and 12.5 per cent for carrots.⁴⁸
- 2.41 The global applied Indonesian Most Favoured Nation tariff rate will be ten per cent in 2010.⁴⁹

46 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 25.

47 Horticulture Market Access Committee, *Submission*, p. 4.

48 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 25.

49 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 25.

- 2.42 Australian exporters can avail themselves of the global applied Indonesian Most Favoured Nation tariff rate,⁵⁰ so they will not be directly disadvantaged by the AANZFTA outcome.
- 2.43 As indicated above, the Department views this outcome as a mechanism to protect Australian exporters from events such as Indonesia's increase in the tariff on six horticultural tariff lines from five per cent to 25 per cent in 2004.⁵¹ However, the Department has conceded that this increase was probably short term in nature and intended to provide a period of adjustment for the affected industries.⁵² In other words, any benefit derived from using the applied tariffs on these horticulture lines is a matter for the long term future.
- 2.44 The Committee notes that one of the strategic objectives achieved in the negotiations was to bind ASEAN countries to tariffs on tariff lines well below the tariff levels these countries could impose. However, there seems little point in binding tariffs above the current Most Favoured Nation tariff rate where the prospect of a significant tariff increase is remote. The Committee recommends that in future free trade agreements, Australia should negotiate for the binding tariff rate to be the lower of either the rate at the time of binding, or the Most Favoured Nation tariff rate at the time the free trade agreement comes into force.

Recommendation 3

The Committee recommends that in future free trade agreements, Australia should negotiate for the binding tariff rate to be the lower of either the rate at the time of binding, or the Most Favoured Nation tariff rate at the time the free trade agreement comes into force.

Australian negotiators and the horticulture industry

- 2.45 Australia uses professional negotiators to negotiate free trade agreements. These negotiators are organised on an industry basis. In relation to agriculture, there are negotiators responsible for conducting negotiations in relation to all agricultural commodities.⁵³

50 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 25.

51 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 7.

52 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 13.

53 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 29.

- 2.46 The HMAC indicated that issues differ between agricultural industries, so negotiators are faced with a range of issues to absorb, while also taking an across-the-board agricultural and national perspective.⁵⁴
- 2.47 The HMAC is generally very happy with the quality of Australian negotiators, and advised that:
- ... we are always overly welcome in terms of being willing to provide whatever information support they need for their negotiations.⁵⁵
- 2.48 Having made that point, the HMAC advised that vegetable growers generally consider that Australian negotiators do not know the vegetable industry well, and do not give the vegetable industry the credence it warrants.⁵⁶
- 2.49 Generally speaking, the HMAC was concerned about the precedent set by the horticultural outcomes in the Thailand – Australia Free Trade Agreement and the AANZFTA:
- The difficult situation for our negotiators going into the future is that it may be fair to say that FTAs with Thailand or ASEAN or one of two of the other FTAs are probably the easy ones and that the harder ones will be the FTAs with the North Asian countries, which already have been in place for several years now and where progress in negotiations continues to be rather slow. Our concern is that if this is the situation with the easier of the negotiating opportunities then what is going to come out of the North Asian negotiations.⁵⁷
- 2.50 In considering how to improve this situation, the HMAC suggested that industry representatives be included in some of the negotiations, or be available to provide industry expertise to those involved in the negotiations.⁵⁸
- 2.51 The Committee believes there is benefit in examining how negotiators can directly consult industry representatives during negotiations. Such mechanisms need not be costly. For example, the industry representatives could be based in Australia and be immediately available to be contacted by phone or e-mail.

54 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 29.

55 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 29.

56 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 29.

57 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 36.

58 Horticulture Market Access Committee, *Transcript of Evidence*, 29 May 2009, p. 29.

- 2.52 The Committee recommends that the Department examine mechanisms to allow negotiators to directly consult with industry representatives during the negotiation process.

Recommendation 4

The Committee recommends that the Department of Foreign Affairs and Trade prepare a report for the Committee examining mechanisms to allow negotiators to directly consult with industry representatives during the negotiation process.

