

# World Trade Organization (WTO) Agreement on Trade Facilitation

## Introduction

- 2.1 This chapter examines the *Protocol Amending the Marrakesh Agreement Establishing the World Trade Organization* (the Protocol) and the World Trade Organization (WTO) *Agreement on Trade Facilitation* (ATF).
- 2.2 The ATF was adopted in Bali on 7 December 2013. The Protocol was adopted by the WTO General Council and WTO Members on 27 November 2014. The ATF will be incorporated into Annex 1A of the *Marrakesh Agreement Establishing the World Trade Organization* (Marrakesh Agreement) by means of the Protocol. By accepting the Protocol, Australia will consent to be bound by the provisions of the ATF.<sup>1</sup>
- 2.3 In a slightly unusual procedure, the ATF was tabled in the Commonwealth Parliament on 18 June 2014 and the Protocol, which includes the text of the ATF as an Annex, on 25 February 2015.<sup>2</sup>
- 2.4 The Attachment to the NIA tabled on 25 February 2015, states that there are no substantive changes to the text of the ATF. However, typographical errors have been corrected and a WTO document number has been inserted.<sup>3</sup>

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1 National Interest Analysis [2014], ATNIA 6 with attachment on consultation World Trade Organization (WTO) *Agreement on Trade Facilitation*, text as adopted at Bali on 7 December 2013 [2014] ATNIF 7 (hereafter referred to as 'NIA'), para 1.

2 The reasons for the unusual procedure are explained below.

3 Attachment to NIA tabled on 18 June 2014: Attachment on second tabling (February 2015) [2014] ATNIA 6, (hereafter referred to as NIA Attachment), para 43.

## Background

- 2.5 The text of the ATF was adopted at the WTO Ministerial Conference in Bali on 7 December 2013. Under the terms of the Bali Ministerial decision, the WTO General Council were expected to meet no later than 31 July 2014 to adopt the Protocol of Amendment and open it for acceptance by WTO Members. The Protocol was to remain open for acceptance until 31 July 2015.<sup>4</sup>
- 2.6 Accordingly, the Minister for Trade and Investment tabled the ATF in the Australian Parliament on 18 June 2014.
- 2.7 However, at the meeting in Geneva on 31 July 2014, WTO Members failed to accept the Protocol. The Department of Foreign Affairs and Trade (DFAT) explained that difficulties arose over issues other than trade facilitation:
- ... some WTO members ... would not agree to adopt the protocol by the July 2014 deadline and sought to reopen and renegotiate other decisions, not relating to trade facilitation, which had been agreed by all members in Bali.<sup>5</sup>
- 2.8 As the Protocol had to be adopted before the ATF could be opened for formal acceptance by the WTO Members, Australia could not proceed and the Minister for Trade and Investment wrote to the Joint Standing Committee on Treaties (JSCOT) on 13 August 2014 requesting that the Committee suspend consideration of the Agreement.<sup>6</sup>
- 2.9 On 27 November 2014, WTO Members agreed to adopt the Protocol enabling Members to accept the ATF. The Minister for Trade and Investment wrote to JSCOT on 18 December 2014 requesting that the inquiry into the Agreement be resumed.<sup>7</sup> The Protocol was tabled in the Parliament on 25 February 2015.
- 2.10 In accordance with Article X(3) of the Marrakesh Agreement, the Protocol will enter into force upon acceptance by two-thirds of WTO Members (i.e. acceptance by 107 Members). The ATF will then form an integral part of

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4 NIA, para 2.

5 Ms Helen Stylianou, Assistance Secretary, Services and WTO Trade Policy Branch, Department of Foreign Affairs and Trade (DFAT), *Committee Hansard*, Canberra, 2 March 2015, p. 2.

6 Letter from the Hon Andrew Robb AO MP, Minister for Trade and Investment, to the Joint Standing Committee on Treaties (JSCOT), 13 August 2014.

