



1 November 2021

Committee Secretary
Joint Standing Committee on Treaties
PO Box 6021
Parliament House
Canberra ACT 2600

Via email: jsct@aph.gov.au

EU Tariff-Rate Quotas Following Withdrawal of the UK

I refer to the Joint Standing Committee on Treaties (JSCOT) inquiry into the Agreement between the European Union (EU) and Australia pursuant to Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions on Tariff-Rate Quotas (TRQ) included in EU Schedule CLXXV as a consequence of the United Kingdom's withdrawal from the EU.

Australian red meat (beef and sheepmeat/goatmeat) access to the EU has long been governed by a highly restrictive and outdated low volume quota and high above quota tariff regime. The volumes pre-Brexit of 7,150 tonnes of beef and 19,186 tonnes of sheepmeat/goatmeat were disproportionately low compared to other supplying countries and represented a miniscule component of overall EU red meat consumption.

The decision by the EU, supported by the UK, to apportion these volumes as a consequence of Brexit, diluted Australia's access even further and reduced the flexibility of servicing the EU / UK in accordance with market demand. The Australian red meat industry, supported by the Australian Government, strongly opposed the arrangement.

Despite this opposition, coupled by strong sentiment expressed by other supplying countries which were similarly impacted, the EU and UK proceeded to implement apportionment. The consultation process which unfolded between the Australian Government and impacted Australian sectors, as well as between the Australian Government and the EU and UK at officials level, is well documented by the National Interest Analysis (ATNIA).

Meat & Livestock Australia (MLA), in close association with the red meat industry's peak representative councils, was an active participant in the ensuing TRQ modification process / negotiations, with the aim of securing the best possible outcome for future access to the EU (and UK) for our sector – albeit an outcome still highly constrained via an even more punitive TRQ construct. The Australian Government's consultation, particularly DFAT and the Trade Minister's office during this process, was exemplary.

The subsequent signing of the treaty-level agreement with the EU on 4 October 2021 facilitates the implementation of the sheepmeat/goatmeat TRQ changes on 1 January 2022 and the beef TRQ changes on 1 July 2022 (ie at the start of the next quota administration year for each product).

As the TRQ volume modifications finally 'agreed' (as detailed in the ATNIA) will govern Australia's beef and sheepmeat/goatmeat access to the EU for the immediate future, it is MLA's recommendation, on behalf of the Australian red meat industry, that **JSCOT expedites its consideration, endorses the EU TRQ construct for beef and sheepmeat/goatmeat and that binding treaty action be taken without delay.**

This will be necessary to enable the revised TRQs to take effect on the above mentioned dates – the importance of which, along with practical implementation issues, are elaborated on in the submission by the Australian Meat Industry Council to this inquiry.

It should be further noted that given free trade agreement (FTA) negotiations are currently underway with the EU (and similarly with the UK), the objective in these FTA negotiations must be to secure significant long term, binding improvements to Australia's red meat market access. This will go a long way to addressing the loss of access evident from the TRQ modifications being reviewed by this inquiry.

Yours sincerely

Andrew McCallum
Global Manager - Trade and Market Access