Speed of tariff reduction

- 2.53 As previously discussed, the AANZFTA will result in the percentage of Australian tariff free tariff lines increasing from 48 per cent of tariff lines in 2005 to 96 per cent of tariff lines in 2010. In comparison, Indonesia and the Philippines, for example, will have 58 per cent and 60 per cent of tariff lines tariff free by 2010.⁵⁹
- 2.54 A number of submissions to the inquiry questioned the wisdom of eliminating tariffs so extensively when other countries party to the AANZFTA were not doing so. The Australian Manufacturing Workers' Union argued that:
- It is not in Australia's national interest to ratify a free trade agreement that requires "far more far sooner" in the reduction of tariffs from Australia relative to other treaty participants. Nor is it in Australia's interest to compromise the future interests of key strategically important industries like Australia's auto and components industry with an unbalanced FTA.⁶⁰
- 2.55 The Department pointed out that one of the key principles in negotiating free trade agreements is to take account of the differences in levels of development of the countries involved. This principle dictates that countries less developed than Australia and New Zealand should be given a longer period of time to transition to lower tariffs.
- 2.56 The Department also argued that difference in the speed of liberalisation between Australia and ASEAN countries was more apparent than real:

59 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 10.

60 Australian Manufacturing Workers' Union, *Submission*, p. 5.

Forty-eight per cent of our tariff lines are tariff free, and that will increase to 96 per cent on 1 January 2010. Look at Indonesia. They currently have 21 per cent of tariff lines at zero tariffs, and that will increase to 58 per cent in 2010. I think that is quite a significant degree of liberalisation, which is actually greater than what we are doing. We are a bit over doubling our tariff-free lines; Indonesia is almost tripling. Look at the Philippines. They are going from 3.9 per cent of tariff lines at zero to 60 per cent. That is a pretty big increase on one day for a developing economy.⁶¹

Environment, human rights and labour provisions

- 2.57 Aside from a commitment to sustainable development in the preamble, the AANZFTA does not contain any provisions relating to environment protection, protection of human rights or labour standards.⁶²
- 2.58 The Department advised that the position taken at the commencement of negotiations in 2007 was that the AANZFTA would not cover these issues, despite the fact that New Zealand pushed very strongly for their inclusion, because of:
- ...a very firm ASEAN position that it would not agree to the inclusion of those provisions in the FTA.⁶³
- 2.59 The Committee heard that Australia's position on the inclusion of these issues in free trade agreements is determined by the negotiation mandate given by the Government to the Department at the commencement of negotiations. The negotiation mandate is issued on a case by case basis.⁶⁴
- 2.60 The Committee is concerned that the AANZFTA could, for instance, encourage trade with Burma without regard to the human rights situation there, or permit the trade in tropical timbers from endangered species of trees. While it is too late to include these matters in the AANZFTA, it is clear that such matters can be included in future free trade agreements if the Government issues a negotiation mandate that includes environment protection, protection of human rights and labour standards.
- 2.61 The Committee recommends that the Government include consideration of environment protection, protection of human rights and labour standards in all future negotiation mandates for free trade agreements.

61 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 16.

62 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 10.

63 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 10.

64 Department of Foreign Affairs and Trade, *Transcript of Evidence*, 29 May 2009, p. 10.

Recommendation 5

The Committee recommends that the Australian Government include consideration of environment protection, protection of human rights and labour standards in all future negotiation mandates for free trade agreements.

Conclusion

- 2.62 The Committee is of the view that the experience of Australia's horticultural industries in the AANZFTA has exposed some deficiencies in the negotiation process. These deficiencies are likely to relate to the fact that this Agreement was considered prudential and strategic, and consequently, some specific industries were not as well served as they could have been.
- 2.63 The Committee has made a number of recommendations aimed at improving the free trade agreement negotiation process in future. With these reservations in mind, the Committee supports binding treaty action in relation to this Agreement.

Recommendation 6

The Committee supports the *Agreement Establishing the ASEAN – Australia – New Zealand Free Trade Area* and recommends that binding treaty action be taken.

Two taxation Agreements with the Isle of Man

Introduction

3.1 This chapter considers two treaties:

- an *Agreement between the Government of Australia and the Government of the Isle of Man on the Exchange of Information with Respect to Taxes*; and
- an *Agreement between the Government of Australia and the Government of the Isle of Man for the Allocation of Taxing Rights with Respect to Certain Income of Individuals and to Establish a Mutual Agreement Procedure in Respect of Transfer Pricing Adjustments*.

3.2 The purpose of the first Agreement, commonly referred to as a taxation information exchange agreement (TIEA), is to establish a legal basis for the exchange of tax information between Australia and the Isle of Man (IoM).

