



*Australian Dairy Industry Council Inc.*

5 August 2004

Ms Gillian Gould  
Committee Secretary  
Joint Standing Committee on Treaties  
Suite R1 109  
Parliament House  
CANBERRA ACT 2600

By fax: (02) 6277 2219

Dear Ms Gould,

Thank you for requesting the dairy industry's input into the JSCOT inquiry into the Thailand-Australia Free Trade Agreement (TAFTA).

The Australian dairy industry strongly supports ratification of this important Agreement. It provides immediate free trade from the day of entry into force for a number of valuable dairy export tariff lines – especially highly processed items such as milk protein concentrates, casein, lactose and infant formula. It also provides up-front down payments for all other dairy items and ultimate free trade in all dairy products.

We were disappointed that we were not able to achieve faster phase-in for liberalisation of key items such as cheese and skim milk powder. We recognise, however, that these items were very sensitive to the Thais and that ultimately even these items will be phased to free trade – albeit not until 2025 for skim milk powder. In this sense TAFTA is a true Free Trade Agreement that will eventually see free trade for all dairy product lines.

We are concerned that the methods the Thais choose to trigger special safe guards (on such items as cheese and butter) and the way they manage the quotas (on skim milk powder and liquid milk and cream) will be crucial in determining the real value of the trade agreement to the Australian dairy industry. In this regard, we will be working closely with the Australian Government in the coming months to ensure that appropriate measures are put in place to safe guard our rights in these areas.

Notwithstanding our medium term concerns, the Agreement will provide us with an important competitive advantage in this growing dairy market. We strongly endorse the proposal for the Australian Government to ratify this treaty so that it can come into effect as scheduled from 1 January 2005.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Allan Burgess', with a horizontal line underneath.

**Allan Burgess**  
Chairman

***MILK MATTERS***