

**Economics Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Industry Portfolio  
Budget Estimates 2014-15  
2-3 June 2014

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY

**TOPIC:** Thailand/Australia Free Trade Agreement

**REFERENCE:** Question on Notice (Hansard, 3 June 2014, page 68)

**QUESTION No.:** BI-75

**Senator XENOPHON:** I am happy for it to be taken on notice, but to any casual observer it looks as though we were mugs in terms of the deal we entered into, only to find that the Thais were whacking big non-tariff barriers on Australian-made vehicles, which killed the opportunity to import vehicles made in Australia into Thailand. Can somebody confirm that was the case? Were these contingencies looked at?

**Mr Trotman:** I cannot speak to the Thailand free trade agreement; that precedes me.

**Senator XENOPHON:** You know it exists.

**Mr Trotman:** That is right.

**Senator XENOPHON:** You know the terms of it and you know that after we entered into the agreement the Thais whacked on these huge non-tariff barriers on Australian-made vehicles. Do you agree that they are incontrovertible facts?

**Mr Trotman:** That is right.

**Senator XENOPHON:** So you agree with that. To what extent did the department provide advice to the Department of Foreign Affairs and Trade in respect to negotiating these agreements to foresee that the Thais were going to do us in the eye, so to speak, after the agreement was entered into?

**Mr Ryan:** We will probably have to take that on notice.

**Senator XENOPHON:** Please do.

**Mr Ryan:** We have been up and down the table and no-one was around when that deal was done.

**Senator KIM CARR:** Mr Durrant has provided advice on that. I think you will find he is not inexperienced in this matter.

**Mr Durrant:** Senator, even I was not around.

**CHAIR:** Mr Durrant, please ignore the interjections.

**Senator KIM CARR:** No, but you have provided advice on the question of the effects of the free trade agreement.

**CHAIR:** Mr Durrant, ignore the interjections. Senator Xenophon has the call.

**Senator XENOPHON:** I am happy for that to be taken on notice, but further to that question, what liaison is there between the two departments to ensure that we do not get treated like mug punters again with some of these free trade agreements?

**ANSWER**

The automotive excise on motor vehicles imposed by the Government of Thailand applies to imports from all countries, not just Australia and to domestically produced motor vehicles in Thailand. Excise duties are a matter of domestic taxation and are not included in trade agreements.

Officials from the Department of Industry (DoI) provided technical and policy advice on relevant issues during the negotiations of the Thailand-Australia Free Trade Agreement. The Department of Foreign Affairs and Trade is the lead agency responsible for all trade agreement negotiations. DoI provides technical and policy advice on issues of policy responsibility for the Industry portfolio in all trade agreement negotiations.