7 Letter from the Hon Andrew Robb AO MP, Minister for Trade and Investment, to JSCOT, 18 December 2014.

the WTO 'single undertaking', as embodied in the Marrakesh Agreement and its Annexes.<sup>8</sup>

## Overview and national interest summary

- 2.11 According to the NIA the objective of the ATF is to clarify and improve existing WTO obligations on trade procedures relating to transparency of trade regulations, fees and formalities, and the transit of goods. The ATF seeks to cut the costs of trading by removing red tape and unnecessary formalities in border clearance procedures.<sup>9</sup>
- 2.12 The Centre for Customs and Excise Studies at Charles Sturt University (CCES) verified the need for uniformity in the increasingly complex arena of international trade. The development of 'highly integrated and interdependent' supply chains necessitates the streamlining of cross-border regulations:

The ATF represents a significant step towards a globally consistent approach to the regulation of cross-border trade with the potential to achieve the high level of trade facilitation being sought by both governments and industry alike.<sup>10</sup>

## Reasons for Australia to take the proposed treaty action

- 2.13 It is expected that the implementation of the ATF will lead to some of Australia's largest trading partners, particularly in larger developing countries, simplifying and streamlining customs procedures. This should allow goods in cross-border trade to move more efficiently, including reducing compliance costs. This could encourage participation in global trade by removing regulatory burdens and increasing transparency. The NIA states that, in addition to the assistance that the ATF provides to Australian traders, implementation is expected to improve law enforcement cooperation between Members' customs authorities. The NIA claims that, if fully implemented, the ATF could add \$US1 trillion to the world economy and create 21 million jobs by cutting trade costs.<sup>11</sup>

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8 NIA, para 2.

9 NIA, para 4.

10 Centre for Customs and Excise Studies, Charles Sturt University (CCES), *Submission 1*, p. 2.

11 NIA, para 5.

2.14 The Australian Food and Grocery Council (AFGC) maintains that the ATF will provide Australian exporters with:

- better access to information on customs requirements in foreign markets;
- the opportunity to gain advance rulings on product entering foreign markets;
- new procedures to support the timely transit of perishable goods into market; and
- greater certainty on procedures and arrangements when disputes arise.<sup>12</sup>

2.15 The ATF multilateral agreement is seen as providing a much needed antidote to the proliferation of preferential trade agreements (PTAs) or so called 'free trade agreements'. Pointing to the Noodle Bowl effect caused by the growing number of preferential trade agreements, the Australian Chamber of Commerce and Industry (ACCI) identified the 'confusion and higher costs for international business' that result from 'overlapping and inconsistent rules and administrative requirements' of varying PTAs.<sup>13</sup> Echoing these concerns, AFGC acknowledged the importance of bilateral and regional agreements in the absence of a comprehensive multilateral agreement, but identified the difficulties for business:

For example, Australia may have up to five individual and overlapping trade agreements applying to trade with a single country should all current negotiations be complete. Companies have difficulty managing the requirements of individual agreements, let alone multiple arrangements for trade with the same market.<sup>14</sup>

## Obligations

2.16 The ATF is comprised of three sections: **Section I** deals with trade facilitation measures and obligations; **Section II** focuses on flexibility arrangements for developing and least developed countries (otherwise known as 'special and differential treatment'); and **Section III** discusses institutional arrangements. Australia's primary obligations are contained in **Sections I** and **III**. However, **Section II** also contains some obligations relevant to Australia.<sup>15</sup>

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12 Australian Food and Grocery Council (AFGC), *Submission 3*, p. 4.

