

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 180

Division/Agency: TMA – Trade and Market Access Division

Topic: Free Trade Agreement Negotiations

Proof Hansard Page: Written

Senator Colbeck asked:

1. Can you provide an update on DAFF's involvement in all FTA negotiations since the Supplementary Budget Estimates and can you detail any developments?
2. Can you provide a current status of all FTA negotiations as at present?

Answer:

1.

Malaysia – Australia Free Trade Agreement

DAFF officers participated in the eighth round of negotiations, held in Canberra on 18–22 October 2010. At the round, Australia provided a paper to Malaysia which outlined Australia's tariff offer and the commitments Australia would be seeking from Malaysia in return.

At the eighth round, Australia and Malaysia agreed to consult inter-sessionally on timing of the next round, however this has not yet been scheduled.

Pacific Agreement on Closer Economic Relations Plus (PACER Plus)

A DAFF officer participated in the second PACER Plus trade officials' meeting held in the Solomon Islands on 19 and 20 October 2010. Participants in the meeting discussed most of the priority negotiating issues previously agreed by Forum Trade Ministers in October 2009, namely: rules of origin, customs procedures, other trade facilitation issues, and regional labour mobility.

The third PACER Plus trade officials' meeting took place on 14 and 15 March 2011 in Palau. DAFF did not participate.

Trans-Pacific Partnership (TPP)

Since October 2010 two DAFF officers attended the fourth round of the Trans Pacific Partnership (TPP) negotiations in Auckland, New Zealand (6-10 December 2010) and the fifth round in Santiago, Chile (14-18 February 2011). Negotiations continue to make steady progress across the full range of issues under discussion.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 180 (continued)

The TPP negotiations are advancing towards the goal of developing a high quality, comprehensive 21st century regional trade agreement. Market access negotiations on goods tariffs commenced in Santiago following the exchange of initial goods offers by all nine parties undertaken in January 2011. Offers on services, investment and government procurement are to be exchanged before the next round of negotiations in Singapore (28 March – 1 April 2011).

Australia-Japan Free Trade Agreement

The last negotiating round was held in Tokyo on 7-10 February 2011. Two DAFF officers participated. Japan's revised Basic Policy on Comprehensive Economic Partnerships, commits Japan to increasing its efforts to conclude the Agreement.

Australia-Korea Free Trade Agreement

Since the Supplementary Budget Estimates, two DAFF officers have participated in two intercessional meetings, both in Seoul, most recently on 13-16 January 2011. Australia's negotiations for a free trade agreement with the Republic of Korea are active, with work progressing towards finalising the agreement.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 180 (continued)

2.

Status of Australia's free trade agreements (FTAs)

Current negotiations

Partner	Status
People's Republic of China	The 16th round of negotiations is planned for the first half of 2011 in Australia, though a date has not yet been agreed. The 15th round was held in Beijing from 28-30 June 2010.
Japan	Australia's negotiations for a free trade agreement with Japan are active, with work progressing since the announcement of Japan's revised Basic Policy on Comprehensive Economic Partnerships.
Malaysia	Negotiations commenced in May 2005. In October 2008, Australia and Malaysia agreed to reinvigorate negotiations following conclusion of the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA). The eighth round was held in Australia in October 2010.
Gulf Cooperation Council	Negotiations commenced in July 2007. The fourth round was held in June 2009. A date for the next round has not been set.
Republic of Korea	Negotiations commenced in May 2009. The fifth round was held in late May 2010 in Canberra. Negotiations on market access have progressed during the course of three intersessional meetings held in August 2010, November 2010 and January 2011.
Pacific Island countries	FTA negotiations under the "Pacific Agreement on Closer Economic Relations (PACER) Plus" arrangement were announced by Pacific leaders in August 2009. Officials have held discussions on PACER Plus in Vanuatu in April 2010. In October 2010 in Honiara, and 14-15 March 2011 in Palau.
Trans-Pacific Partnership	The first round of negotiations was held in Melbourne in March 2010. Involving Australia, Brunei Darussalam, Chile, New Zealand, Singapore, the United States, Peru and Vietnam. Malaysia participated for the first time in the round held in Auckland in December 2010. The most recent round was held 14-18 February 2011 in Santiago, Chile.
Indonesia	On 2 November 2010, Australia and Indonesia agreed to commence negotiation of an Indonesia-Australia Comprehensive Economic Partnership Agreement. Timing of the first round of negotiations is yet to be determined.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 181

Division/Agency: TMA – Trade and Market Access Division

Topic: World Trade Organisations (WTO) Negotiations

Proof Hansard Page: Written

Senator Colbeck asked:

Can you provide an update on DAFF's involvement in WTO negotiations and the present status of these negotiations?

