



Submission No 26

Australia's trade and investment relations under the Australia-New Zealand Closer Economic Relations Trade Agreement

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Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT)
Inquiry into Australia and New Zealand Closer Economic Relations (CER)
Questions on Notice
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1. *What are the issues relating to access for New Zealand stone fruit to Western Australia?*

Access for New Zealand (NZ) stone fruit into the eastern states of Australia was granted in 1984. Access was not permitted into Western Australia (WA) as no suitable mitigation measure was identified for the fungi responsible for brown rot of stone fruit. The presence of these fungi in WA was confirmed in 1999. NZ requested access for stone fruit into WA in 2000, with cherries flagged as the highest priority. Access for cherries was granted in January 2003. Access for the remaining stone fruit (apricot, nectarine, peach and plum) into WA is a priority for NZ.

The *Draft Report for the Extension of Existing Policy for Stone Fruit from NZ into WA* was released on 9 August 2005, for a 30 day stakeholder comment period. Detailed comments were received from four stakeholders including Biosecurity New Zealand and the Department of Agriculture and Food Western Australia.

Biosecurity Australia's (BA) draft report proposes that stone fruit from NZ be allowed entry into WA subject to phytosanitary measures to manage the risk posed by oriental fruit moth, citrophilus mealybug, leafrollers, and thrips.

BA is finalising its report and recommendations to Australia's Director of Animal and Plant Quarantine. In finalising its report, BA is working to achieve acceptance of scientifically justified quarantine measures that all parties consider to be reasonable to manage the relevant quarantine risks.

2. *What are the issues relating to access for New Zealand lettuce to Australia?*

Access for New Zealand (NZ) lettuce to Australia, which was based on historical trade, was suspended in 2002 following an outbreak of currant lettuce aphid (*Nasonovia ribis-nigri*) in NZ. At that time, this pest was not present in Australia.

In April 2004, Biosecurity Australia (BA) formally notified NZ that the pest had been detected in Tasmania. The pest has since been detected in New South Wales, Victoria and South Australia but has not been detected in any other states of Australia. Loose leaf lettuce can only be exported from Tasmania, New South Wales, Victoria and South Australia into other states under the National Interstate Certification Assurance Protocol (ICA) 51, which outlines treatment and inspection protocols to facilitate the movement of processed loose leaf lettuce.

In March 2006, NZ requested that access for NZ lettuce to Australia be reinstated based on similar controls applied to Tasmania, Victoria and New South Wales. BA is currently developing a protocol in conjunction with Biosecurity New Zealand for the reinstatement of trade for NZ loose leaf lettuce.

Access for NZ head lettuce to Australia cannot occur until the states approve a nationally accepted protocol. A nationally accepted protocol for head lettuce (ICA-53) is currently being considered by members of the Domestic Quarantine and Market Access Working Group.

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1. *What is the difference between a moratorium and a trade barrier?
Does a moratorium stop trade taking place?
Does a moratorium breach World Trade Organization (WTO) guidelines?*

Trade barriers can be created by tariffs or non-tariff measures. A tariff is basically a duty or a tax levied at the border on goods going from one country to another. The higher the tariff, the less competitive will be the imported goods. Non-tariff measures are broadly defined as government measures, other than tariffs, that restrict trade flows (e.g. licensing requirements). The term 'moratorium' can be applied in a wide variety of circumstances some of which restrict trade flows and some of which promote trade flows. For example, in terms of trade promotion, WTO Members adopted a Declaration on global electronic commerce on 20 May 1998 which included a moratorium on imposing customs duties on electronic transmission. Whether a moratorium was consistent with WTO rights and obligations would need to be determined on a case-by-case basis and would depend upon the particular circumstances of the case.