13 Australian Chamber of Commerce and Industry (ACCI), *Submission 4*, p. 6.

14 AFGC, *Submission 3*, p. 6.

15 NIA, para 7.

- 2.17 Nothing in the Agreement diminishes the obligations of Members under the GATT and it does not diminish the rights and obligations of Members under the *Agreement on Technical Barriers to Trade* (TBT Agreement) and the *Agreement on the Application of Sanitary and Phytosanitary Measures* (SPS Agreement).<sup>16</sup>
- 2.18 The first group of articles, **Articles 1-5**, essentially addresses transparency issues, and expands on GATT Article X.<sup>17</sup>
- 2.19 Under **Article 1** (Publication and Availability of Information), Members will be required to publish information on their customs procedures, including the forms, fees and charges applicable to importation, on the internet. Members must also establish 'Enquiry Points' to answer questions and provide documentation.<sup>18</sup>
- 2.20 Under **Article 2** (Opportunity to Comment, Information before Entry Into Force, and Consultations), a Member will be required, to the extent practicable and in a manner consistent with its domestic law and legal system, to provide an opportunity for traders to comment on new or amended customs laws and regulations, and to allow a reasonable period of time between their publication and entry into force.<sup>19</sup>
- 2.21 The Committee asked if **Article 2** would place any constraints on Australia's ability to change its sanitary and phytosanitary (SPS) and quarantine regulations, particularly in response to an immediate threat. The Department of Agriculture told the Committee that the current process to change regulations involved extensive consultation with stakeholders, primarily importers, as well as other countries that may be affected by the changes. While this consultation process could take some time, the Department assured the Committee that it retained the capacity to act swiftly in an emergency situation.<sup>20</sup>
- 2.22 Under **Article 3** (Advance Rulings), Members' customs authorities will be required to provide rulings to traders prior to importation upon written request, outlining how the trader's goods will be treated upon arrival to that country, e.g. how the goods will be classified (and what tariffs and non-tariff barriers will apply). Members will be required to provide advice on tariff classification and origin. Additionally, Members shall publish, at a minimum: the requirements (information and format) for the application

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16 NIA, para 8.

17 NIA, para 9.

18 NIA, para 10.

19 NIA, para 11.

20 Mr David Ironside, Acting Assistant Secretary, Compliance Arrangements, Compliance Division, Department of Agriculture, *Committee Hansard*, Canberra, 2 March 2015, p. 7.

for an advance ruling; the time period by which it will issue an advance ruling; and the length of time for which the advance ruling is valid.<sup>21</sup>

- 2.23 The Australian Customs and Border Protection Service (ACBP) told the Committee that Australia has had an advanced ruling scheme in place since the 1950s:

We provide advice to industry on request on how we will treat goods when they arrive in the country with respect to classification – the tariff that applies, how we will deal with the valuation of the goods, and how we will determine what the origin of the good is, and that can be for the purposes of satisfying a preferential trade agreement claim.<sup>22</sup>

- 2.24 Under **Article 4** (Procedures for Appeal or Review), Members will be required to provide appeal mechanisms to challenge the decisions by customs on goods, including rights to further appeal or review for traders if the decision on appeal takes too long.<sup>23</sup>

- 2.25 Australia presently has an appeal mechanism in place that fulfils this requirement. ACBPS explained:

We have an internal appeal mechanism within Customs and Border Protection, so a person can seek a second view from a different officer. Industry also has the opportunity of going to the Administrative Appeals Tribunal and seeking their view, and that is a merits review. And of course there are all the ordinary judicial review options.<sup>24</sup>

- 2.26 While Australia's trade facilitation measures already meet best practice standards, this Agreement will help to develop similar measures across Australia's trading partners and improve conditions for Australian business and industry generally:

... Australia has some of the best practice in trade facilitation measures. So this agreement will help Australian exporters principally by lifting other countries up to that standard.<sup>25</sup>

- 2.27 **Article 5** (Other Measures) sets disciplines for how Members operate systems for border controls to ensure that controls are not maintained

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21 NIA, para 12.

22 Ms Anita Langford, Acting Assistant Secretary, Trade Branch, Trade, Customs and Industry Policy Division, Australian Customs and Border Protection Service (ACBPS), *Committee Hansard*, Canberra, 2 March 2015, p. 3.