Answer:

The department is actively involved in the World Trade Organisation (WTO) Doha Round of Multilateral Trade Negotiations. We focus our efforts in the Agriculture negotiations and the rules negotiations. The rules negotiations include development of a multilateral fisheries subsidies agreement. DAFF attends most of the negotiation sessions in Geneva for both agriculture and rules, depending on the issues being discussed and available resources. Since October 2010, DAFF officers have attended three negotiating sessions. One officer attended each session. The department provides technical support and technical advice to the Department of Foreign Affairs and Trade which has primary responsibility and lead for Australia's trade negotiations. Outside of negotiating sessions, the department supports Australia's position in the negotiations through liaison and consultation with industry and by providing comment and advice on technical papers.

Since the start of 2011 there has been a renewed enthusiasm by members of the WTO to conclude the Round this year. In Davos, Switzerland, in the margins of the World Economic Forum, in January 2011, trade ministers from key members agreed that 2011 presented a window of opportunity to finish the Doha Round. In the agriculture negotiations, members have agreed to intensify discussions on the key outstanding issues and the agriculture chair, Ambassador David Walker (NZ), has been organising more regular and longer negotiating sessions. Agriculture negotiators have engaged in negotiating sessions in February and early March, and will meet after that as often as is required. Discussions have thus far been promising, but much work still needs to be done to resolve the major outstanding issues, both in agriculture and in other areas of the negotiations.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 182

Division/Agency: TMA – Trade and Market Access Division

Topic: Department's Engagement with International Organisations

Proof Hansard Page: Written

Senator Colbeck asked:

Can you provide details of the Department's engagement with international organisations in the past 6 months and the coming year including details of dates, organisations and issues dealt with?

Answer:

The department's day-to-day operations involve extensive communication and interaction with a wide range of international organisations, international bodies, working groups and committees. International liaison is a core function of the department at various levels, and includes negotiation, exchange of information, standards setting, advice and notifications. It is therefore not feasible to provide a detailed response to this question. Attached is a non-exhaustive list of the international bodies with which the department engages more frequently and some of the key issues covered. This list and the level of engagement is expected to remain similar over the coming twelve months.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 182 (continued)

ATTACHMENT A

DAFF: ENGAGEMENT WITH INTERNATIONAL ORGANISATIONS & KEY ISSUES

Name of Organisation	Issues
APEC - Asia Pacific Economic Cooperation	APEC Agriculture Ministers meeting on food security
	Food security and phytosanitary risk mitigation in APEC countries
	Agricultural Technical Cooperation
Asia & Pacific Plant Protection Commission International Plant Protection Convention	Capacity building on draft international standards for phytosanitary measures
ASEAN - Association of Southeast Asian Nations	Delivery of capacity building activities under the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA)
	Reporting and delivery of capacity building activities under the AANZFTA
	Reporting on regional capacity building activities
	Logistical coordination and delivery of training activities under the AANZFTA
Asia and Pacific Plant Protection Commission	Work program, budget, regional standards for phytosanitary measures - biennial meeting
Asian Development Bank	Capacity building in the Greater Mekong Sub-region and Quarantine in the East Asia Growth Area
CBD - Convention on Biological Diversity	Convention on Biological Diversity biennial conference - conservation and sustainable use of biodiversity

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
 Additional Estimates February 2011
Agriculture, Fisheries and Forestry

Question: 182 (continued)

CCSBT - C'mmsn for the Conservation of Sthrn Bluefin Tuna	Management procedures for the determination of total allowable catch of southern bluefin tuna for 2012 and beyond
	Compliance with measures adopted by the Commission, e.g. Catch Documentation Scheme
CODEX - Codex Alimentarius (international food standards)	International standards related to Fats and Oils including setting a limit for Linolenic Acid in Olive Oils
	International standards related to Veterinary Drugs in Foods including setting Maximum Residue Limits
	Draft Principles and Guidelines for National Food Control Systems (Australia leads this work)
	International standards on Processed Fruits and Vegetables including a Draft Standards for Grated Desiccated Coconut, Table Olives, Canned Bamboo Shoots, and Food Additive Provisions for Processed Fruits and Vegetables.
	Standards for products traded by the members of the region, capacity building to improve food safety and trade for developing countries in the region
	Guidelines for risk analysis of foodborne antimicrobial resistance
	Proposed Draft Recommendation for the Labelling of Foods and Food Ingredients Obtained through Certain Techniques of Genetic Modification / Genetic Engineering
	Adoption of standards and texts developed by various Codex Committees, new work plans, Codex Strategic Plan for 2014-2018, financial and budgetary matters, election of the next Chair and Vice Chairs of the Codex Alimentarius Commission
	International standards related to Methods of Analysis and Sampling; Food Additives; Pesticide Residues; Fish and Fishery Products; Fresh Fruits and Vegetables; Food Labelling and Food Import and Export Inspection and Certification Systems

