



17 October 2022

Committee Secretariat
Joint Committee on Treaties
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Sir

Re: Australia-India Economic Cooperation and Trade Agreement (the agreement)

Further to our recent telephone call with your Secretariat we provide this submission in relation to the consideration of the agreement by the Joint Standing Committee on Treaties (JSCOT). We appreciate the list for the hearing day is finalised however would certainly welcome an opportunity to appear before the Committee should there be an opportunity. At the outset please note that Quintis fully supports the ratification of the above however would make the following brief comments.

Quintis (Australia) Pty Ltd (Quintis), manages an estate of 12,000 hectares of Indian sandalwood plantations across the north of Australia comprising approximately 5.5 million sandalwood trees. It has been exporting Australian sandalwood (*Santalum spicatum*) to India over many years and more recently Indian sandalwood (*Santalum album*). Over the last ten years Quintis has exported over 40 tonnes of spicatum oil and over 145 tonnes of processed spicatum wood. Since 2018 with the commencement of harvests of Indian sandalwood over 90 tonnes of processed album wood has been exported with consequential value adding in India. During this time trade barriers have been a significant barrier to development of these exports.

Quintis therefore welcomed in the agreement the incremental reduction on tariffs on sandalwood chips and powder exported from Australia to India. The reduction is a promising start to make Indian sandalwood that has been sustainably grown in Australia more easily available to Indian customers. It notes however that sandalwood oil still remains to be dealt with in the broader agreement which is to be finalised.

Quintis understands that the JSCOT is to report to the Parliament on 18 November 2022 and that time for ratification by the end of the year might be tight. Any delay in ratification into early next year will put the scheduled tariff reductions back by a full 12 months. It is on this basis that Quintis would urge expeditious consideration of any ratification.

The agreement provided that the current tariffs mentioned will be reduced from 15% to 0% over six years. This will then bring Australia into line with the rate enjoyed by ASEAN countries. Whilst the tariff on sandalwood oil from Australia remains at 20% the tariff on sandalwood oil from ASEAN countries is being reduced to 5%. as a result of the India-ASEAN FTA in 2018. Although not part of JSCOT's consideration, this is a significant issue for the industry and hopefully negotiations can be resolved satisfactorily in the not too distant future.

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QUINTIS LEASING PTY LTD	ABN 84 080 978 721
QUINTIS PRODUCTS PTY LTD	ABN 85 103 368 707
QUINTIS SANDALWOOD PTY LTD	ABN 62 060 122 698
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In addition to the above a domestic restriction also remains on log imports into India from Australia however as these were not the subject of the agreement and not subject to negotiations for the broader agreement Quintis will continue to pursue this domestically in India.

When taken as a whole the trade in sandalwood between Australia and India is at a crossroads not encountered before and if navigated in a timely and successful manner could see a significant increase in the trade. Without repeating them here, the benefits for both countries were clearly outlined in the submission provided by Quintis in support of the reduction in tariffs and of course details of this can be provided if required.

Yours faithfully



Richard Henfrey
CEO