3.3 The second Agreement (the taxing rights Agreement) is part of a package of benefits that is being offered to the IoM to encourage it to conclude the TIEA. The Agreement provides for the allocation of taxing rights of certain cross-border income derived by the residents of both countries, and establishes a mechanism to help resolve disputes arising from transfer pricing adjustments.¹

3.4 The Isle of Man (IoM) is a self-governing colony of the British Crown, located in the Irish Sea. It has a low-tax structure and is known internationally as a centre for incorporating 'offshore companies'. Low-tax jurisdictions can be used in arrangements designed to avoid paying tax

1 Taxing Rights Agreement Nation Interest Analysis (NIA), paras 4 and 7; Mr Gregory Wood, *Transcript of Evidence*, 11 May 2009, p. 5.

elsewhere. In particular, assets and income that are subject to Australian tax can be concealed by their secrecy laws.²

- 3.5 Treasury informed the Committee that the level and type of economic activity between Australia and the IoM is not fully known, however data held by the Australian Transaction Reports and Analysis Centre (AUSTRAC) indicates that for the 2007-08 year, there was about \$340 million entering Australia from the IoM, and about \$350 million going to the IoM from Australia. Treasury noted that a number of these exchanges are legitimate.³

Agreement between the Government of Australia and the Government of the Isle of Man on the Exchange of Information with Respect to Taxes (TIEA)

Obligations

- 3.6 This Agreement permits the Commissioner for Taxation to request and receive certain information held in the IoM.⁴
- 3.7 Article 1 obliges both Parties to exchange information where the information is foreseeably relevant to the administration and enforcement of the Parties' domestic tax laws, including the collection of taxes and the investigation and prosecution of tax matters.⁵
- 3.8 The Parties are obliged to provide such information when requested to do so in writing (Article 5(1)). There is no provision in the Agreement to authorise voluntary or unsolicited exchange of information between the Parties.⁶
- 3.9 Where the Commissioner of Taxation does not hold the information necessary to comply with the request, Australia must use all relevant information gathering measures to provide the requested information even if not required for Australian domestic tax purposes (Article 5(2)).⁷
- 3.10 Information must be provided as promptly as possible (Article 5(7)) and must be kept confidential (Article 8).⁸

2 Tax Information Exchange Agreement National Interest Analysis (TIAE NIA) , paras 4 and 12.

3 TIEA NIA, para 12; Mr Malcolm Allen, *Transcript of Evidence*, pp. 1-3.

4 TIEA NIA, para 6.

5 TIEA NIA, para 16.

6 TIEA NIA, para 16.

7 TIEA NIA, para 19.

8 TIEA NIA, para 20.

Effectiveness of taxation information exchange agreements

- 3.11 The Committee raised concerns that the proposed TIEA, and other similar agreements, may be limited in their effectiveness. In particular, the proposed TIEA provides that information must be proven to be 'foreseeably relevant' to domestic tax laws before it can be exchanged.
- 3.12 The Committee queried whether tax authorities would be able to establish information as 'foreseeably relevant' to domestic tax law without first accessing that information. The Committee therefore questioned whether the provision would undermine the ability of tax authorities to access certain information, and whether the proposed TIEA would in fact improve present arrangements.
- 3.13 Treasury told the Committee that the provision on 'foreseeably relevant' information is a standard feature of international exchange of information agreements and explained the origin of the provision:
- The principle behind [the provision] is that you should not engage in what we call fishing expeditions. You need to have a certain amount of information about a person or a company before you make a request. You cannot make a speculative request for information that you may not necessarily need.⁹
- 3.14 The Australian Taxation Office (ATO) submitted that currently, under the *Mutual Assistance in Criminal Matters Act 1987*, Australia is only permitted to request assistance from the IoM in criminal tax matters, and not in civil tax matters. Under this arrangement, the IoM has the discretion to authorise or deny such a request. Treasury stated that the proposed TIEA improves this arrangement through requiring the IoM to provide information that is 'foreseeably relevant' to both civil and criminal tax matters.¹⁰
- 3.15 The Committee raised further concerns regarding the burden of proof required to establish information as 'foreseeably relevant'. Treasury informed the Committee that, in civil tax matters, the burden of proof required to access information is much lower than for criminal cases, and that the 'foreseeably relevant' standard in the TIEA would mostly apply to civil tax matters.¹¹