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 182 (continued)

	Draft guidelines for Control of Specific Zoonotic Parasites in meat: <i>Trichinella spiralis</i> and <i>Cysticercus bovis</i>
	Draft principles for the establishment and application of Microbiological Criteria for Foods
FAO - Food and Agriculture Organisation (United Nations)	Global Forest Resource Assessment process; forest biodiversity, fire and water in the context of climate change; emerging opportunities and challenges in forest finance and forest governance; programme priorities for the FAO in forestry; communicating the role of forests in sustainable development – the international year of forests (2011); and the conclusions of the XIII World Forestry Congress and preparations for the XIV World Forestry Congress (2015)
	Asia Pacific Regional Conference (Regional Priorities - Food Security, Climate Change)
	FAO Finance Committee (Finance and Budgetary Matters; Human Resources)
	FAO Program Committee (Biennial Program of Work and Budget; Reform costs; Capital Expenditure)
	FAO Council (Governance, Program Finances)
	Conference - Program, Finance and Governance Issues; Regional Consultation
	International Treaty on Plant Genetic Resources (Finances and Funding Strategy; Governance; Benefit Sharing)
	Animal Capacity building and disease control

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 182 (continued)

	Regional Plan of Action to Promote Responsible Fishing Practices and Combat Illegal, Unreported and Unregulated Fishing in the SE Asian Region; model legislation; port state measures and capacity building
FFA - Pacific Islands Forum Fisheries Agency	Drafting the new Niue Treaty Subsidiary Agreement for regional cooperation regarding monitoring, control and surveillance in the Pacific Region
G20	Preparations for Agriculture Ministers Meeting in June
	Food Price Volatility
IBRA - International Bee Research Association	Varroa mites and effects on honey bees
ICAO - International Cotton Advisory Committee	Resource constraints and cotton production, new developments in cotton technologies, social and environmental standards, cotton price outlook, cotton aspects of Doha round negotiations, best practices, industry harmonisation and standardisation
	World cotton situation, agricultural risk management, creation of an international centre for cotton research, price volatility, production program update
	Cotton price volatility, transparency of cotton supply and use, trade policies
Indian Ocean Tuna Commission	Adoption and implementation of conservation and management measures for the conservation and optimum use of tuna and tuna-like species in the Commission area and assessment of the compliance of contracting parties with existing measures
	Allocation criteria for the tuna and tuna-like species under the mandate of the Commission
International Grains Council	Grain market situation and outlook, international grain policies, grain trade convention and review, IGC future work program

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 182 (continued)

	Grain supplies and global food security
International Organisation of Vine and Wine	Organisational and budget issues, the state of the world vitivincultural sector member state input into the 2012-2015 Strategic Plan, the OIV list of vine varieties and resolutions regarding dealcoholised wine and partially dealcoholised wine
	Wine additives permitted in China, resolutions concerning alcohol and health, definitions of genetically modified material, the labelling of dealcoholised and partially dealcoholised wine
IPPC - International Plant Protection Convention	Reporting on capacity building working Group's activities to Commission on Phytosanitary Measures
	Development of international standards for phytosanitary measures
	Governing body - work program, budget, strategies, adoption of international standards on phytosanitary measures
	Review and refine the Phytosanitary Capacity Development Operational Plan
	Phytosanitary standard setting
ISO - International Sugar Organisation	Price risk management and export marketing, sugar and ethanol, sugar crop based biofuels
	National policies, future work program, production and price outlook, supply and publication of statistical data
ITTO - International Tropical Timber Organisation	Supporting elements of ITTO's Forest Law Enforcement and Governance thematic program, illegal logging and sustainable forest management

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 182 (continued)