23 NIA, para 13.

24 Ms Langford, ACBPS, *Committee Hansard*, Canberra, 2 March 2015, p. 3.

25 Ms Stylianou, DFAT, *Committee Hansard*, Canberra, 2 March 2015, p. 3.

- unnecessarily; details how Members shall notify exporters if their goods are detained; and provides for transparent testing of detained goods.<sup>26</sup>
- 2.28 The Department of Agriculture assured the Committee that testing of detained goods in Australia is transparent.<sup>27</sup> Asked for clarification of controls being maintained ‘unnecessarily’, DFAT referred to **Article 24.6** which states that the ATF does not diminish the rights and obligations contained in the TBT Agreement or the SPS Agreement. If Australia puts in place testing requirements that are consistent with its rights and obligations under these TBT and SPS Agreements, such requirements cannot be deemed unnecessary.<sup>28</sup>
- 2.29 The next group of articles, **Articles 6–12**, is concerned mainly with fees, charges and formalities for import, export and transit, expanding on GATT Articles V and VIII.<sup>29</sup>
- 2.30 Under **Article 6** (Disciplines on Fees and Charges), Members undertake obligations related to the rationale and amount of fees and charges imposed in connection with importation and exportation. It also covers the size of penalties imposed for a breach of customs regulations, and the procedure for imposing them.<sup>30</sup>
- 2.31 Under **Article 7** (Release and Clearance of Goods), Members will be required to establish procedures and objectives for customs authorities to draw upon to clear goods. The article contains nine disciplines, covering:
- pre-arrival processing of import documents;
  - electronic payment;
  - release of goods where the amount of duty payable still has not been determined;
  - use of risk management procedures;
  - use of post clearance audits to minimise inspections;
  - tracking average release times;
  - establishment of authorised operator schemes and expedited shipment schemes (or ensuring equivalent treatment for all shipments); and
  - procedures to be used for perishable goods.<sup>31</sup>

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26 NIA, para 14.

27 Ms Nicola Hinder, Assistant Secretary, Pathway Compliance, Compliance Division, Department of Agriculture, *Committee Hansard*, Canberra, 2 March 2015, p. 4.

28 Ms Stylianou, DFAT, *Committee Hansard*, Canberra, 2 March 2015, p. 7.

29 NIA, para 15.

30 NIA, para 16.

31 NIA, para 17.

- 2.32 Under **Article 8** (Border Agency Cooperation), Members' border agencies will be encouraged to cooperate domestically as well as with their counterparts in neighbouring countries.<sup>32</sup>
- 2.33 Under **Article 9** (Customs Controls), Members will be required to allow goods intended for import to be moved within their territory from one customs office to another, to the point where the goods would be released or cleared.<sup>33</sup>
- 2.34 Under **Article 10** (Formalities), Members will be required to streamline and simplify formalities (i.e. forms and customs checks) connected with trade and remove some unnecessary requirements or constraints on the import/export traders to submit documentation through a single entry point for all participating agencies/authorities.<sup>34</sup>
- 2.35 Under **Article 11** (Freedom of Transit), Members will be required to minimise restrictions on goods transiting through their territories (for example, limitations on the amount of guarantee requested).<sup>35</sup>
- 2.36 **Article 12** (Customs Cooperation) relates to the sharing of information between governments to verify information on specific imports or exports. For example, Members shall hold all information or documents provided by the requested Member strictly in confidence, respect any case-specific conditions set out by the requested Member regarding retention and disposal of confidential information or documents and personal data; and upon request, inform the requested Member of any decisions and actions taken on the matter as a result of the information or documents provided.<sup>36</sup>
- 2.37 **Section II** provides for special and differential treatment of developing and least developed countries, including staged implementation of commitments and assistance for implementation. Australia's obligations under **Section II** are only activated upon Australia's interaction with developing and least developed countries. For example, under **Article 20**, developed countries are obliged to exercise restraint in bringing disputes against such countries. Under **Article 21**, developed countries are required to apply certain principles should they decide to provide assistance and support for capacity building with respect to the implementation of the ATF.<sup>37</sup>

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32 NIA, para 18.

