



22 September 2023

Committee Secretary
Joint Standing Committee on Trade and Investment Growth
PO Box 6021
Parliament House
CANBERRA ACT 2600
Email: jsctig@aph.gov.au

Dear Committee Secretary,

RE: Submission regarding the Australian Government's approach to negotiating trade and investment agreements

1. Introduction

Grains Australia and its co-signees welcome the opportunity to provide a submission to the Committee's inquiry into the Australian Government's approach to negotiating trade and investment agreements. Grains Australia notes the terms of reference to this inquiry, namely;

"...inquire into and report on:

- The consultation process undertaken with interested parties, including representatives of industry and workers throughout the process."

In 2022–23, the Australian grains industry¹ comprises of over 22,000 businesses² producing a record estimate of 73.1 million tonnes, with a gross production value of \$19.8 billion dollars. Despite forecasts of a 33% reduction in production and a 37% decline in production value for the upcoming year, these figures would still stand as the third highest on record. Notably, the grains industry remains highly export-oriented, with 37 million tonnes, equivalent to 75% of total production, forecasted to be exported overseas, generating a substantial value of \$20 billion in 2023-24³.

The industry has a strong interest in the Australian Government's approach to negotiating trade and investment agreements. Trade plays a pivotal role in the growth, employment, and overall prosperity of the grains industry. It provides additional revenue streams for business, strengthens connections with global value chains, and improves access to new technologies. While the grains industry enjoys tariff-free trading environments and tariff-rate quota improvements in most overseas markets, it remains susceptible to various overseas government tools and policy measures that can restrict and distort trade. Grains Australia also acknowledges that trade restrictiveness is not a one-size-fits-all concept, and some measures, such as those protecting human, animal, and plant health, are essential for safeguarding public interests.

¹ Grains include wheat, coarse grains, oilseeds, and pulses.

² Business figures based on number of levy payers reported by Australian Grains Research & Development Corporation

³ Figures based on ABARES agricultural commodities and trade data – September 2023

2. The consultation process undertaken with interested parties, including representatives of industry and workers throughout the process.

Within the grains industry, market access priorities and activities are identified, prioritised, and coordinated within the Grains Market Access Council (GMAC), the Trade & Market Access Technical Committee (TMAC), and the Grains Industry Market Access Forum (GIMAF). These forums serve as a central hub where industry stakeholders – producers, exporters, processors, and industry associations, convene to discuss, strategise, and advocate for market access priorities. These priorities are then communicated to Government where industry works with Government in relation to agreed market access prioritisation. For the grains sector, maintaining and improving market access is often as important as seeking new or tariff-free market access, and cover a spectrum of matters from regulatory harmonisation to addressing compliance with sanitary and phytosanitary barriers.

The consultation process is an undeniably valuable component of the relationship between government and industry. It allows grain industry stakeholders to dedicate substantial time and effort to provide evidence, background information, and well-reasoned talking points to government negotiators. This is a testament to the grain industry's commitment to ensuring that trade agreements benefit Australia.

Where challenges arise is in the transition from and consistencies with consultation to negotiation. The Australian grains industry encourages government to not make a deal at any cost. Any negotiations should be in Australia's national interest, and in the interest of Australia's agriculture sector. The expectation remains that the Australian Government's commitment to securing the best possible terms for the Australian grain industry will always outweigh the commitment to closing negotiations and settling on agreements lacking benefit.

To this end, we encourage the Australian Government to refine their engagement with industry, particularly where negotiations are lengthy and challenging. The Government does well with their initial engagements and consultations during the early stages of a negotiation. However, as negotiations near their conclusion, there tends to be a sense of disillusionment regarding the perceived benefits and practical implementation of these agreements following their execution. It is essential for the Australian Government to better demonstrate how industry specific interests have been incorporated into the final terms of an agreement *before* it is formally ratified so that industry can make better informed endorsements – as if one would do prior to purchasing a significant investment.

The Australian Government's consultation approach during the China barley dispute emphasised the need for practical engagement with the industry. Despite complexities and occasional frustrations, it demonstrated the importance of clear communication. The grains industry commends the government, especially the Department of Foreign Affairs and Trade, for their collaborative efforts in resolving the matter. This experience underscores the value of ongoing engagement between government and industry.

3. Conclusion

The Australian grains industry appreciates the opportunity to participate in more comprehensive and frank consultations regarding the negotiation of trade agreements. The success of trade negotiations hinges not only on the government's ability to represent national interests effectively but also on its capacity to meaningfully engage with industry stakeholders.

Addressing these measures is a multi-stage process, requiring regular consultation between government and industry to ensure interests are well represented throughout the entirety of trade negotiations. This involves expanding upon existing measures, such as open-ended calls for written submissions, formal stakeholder consultation meetings, and briefings.

With that in mind, Grains Australia would respectfully welcome the Australian Government's consideration and implementation of enhanced consultations that improve the accessibility of negotiation activities and documents through secure platforms like Australia's GovTEAMS and the EU's CIRCABC. Creating user-friendly online platforms for meaningful consultations could lead to increased efficiency, transparency, collaboration, and security, ultimately resulting in more informed decisions and improved outcomes in trade negotiations. Additional information on this recommendation is provided on page four.