NACA - Network of Aquaculture Centres of Asia-Pacific	Partnerships between agencies in the Asia-Pacific region on aquaculture issues
	Aquatic Animal Health - Capacity Building
OECD - Organisation for Economic Co-operation and Development	Green Growth
	Committee on Fisheries
	Committee on Agriculture
	Agricultural Policies and Markets
	Joint Working Party on Agriculture and Trade
	Joint Working Party on Agriculture and Environment
	Session on Commodity Markets
OIE - World Organisation for Animal Health	Animal Welfare and the Regional Animal Welfare Strategy for Asia, the Far East and Oceania
	International standard setting for animals and animal productions - capacity building & disease reporting

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 182 (continued)

Pacific Island Fisheries Forum Agency	Development of a regional negotiating position on matters to be discussed at the Western and Central Pacific Fisheries Commission annual meeting
Pacific Island Forum Fisheries Committee	Management Options Consultations, and matters relating to the management of fisheries resources by pacific countries
	Develop joint negotiating positions and priorities
	Establishing regional cooperation between Pacific Island parties in management of fish stocks and developing joint negotiating positions for matters before the Western and Central Pacific Fisheries Commission
PPPO - Pacific Plant Protection Organisation	Work program for PPPO for 2011-12
	Capacity building - evaluation of needs for Pacific countries to determine gaps and needs for capacity building
	Capacity building on draft international standards for phytosanitary measures
SAIQS Solomon Islands Agricultural Quarantine Service	Emergency response training workshop
SETAC (Society for Environmental Toxicology and Chemistry)	Off target affects of pesticides on pollinators
South Pacific Regional Fisheries Management Organisation	Development of interim measures for the conservation and management of non-highly migratory species and biodiversity in the high seas of the South Pacific
	Review of interim measures in place for the conservation and management of non-highly migratory species and biodiversity in the high seas of the South Pacific

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 182 (continued)

Joint meeting of the Tuna Regional Fisheries Management Organisations (Kobe 3)	RFMOs, conservation and management of tuna and other highly migratory fish stocks, management measures and processes
UNFF - UN Forum on Forests	Effective multilateral responses for addressing government policy objectives, including combating illegal logging through the development of timber legality verification and certification schemes
United Nations Food and Agriculture Organization Committee on Fisheries (COFI)	Code of Conduct for Responsible Fisheries; sub-committee decisions and recommendations; illegal, unreported and unregulated fishing; fisheries and aquaculture in a changing climate; good governance of small-scale fisheries; safety at sea; and bycatch management
Western and Central Pacific Fisheries Commission	Evaluation of stock status for key commercial species, review of compliance with the catch documentation scheme, and implementation of a regional observer program
	Adoption of legally binding conservation and management measures, and discussion of other matters, to ensure the long-term sustainability of highly migratory fish stocks in the Commission area
	Management measures and matters relating to monitoring, control and surveillance, and development of new measures for presentation to the December Commission meeting
WTO - World Trade Organisation	WTO Special Sessions - Doha Agriculture Negotiations
	WTO Special Session Rules Negotiations - Anti dumping and fisheries subsidies
	SPS Committee meeting
	Dispute issues for which Australia is party in an agriculture, fisheries or forestry context

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 182 (continued)

	Committee on Agriculture
	Trade Policy Review of Australia (April)
	Doha Round Ministerial

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 183

Division/Agency: TMA – Trade and Market Access Division

Topic: Technical Market Access Issues

Proof Hansard Page: Written

Senator Colbeck asked:

Can you provide details of all technical market access issues dealt with in the past 6 months and issues that are ongoing?

Answer:

The department deals with market maintenance and market access issues on a daily basis. Many of these issues are resolved relatively easily, through the provision of additional information or advice to a trading partner. Some issues take longer to resolve, requiring information that takes time to compile, additional research or verification of Australian facilities or systems through audits or inspections, as well as numerous representations at a government-to-government level.

Given the number of issues that arise on a daily basis, the Department is unable to give an exhaustive list of technical market access issues dealt with in the past six months.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 184

Division/Agency: TMA – Trade and Market Access Division

Topic: Rock Lobsters

Hansard Page: Written

Senator Colbeck asked:

1. Can the Department provide trade figures (quantity and value) for Australian lobsters sent to China for the following months/years:

November	2008, 2009, 2010
December	2008, 2009, 2010
January	2009, 2010, 2011
February	2009, 2010, 2011
March	2009, 2010, 2011
2. If possible, can the trade figures for these same periods be cross-referenced with the Chinese port by which the lobsters entered?
3. To what factors does the Department attribute the drop off in trade of lobster exports to China during November-December 2010?

Answer:

1. Please refer to the answer provided by the Minister for Trade to the Senate Standing Committee on Foreign Affairs, Defence and Trade.
2. Please refer to the answer provided by the Minister for Trade to the Senate Standing Committee on Foreign Affairs, Defence and Trade.
3. There was no ban on Australian rock lobsters.