9 Mr Gregory Wood, *Transcript of Evidence*, 11 May 2009, p. 3.

10 Australian Taxation Office, *Submission No. 5*, p. 1; Mr Gregory Wood, *Transcript of Evidence*, 11 May 2009, p. 3.

11 Mr Gregory Wood, *Transcript of Evidence*, 11 May 2009, p. 3.

Reasons to take treaty action

- 3.16 Treasury informed the Committee that the TIEA is an important element of Australia's ongoing commitment to the efforts of the Organisation for Economic Co-operation and Development (OECD) to curb tax avoidance and evasion.¹²
- 3.17 Treasury stated that the TIEA effectively overrides bank secrecy. The Committee was told that the entry into force of the proposed TIEA would be consistent with the April 2009 statement of the G20 condemning bank secrecy, and would accord with the current international impetus in eradicating harmful tax practices.¹³
- 3.18 Treasury submitted that agreements such as the proposed TIEA will reduce the degree by which tax evasion practices can exacerbate economic downturns, as may have occurred in the current global financial crisis.¹⁴
- 3.19 Treasury further stated that the TIEA will provide an important tool for Australia to better administer and enforce its tax laws. It was argued that the Agreements will establish the legal and administrative frameworks needed to support information exchange, and will prevent such frameworks from being hindered by bank secrecy laws.¹⁵
- 3.20 Treasury submitted that the TIEA will discourage taxpayers from participating in abusive tax arrangements by increasing the probability of detection.¹⁶
- 3.21 The ATO stated that, in terms of tax evasion, the IoM presents a midrange risk. The Committee was informed that the main risk arises when persons with IoM bank accounts (including persons from third countries) become residents of Australia. As Australian residents, aspects of their income may come under the jurisdiction of the ATO. Without the proposed TIEA, the ATO has no scope to access the IoM-based income-related information of these taxpayers.¹⁷
- 3.22 Treasury noted that the TIEA is the fifth Agreement of this kind for Australia. Other Agreements have been signed with Bermuda, Antigua and Barbuda, the Netherlands Antilles and the British Virgin Islands.¹⁸
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12 Mr Gregory Wood, *Transcript of Evidence*, 11 May 2009, p. 1.

13 Mr Gregory Wood, *Transcript of Evidence*, 11 May 2009, pp. 3-6.

14 Mr Gregory Wood, *Transcript of Evidence*, 11 May 2009, p. 4.

15 Mr Gregory Wood, *Transcript of Evidence*, 11 May 2009, pp. 1-2.

16 TIEA NIA, paras 8 and 14.

17 Mr Malcolm Allen, *Transcript of Evidence*, 11 May 2009, pp. 2 and 4.

18 TIAE NIA, para 7.

Costs and implementation

- 3.23 There will be a small administrative and financial impact on the ATO, associated with processing requests for information. A Memorandum of Understanding will be concluded between the two countries to clarify costs that will be borne by the ATO.¹⁹
- 3.24 Treasury informed the Committee that the ATO may incur further costs in providing technical assistance to the IoM, given the IoM's relative inexperience in exchange of information procedures, but that these are expected to be minimal. The Committee was told that such assistance may include conducting conferences and providing training, as well as any other assistance required to set up the administrative processes needed to support the exchange of information.²⁰
- 3.25 No further legislation is required to implement the TIEA.²¹

Agreement between the Government of Australia and the Government of the Isle of Man for the Allocation of Taxing Rights with Respect to Certain Income of Individuals and to Establish a Mutual Agreement Procedure in Respect of Transfer Pricing Adjustments (taxing rights Agreement)

Obligations

- 3.26 The taxing rights Agreement provides for the allocation of taxing rights over the income of certain individuals and obliges the Governments of the two jurisdictions to endeavour to resolve any disputes arising from transfer pricing adjustments. It only applies to persons who are residents for taxation purposes of Australia or the IoM.²²
- 3.27 Australia is obliged to forego its taxing rights over certain income derived by retirees, government employees and students who are residents of the IoM:
- Under Article 5, Australia cannot tax Australian-source pensions and retirement annuities paid to residents of the IoM. Article 5 permits Australia to tax IoM-source pensions and retirement annuities paid to Australian residents.