33 NIA, para 19.

34 NIA, para 20.

35 NIA, para 21.

36 NIA, para 22.

37 NIA, para 23.



- 2.38 In **Section III, Article 23** establishes a WTO Committee on Trade Facilitation, open to all WTO Members, to oversee implementation of the ATF. In addition, each Member is required to establish a national committee on trade facilitation to facilitate domestic coordination and implementation of the provisions of the ATF.<sup>38</sup>
- 2.39 **Article XV** of the Marrakesh Agreement provides for the withdrawal of Members from WTO and thereby the ATF. It states that any Member may withdraw from the Marrakesh Agreement. Such withdrawal shall apply to all of the multilateral trade agreements annexed to the Marrakesh Agreement, including the ATF, and shall take effect upon the expiration of six months from the date on which written notice of withdrawal is received by the Director-General of the WTO. That is, Australia may only withdraw from the WTO as a whole, and may not withdraw from the ATF separately. Withdrawing from the Marrakesh Agreement would result in Australia losing its Most Favoured Nation status and a range of other rights that membership of the WTO provides.<sup>39</sup>

## Implementation

- 2.40 The NIA states that it will not be necessary to enact or amend legislation in order to implement the ATF in Australia and that Australian border procedures already comply with the Agreement.<sup>40</sup>
- 2.41 In line with **Article 23** of the ATF, Australia will need to establish a National Committee on Trade Facilitation involving governmental and private sector stakeholders. The NIA says that this can be undertaken administratively and will not require legislation. Arrangements for establishing the Committee are currently being considered by the relevant agencies (including ACBPS and DFAT). According to the NIA these arrangements will be made before Australia accepts the ATF and will be in place at the Agreement's entry into force.<sup>41</sup>

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38 NIA, para 24.

39 NIA, para 30.

40 NIA, para 25.

41 NIA, para 26.

## Costs

- 2.42 The NIA claims that the financial impact of the Agreement is expected to be revenue neutral as border procedures will not need to be changed. The establishment of a National Committee on Trade Facilitation is not expected to add any cost burden as the Committee's functions are expected to largely consist of meeting and corresponding to consider trade facilitation matters and will be managed by participating agencies as part of their normal running costs.<sup>42</sup>
- 2.43 The Committee requested clarification on the establishment and running costs of the WTO Committee on Trade Facilitation and the National Committee on Trade Facilitation. DFAT told the Committee that the National Committee on Trade Facilitation will be set up by ACBP as an interdepartmental committee and no costs will be attached to its establishment. The WTO Committee on Trade Facilitation will be a regular WTO committee set up under the WTO's current organisational structure and will also be cost-neutral:
- It would be attended by, for example, our WTO mission in Geneva, so it is just a part of the institutional structure of the organisation.<sup>43</sup>
- 2.44 The ATF provides a framework for the provision of assistance to developing countries and least developed countries, but there are no obligations upon Members to provide such assistance.<sup>44</sup>
- 2.45 Australia is contributing \$6 million over three years to the World Bank's Trade Facilitation Support Program. The aim of this program is to 'assist developing countries to undertake at-the-border reforms, such as improving their customs procedures'.<sup>45</sup> Additionally, Australia has pledged \$1 million to the WTO Trade Facilitation Agreement Facility to assist developing and least developed countries to implement the Agreement.<sup>46</sup>
- 2.46 To assist Pacific Island Members, Australia has also co-founded a workshop for Pacific Islands WTO Members.<sup>47</sup> This project has been

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42 NIA, para 27.

43 Ms Stylianou, DFAT, *Committee Hansard*, Canberra, 2 March 2015, p. 5.

44 NIA, para 27.

45 Ms Stylianou, DFAT, *Committee Hansard*, Canberra, 2 March 2015, p. 4.

46 Ms Stylianou, DFAT, *Committee Hansard*, Canberra, 2 March 2015, p. 4.

47 Ms Stylianou, DFAT, *Committee Hansard*, Canberra, 2 March 2015, p. 5.

funded under Australia's aid-for-trade program and is a one-off expenditure with no recurrent obligation attached.<sup>48</sup>

- 2.47 The NIA reiterates that the effective implementation of the Agreement by WTO Members is expected to reduce business costs for Australian exporters over time.<sup>49</sup>