Grains Australia would also support a consistent "Team Australia" approach to trade negotiations and the aligning of intergovernmental positions through enhanced consultations. The Australian Government needs to work closely between government departments at all levels and identified representative industry bodies to ensure consistent messaging and simplified engagements for destination markets that require information and assistance. This would allow a deeper penetration into desired markets, particularly the ASEAN region, with unified messaging across government, public, and commercial interests in the destination market.

Multiple representations from various public and private bodies cause confusion, a dilution of position, an appearance of discord, and in some instances, the appearance of conflicting interests in Australia's national trade policy positions. Grains Australia understands there are reports, particularly from ASEAN, where overseas parties have felt a misrepresentation and confusion of the Australian Government's trade policy position, stemming from inconsistent overseas representations from other public and private bodies.

While this is partially being mitigated through the establishment of the Foreign Arrangements Scheme in 2020, The Australian Government should consult more with these private and public entities to ensure a unified approach with market engagement. Individual states, companies, and organisations are of course encouraged to promote themselves. However, this should not be done in a manner that misrepresents themselves as trade representatives that inadvertently alter national trade policy positions.

We thank you for the opportunity to lodge a submission. Please do not hesitate to contact the undersigned should you have any queries or should we be able to be of further assistance.

Yours sincerely,

Lachlan Evans
Trade and Market Access Manager
Grains Australia Limited

RECCOMENDATION: Improve the accessibility of negotiation activities and documents through secure platforms like Australia's GovTEAMS and the EU's CIRCABC

Creating or enhancing user-friendly online platforms for meaningful consultations between government and industry on trade negotiations, could lead to increased efficiency, transparency, collaboration, and security, ultimately resulting in more informed decisions and improved outcomes in trade negotiations, benefitting both government and industry stakeholders.

Existing data and commentary relevant to trade negotiations is often scattered across various websites and databases, making it challenging for industry stakeholders to access, analyse, and share crucial information efficiently. The Australian grains industry needs to understand and be kept updated in real-time the value proposition of these trade agreements throughout the entire consultation process, to effectively prepare its position in negotiations. Likewise, a refined approach to consultation will make it easier for industry to send clear signals to government negotiators on our interests, reducing misinformation and improving the legitimacy of negotiated outcomes.

One way of achieving this is to consolidate all relevant data, documents, and updates in a user-friendly centralised Team Australia location, streamlining access and reducing the time and effort required to gather essential information across different agencies and service providers. This would include but not be limited to:

- Trade agreements and proposals;
- Trade statistics, market snapshots, and economic data – particularly commodity-specific impact assessments from Government on various negotiation outcome scenarios;
- Commodity-specific negotiation progress and updates;
- Stakeholder comments and feedback;
- Information on trade disputes, their resolution, and their impact on the agreement being negotiated;
- Positions and interests of all stakeholders involved, including foreign; and
- Public and private sector contacts.

Improving the consolidation and accessibility of this data can serve as a comprehensive resource for government and industry stakeholders involved in trade negotiations – promoting more informed and productive consultations. The data would ideally need to be updated in real-time and data streams be made available to use and share consolidated information across government and industry systems.



Grains Australia is a subsidiary company of the Grains Research and Development Corporation (GRDC) and operates as the industry good organisation delivering services and functions on behalf of the entire grains value chain by working collaboratively and enabling strategic industry responses to market issues and opportunities.



GrainGrowers is a voice for Australian grain farmers with grower members across the country. We work to build a more profitable and sustainable grains industry for the benefits of Australian grain farmers. Our key pillars are policy and advocacy, alongside grower and industry development, designed to build on the knowledge and capability of growers. Our growers are at the heart of all that we do and the focus of our work.



GPA represents Australia's broadacre grain producers, developing national policy and advocating outcomes to help boost their profitability and sustainability. GPA also has specific roles and responsibilities under federal legislation, representing all levy-paying grain producers – about 22,500 – on RD&E, biosecurity, and chemical use/market access. GPA's grass roots representative model includes direct producer members, and grower members of the Grains Councils of State Farming Organisations throughout Australia – Agforce Grains, Grain Producers SA, NSW Farmers Association, Victorian Farmers' Federation Grains Group, Tasmanian Farmers and Graziers Association, WA Farmers Grains Council and WA Grains Group.



The Australian Oilseeds Federation Inc. (AOF) was established in 1970 to represent the common interests of all Australian oilseed industry participants and to promote the development, expansion, and improvement of Australian oilseed production. The AOF represents players across the total oilseed supply chain including service providers, growers, traders (domestic and export), processors and consumers.



Pulse Australia is a peak industry body that represents all sectors of the pulse industry in Australia, from growers and agronomists through to researchers, merchants, traders, and exporters. It is unique in that it is an independent, non-political, and whole of industry organisation, which acts as a catalyst for the development of the pulse industry.