19 TIEA NIA, paras 24 and 25.

20 TIEA NIA, para 24; Mr Malcolm Allen, *Transcript of Evidence*, 11 May 2009, pp. 5-6.

21 TIEA NIA, para 23.

22 Taxing Rights Agreement NIA, para 10.

- Under Article 6, Australia cannot tax the salaries of government employees of the IoM working in Australia in government service for non-commercial purposes. Australia and the IoM will therefore have sole taxing rights over the salaries that they pay to individuals undertaking government functions.
 - Under Article 7, Australia cannot tax maintenance, education or training payments received by students or business apprentices from the IoM who are temporarily studying in Australia, where those payments are made from outside Australia. Other income will remain liable to Australian tax.²³
- 3.28 Article 8 obliges the taxation authorities of Australia and the IoM to endeavour to resolve disputes arising from transfer pricing adjustments.²⁴

Reasons to take treaty action

- 3.29 Treasury submitted that the Agreement will relieve double taxation on certain income derived by residents of Australia and the IoM. In particular, Treasury stated that the taxing rights Agreement will benefit students and retirees living abroad, who receive government assistance.²⁵
- 3.30 The ATO told the Committee that the IoM would not enter into the accompanying TIEA without the additional incentive of this taxing rights Agreement. The Committee was told that the taxing rights Agreement will increase the IoM's credibility as an offshore financial centre.²⁶
- 3.31 This Agreement is consistent with provisions contained in Australia's more comprehensive bilateral tax treaties.²⁷

Costs and implementation

- 3.32 Treasury submitted that the taxing rights Agreement will have a financial impact on the ATO, however this is expected to be minimal given the small number of taxpayers likely to be affected by the Agreement. The ATO submitted that in 2006 there were only 689 persons born in the IoM living in Australia, a small number of which would be receiving an income or pension from the IoM Government. Thus, the ATO stated that the cost of the proposed taxing rights Agreement would be negligible and rounded to zero.²⁸

23 Taxing Rights Agreement NIA, paras 12 to 14.

24 Taxing Rights Agreement NIA, para 15.

25 Mr Gregory Wood, *Transcript of Evidence*, 11 May 2009, pp. 2 and 5.

26 Mr Malcolm Allen, *Transcript of Evidence*, 11 May 2009, p. 5.

27 Taxing Rights Agreement NIA, para 4.

28 Taxing Rights Agreement NIA, para 17; Australian Taxation Office, *Submission No. 5*, p. 1.

- 3.33 Treasury stated that minor amendments will be required to the *International Tax Agreements Act 1953* to give effect to the taxing rights Agreement. Treasury informed the Committee that these amendments were introduced into Parliament in March 2009, prior to the Committee's review of the proposed taxing rights Agreement. Treasury informed the Committee that this occurred due to reasons of drafting efficiency. Treasury stated that it was convenient for the Attorney-General's Department to draft and introduce the amendments in conjunction with similar amendments needed to bring into force a different Agreement with the British Virgin Islands which had already been reviewed by the Committee.²⁹

Future treaty action for both Agreements

- 3.34 The Agreements do not provide for the negotiation of future legally binding instruments, amendments or appendices to the existing Agreements. However the Agreements may be amended following the consent of both Parties.³⁰
- 3.35 Treasury told the Committee that the proposed TIEA does not cover indirect taxes, such as a goods and services taxes, because the IoM does not have such a tax system. Treasury considered that, if the need arose, the TIEA could possibly be broadened in the future to cover such taxes.³¹
- 3.36 The TIEA provides that either Party may terminate the Agreement six months after their written notice of termination is received by the other Party. Following termination, both Parties would continue to be bound by the confidentiality obligations of the Agreement.³²
- 3.37 The taxing rights Agreement provides that either Party may terminate the Agreement from 1 July in the calendar year following that in which written notice of termination is given. Also, the Agreement would terminate upon termination of the accompanying TIEA.³³

29 Taxing Rights Agreement NIA, para 16; Mr Gregory Wood, *Transcript of Evidence*, 11 May 2009, p. 2.

30 TIEA NIA, para 29; Taxing Rights Agreement NIA, para 21.

31 Mr Gregory Wood, *Transcript of Evidence*, 11 May 2009, p. 7.

32 TIEA NIA, para 31.

33 Taxing Rights Agreement NIA, para 23.

Consultation

- 3.38 Relevant Commonwealth Ministers, the ATO and State and Territory Governments were consulted in development of the both Agreements. Public consultation was not undertaken.³⁴

Conclusion and recommendations

- 3.39 To give effect to the taxing rights Agreement, amendments to the *International Tax Agreements Act 1953* were introduced into the Parliament in March 2009, prior to the Committee's review of the proposed Agreement. The reason given for this unusual course of action was to aid drafting efficiency. The Committee considers this to be an inadequate justification for pre-emptive legislative action.
- 3.40 The Committee notes the practice, agreed between successive Governments and the Joint Standing Committee on Treaties, for the Committee to conclude its reviews of proposed treaty actions and to table its findings in the Parliament before legislation is introduced to give effect to commitments under treaties, allowing for rarely employed national interest exceptions. The Committee considers this to be a fundamentally important principle and urges the Government to be mindful of its agreements with the Committee in this regard.
- 3.41 The Committee recognises the importance of international efforts to combat offshore tax evasion and to establish consistent standards of tax governance between Australia and countries such as the Isle of Man. The Committee also recognises the domestic tax benefits arising from taxation Agreements that discourage the use of certain countries as tax havens. The Committee therefore recommends that binding treaty action be taken for both Agreements.

