



23 April 2021

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

Via email: jsct@aph.gov.au

To whom it may concern,

RE: Inquiry into the Regional Comprehensive Economic Partnership Agreement

The National Farmers' Federation (NFF) was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council, and these organisations form the NFF.

The NFF represents Australian agriculture on national and foreign policy issues including workplace relations, trade and natural resource management. Our members complement this work through the delivery of direct 'grass roots' member services, as well as state-based policy and commodity-specific interests.

The NFF is a strong supporter of free international trade and believes that multilateral free trade agreements, such as the Regional Comprehensive Economic Partnership (RCEP), promotes the global liberalisation of trade. From an agricultural perspective the three key outcomes initially sought from RCEP include:

- The reduction and elimination of agricultural tariffs and quotas;
- removing and mitigating Non-Tariff Barriers (NTBs), particularly those relating to sanitary and phytosanitary measures (SPS), to ensure efficient and innovative supply chains across the fifteen participating nations; and
- improve trading relations and market access with India.

Importance to agriculture of trade with RCEP signatories

The 15 signatories of the RCEP represents the world's largest multilateral free trade agreement capturing 29% of the global GDP and 25% of the global trade in goods and services. From an agricultural perspective the RCEP grouping includes major trading partners such as China, Japan and South Korea, and emerging markets such as Indonesia and Vietnam.

While this is undoubtedly a significant market opportunity, Australia has bilateral free trade agreements with many of the RCEP signatories, or multilateral agreements, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. Some of these free trade agreements have been struck on more favourable terms than the RCEP.

Agricultural tariffs and quotas remain a significant barrier for Australian agriculture. As such, the Australian Government must have an absolute focus on expanding the RCEP principles of tariff reduction and elimination to agricultural goods, noting that agricultural commodities have largely been exempt from tariff cuts or elimination.

Non-Tariff Barriers

With respect to NTBs, NFF members have raised issues with a myriad of NTBs, including (but not limited to),

- importing country standards that differ from international standards set by organisations like CODEX (or standards with little scientific basis);
- lack of import protocols and permits;
- inconsistent approach to setting minimum residue levels (MRLs); and
- sudden changes to regulations and non-recognition of previously accepted practices.

Examples of NTBs in some RCEP countries include banning the use of ractopamine in pork, the lack of a consistent analytical method for testing imported milk, lack of consistent approach to risk assessments on genetically modified grains, and the inappropriate use of International Standards for Phytosanitary Measures to capture non-phytosanitary issues.

Specific examples include product registration process for packaged food products into Indonesia taking over 6 months as a minimum for new products.

The Australian Government should promote the removal of NTBs within the RCEP membership in line with principles and provisions found in chapters relating to rules of origin, sanitary and phytosanitary measures, and standards, technical regulations, and conformity assessment procedures.

Boosting trade relationships with India

One of the major benefits of the RCEP negotiations was the potential inclusion of India within the partnership, noting that India is the only country that Australia does not have a pre-existing free trade agreement with.

India has the potential to be a significant export market across the spectrum of agricultural commodities. However, there are burdensome tariff and quota restrictions for most agricultural commodities, and even more significant technical barriers that have curtailed the ability of Australian producers to access Indian markets. India's export subsidies and domestic price support mechanisms for commodities, such as sugar, have also been detrimental to establishing viable trade flows.

In the absence of bilateral negotiations with India, the agriculture industry was hopeful that the RCEP framework would provide a forum for Australia and India to improve trade opportunities and ties.

The RCEP has provision that allows for future accession to the agreement by interested countries, and India has been given a special accession opportunity, where the 18-month accession timeframe has been waived (i.e. they can accede immediately). The Australian Government, along with other signatories, should prioritise India's accession and highlight the benefits to India of joining the RCEP framework.

Should you have any questions regarding this submission please contact Mr Ash Salardini, General Manager Trade and Economics [REDACTED] [REDACTED] [REDACTED] [REDACTED]

Yours sincerely

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