## Sanitary and phytosanitary regulations

- 2.48 In light of the recent suspected link between imported frozen berries and cases of hepatitis A in New South Wales and Victoria, the Committee questioned the effect of the ATF on Australia's control of its SPS regulations. DFAT reiterated that the TBT and SPS Agreements still apply, and that the ATF does not in any way impinge on Australia's ability to maintain its SPS regulations:

It does not diminish in any way our rights and obligations under those agreements ... There is nothing in this agreement that would diminish our right to take SPS action or to set our own quarantine standards.<sup>50</sup>

- 2.49 The Department of Agriculture pointed out that the aim of the ATF is to 'offer the most facilitative trade mechanism possible' for exporters and importers. The Agreement is not seeking to 'amend any of the stringent quarantine or biosecurity standards' that are currently in place.<sup>51</sup>

- 2.50 The Committee sought clarification on claims that Australian food producers are required to meet higher standards than food importers in terms of inspections and health standards. The Department of Agriculture emphasised that it depends on the type of food in question and the legislative requirements that apply. However, in general, the Department consider that a high level of regulation applies to imported foods:

Anything that comes across the border has to, first of all, satisfy all of the legislative requirements that apply under the Quarantine Act, and the Quarantine Act is particularly focused on animal and plant health. If the food is coming in for human consumption then obviously, it also has to comply with all of the requirements that apply under the Imported Food Control Act, which ensures that any food that arrives in Australia is compliant with the Food

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48 Ms Stylianou, DFAT, *Committee Hansard*, Canberra, 2 March 2015, p. 5.

49 NIA, para 27.

50 Ms Stylianou, DFAT, *Committee Hansard*, Canberra, 2 March 2015, p. 3.

51 Ms Hinder, Department of Agriculture, *Committee Hansard*, Canberra, 2 March 2015, p. 7.

Standards Code. So, there is a fairly high level of regulatory burden ...<sup>52</sup>

- 2.51 Most consignments are inspected when they arrive in Australia but there is a process of off-shore pre-shipment inspections (OPI) for some horticultural products. In some cases the Department also inspects and audits produce facilities in other countries, for example for pig meat. Additionally, products are inspected by 'officers of recognised overseas authorities' in accordance with Australian requirements.<sup>53</sup>
- 2.52 OPI inspections follow the same process as those performed on arrival in Australia:
- The consignment or inspection lot is sampled and 100 per cent of the sample is examined for biosecurity pests, diseases and other contaminants such as soil, feathers, plant trash, etc ...
- Remedial actions (such as treatment, reconditioning, destruction, rejection for export) are applied to the whole consignment or lot based on the inspection outcome of the sample.<sup>54</sup>
- 2.53 Fresh table grapes from Chile and South Korea are subject to mandatory OPI, while the following fresh horticultural products are subject to optional OPI:
- USA table grapes, citrus, cherries, strawberries;
  - New Zealand avocados, kiwifruit, summer fruit, tomatoes, capsicums, blueberries, cherries, lemons, mandarins/tangerines, persimmons, strawberries;
  - Chinese apples, pears;
  - Korean pears; and
  - Japanese nashi pears.<sup>55</sup>
- 2.54 Where it is considered necessary, the Department also undertakes 'comprehensive systems audits of the production, packing, treatment (where required), and export certification procedures' in exporting countries prior to trade commencing. Such audits have been carried out for Chinese apples, Korean table grapes, Fijian ginger, Thailand mangosteens, Philippine, Indian and Pakistan mangoes, and New Zealand apples.<sup>56</sup>
- 2.55 Under the Imported Food Control Act, the Department of Agriculture administers the Imported Food Inspection Scheme (IFIS). Foods that pose

52 Mr Ironside, Department of Agriculture, *Committee Hansard*, Canberra, 2 March 2015, p. 3.

53 Department of Agriculture, *Submission 6*, p. 1.

54 Department of Agriculture, *Submission 6*, p. 1.

55 Department of Agriculture, *Submission 6*, p. 1.

56 Department of Agriculture, *Submission 6*, p. 2.

a medium to high risk to public health are inspected by the Department at a rate of 100 per cent at first, decreasing to five per cent over time:

Risk food is initially inspected and tested at a rate of 100 per cent against a published list of potential hazards – including micro-organisms and contaminants. Once five consecutive consignments have passed inspection, the inspection rate is reduced to 25 per cent; after a further 20 consecutive passes, the inspection rate is reduced to 5 per cent.<sup>57</sup>

- 2.56 The Committee understands that the majority of fruits and vegetables are classified as ‘surveillance foods’ rather than ‘risk foods’ and therefore only 5 per cent of these foods are referred for inspection. The 5 per cent is tested for ‘pesticides and antibiotics above accepted levels, microbiological contaminants, natural toxicants, metal contaminants and food additives’. It is only if a ‘surveillance food’ fails a test that it moves into the ‘risk food’ category and undergoes 100 per cent testing.<sup>58</sup>
- 2.57 The Department pointed out that the States and Territories also have regulations in place, providing another barrier of protection:
- Each state and territory authority has its own food legislation, and therefore state and territory action on food is different from, but complementary to, that which occurs under the IFIS.<sup>59</sup>
- 2.58 The Committee also expressed concern that, as Australia’s SPS regulations could be perceived as a barrier to trade, the high standards imposed by the regulations may be considered negotiable in the context of trade agreements. DFAT emphatically stated that, although negotiating countries raise concerns regarding Australia’s regulations, the Australian Government’s position is that the standards are not negotiable.<sup>60</sup>
- 2.59 In this regard, the Committee asked if other countries in the region had implemented a process of 100 per cent of testing of high-risk agricultural products imported from Australia. The Department of Agriculture is unaware of any country in the region that routinely implements such a process however, most countries ‘conduct some degree of port-of-entry testing on imports from Australia’.<sup>61</sup>

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57 Department of Agriculture, ‘Imported Food Inspection Scheme’, <<http://www.agriculture.gov.au/import/food/inspection-compliance/inspection-scheme>>, accessed 24 March 2015.

58 Department of Agriculture, ‘Imported Food Inspection Scheme’, <<http://www.agriculture.gov.au/import/food/inspection-compliance/inspection-scheme>>, accessed 24 March 2015.

59 Department of Agriculture, *Submission 6*, p. 3.

60 Ms Stylianou, DFAT, *Committee Hansard*, Canberra, 2 March 2015, p. 6.

61 Department of Agriculture, *Submission 6*, p. 4.

## Conclusion

- 2.60 The Committee acknowledges that the adoption of the ATF is a significant milestone in the development of a multilateral trading system and that it is designed to reduce trade barriers, cut red tape and streamline customs procedures.
- 2.61 The Committee's major concern is the impact that the ATF may have on Australia's ability to control its sanitary and phytosanitary standards. It sought assurances that these regulations will not be threatened by the implementation of the ATF but encourages relevant agencies to be vigilant in this area.
- 2.62 The Committee regards it as important that imported food products are subjected to the same level of sanitary controls and inspections as Australian grown food.
- 2.63 To promote a nationally consistent framework, the Committee encourages the Council of Australian Governments (COAG) to accelerate full implementation of the Intergovernmental Agreement on Biosecurity (IGAB) that came into effect in January 2012.<sup>62</sup>
- 2.64 The Committee supports Australia's ratification of the Protocol and recommends that binding treaty action be taken.

### Recommendation 1

- 2.65 **The Committee supports the World Trade Organization *Agreement on Trade Facilitation: Protocol Amending the Marrakesh Agreement Establishing the World Trade Organization (including the Agreement on Trade Facilitation annexed to that Protocol)* and recommends that binding treaty action be taken.**

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62 Department of Agriculture, 'Intergovernmental Agreement on Biosecurity', <<http://www.agriculture.gov.au/biosecurity/partnerships/nbc/intergovernmental-agreement-on-biosecurity?wasRedirectedByModule=true>>, accessed 24 March 2015.