34 TIEA NIA, Attachment on Consultation; Taxing Rights Agreement NIA, Attachment on Consultation.

Recommendation 7

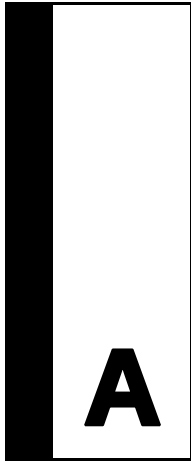
The Committee supports the *Agreement between the Government of Australia and the Government of the Isle of Man on the Exchange of Information with Respect to Taxes* and recommends that binding treaty action be taken.

Recommendation 8

The Committee supports the *Agreement between the Government of Australia and the Government of the Isle of Man for the Allocation of Taxing Rights with Respect to Certain Income of Individuals and to Establish a Mutual Agreement Procedure in Respect of Transfer Pricing Adjustments* and recommends that binding treaty action be taken.

Kelvin Thomson MP

Chair



Appendix A - Submissions

Treaties tabled on 12 March 2009

Two taxation Agreements with the Isle of Man

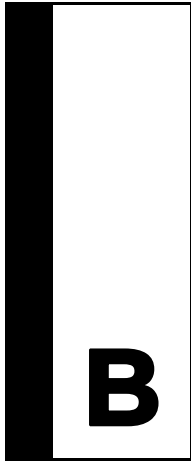
- 1 Australian Patriot Movement
- 5 The Treasury

Treaties tabled on 16 March

Agreement Establishing the ASEAN – Australia – New Zealand Free Trade Area

- 1 Australian Patriot Movement
- 2 Australian Industry Group
- 3 National Institute of Accountants
- 4 Media, Entertainment & Arts Alliance
- 5 Music Council of Australia
- 6 Minerals Council of Australia
- 7 Insurance Council of Australia
- 8 The Australian Workers Union
- 9 National Farmers' Federation
- 10 Business Council of Australia
- 11 Telstra
- 12 Queensland Government
- 13 Universities Australia

- 14 Australian Manufacturing Workers' Union (AMWU)
- 15 Australian Fair Trade and Investment Network
- 16 Ford Motor Company of Australia Limited
- 17 Horticulture Australia Ltd
- 18 Citrus Australia
- 19 Ausveg
- 19.1 Ausveg
- 20 Department of Foreign Affairs and Trade



Appendix B - Witnesses

Thursday, 7 May 2009 - Darwin

International Business Council

Mr Greg Bicknell, Manager, Industry Councils

Monday, 11 May 2009 - Canberra

Australian Taxation Office

Mr Malcolm Allen, Assistant Commissioner - International Relations

The Treasury

Mr Gregory Wood, Policy Advisor, International Tax and Treaties
Division

Department of Foreign Affairs and Trade

Mr David Mason, Executive Director, Treaties Secretariat,
International Legal Branch

Friday, 29 May 2009 - Canberra

Department of Foreign Affairs and Trade

Mr Michael Mugliston, Head, Asia Trade Task Force

Mr John Larkin, Deputy Head, Asia Trade Task Force

Dr Milton Church, Coordinator, Goods and Government
Procurement, FTA Unit

Mr Daniel Burrows, Legal Counsel, South-East Asia Division

Ms Louise Hingee, Executive Officer, Goods and Government
Procurement Team, FTA Unit

AusAID

Ms Octavia Borthwick, Assistant Director General, Asia Regional Branch

Mrs Christine Ford, ASEAN Program Officer, East Asia Regional Section

Austrade

Mr Pat Stortz, Manager, International Liaison Unit, South East Asia, South Asia and the Pacific

Mr Michael Molgnard, General Manager, Government and Communications

Minerals Council of Australia

Mr Stephen Deady, Director, Industry Economics and Taxation

Horticulture Australia Ltd

Mr Stephen Winter, National Horticulture Market Access Coordinator

AUSVEG Ltd

Mr Richard Mulcahy, Chief Executive Officer

Mr Ian James, Vegetable Industry Economist