Trade statistics show that exports of Australian rock lobster to China and Hong Kong fell in November and December 2010 with 995 788 kilograms exported, compared to 1259 748 kilograms in November and December 2009.

Indications from industry are that a crack down on the 'grey trade' occurred in November 2010. Hong Kong importers have been allegedly avoiding duties when on-shipping product to China. The tariff into Hong Kong for live lobsters is 0 per cent whereas the tariff into China is 15 per cent.

Trade appears to have fallen due to the crack down on the grey trade through Hong Kong, meaning product was shipped direct to mainland China. In December 2010 and January 2011, trade statistics show that increased volumes of rock lobster were sent direct to China.

The Government opposes the use of illegitimate trade channels by any industry.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 185

Division/Agency: TMA – Trade and Market Access Division

Topic: Placement of International Staff

Proof Hansard Page: Written

Senator Colbeck asked:

1. Can you provide details of placements of staff outside Australia, the numbers of staff, where located and their roles?
2. Can you provide a comparison over the past 5 years?

Answer:

1. A summary of the details regarding placements of staff outside Australia, the numbers of staff, where located and their roles is provided in Attachment A.
2. Attachment A outlines the overseas placements over the past 5 years providing a comparison on a year to year basis from 2006 to the current year.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 185 (continued)

Jakarta	Counsellor (Agriculture)	Represent Australia's agriculture, fisheries and forestry interests in Indonesia.	1	1	1	1	1	0
New Delhi	Counsellor (Agriculture)	Maintain, enhance and develop new market access opportunities for Australian agriculture, fishery, forestry and food products in India.	1	1	1	1	1	1
Paris	Minister Counsellor (Agriculture)	Represented Australia's interests on relevant agriculture committees of the Organisation for Economic Co-operation and Development (OECD).	0	0	1	1	1	1
Rome	Counsellor (Agriculture)	Represents Australia's interests at the United Nations Food and Agriculture Organisation (FAO) and relevant agriculture committees of the Organisation for Economic Co-operation and Development (OECD).	0	0	0	1	1	1
Rome	Minister- Counsellor (Agriculture)	Represents Australia's interests at the United Nations Food and Agriculture Organisation (FAO) and relevant agriculture committees of the Organisation for Economic Co-operation and Development (OECD).	1	1	1	0	0	0
Seoul	Counsellor (Agriculture)	Improve market access for portfolio industries and to increase Australia's agricultural trade interests in Korea and Taiwan.	1	1	1	1	1	1
Tokyo	Minister- Counsellor (Agriculture -Policy)	Maintain and improve market access for Australia's agriculture, fisheries, forestry and food exports to Japan.	1	1	1	1	1	1

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 185 (continued)

	Counsellor (Agriculture- Technical)	Responsible for issues involving technical regulation of agricultural and food exports to Japan.	1	1	1	1	1	1
Washington	Minister- Counsellor (Agriculture- Policy)	Maintain and advance Australia's agricultural trade with the United States (US) of America.	1	1	1	1	1	1
	Counsellor (Agriculture- Technical)	Was responsible for issues involving technical regulation of agricultural and food exports to the US.	0	0	1	1	1	1
		Total Overseas Placements:	12	13	15	15	15	14

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 186

Division/Agency: TMA – Trade and Market Access Division

Topic: Free Trade Agreements

Proof Hansard Page: 107

Senator Milne asked:

Senator MILNE—The issue again for me is that, as you rightly said, they will be balancing what they perceive to be the national interest and there will be trade-offs all over the place for access for services and all sorts of things, not just primary industry. Given what the Productivity Commission has had to say about the effectiveness of these free trade agreements, ought DAFF not be more proactive in doing some real analysis of just what cost-benefits are going to come to primary producers, or are we going to end up with a situation where we are on the back foot fighting all this through the quarantine and biosecurity process?

Senator HEFFERNAN—Ambush us.

CHAIR—Who is the question to, Senator Milne? Help me out, sorry.

Senator MILNE—To anyone who wants to answer it.

CHAIR—Could someone answer it, please, so it stops the interruptions from Senator Heffernan.

Mr Glyde—I think analysis is undertaken at every stage of the process of negotiation, because we have to determine what other countries are offering and what we are prepared to accept. So we, DAFF, are heavily involved in those processes and they sit within the government. What we can provide to you is our listing of the benefits that have come from both free trade agreements that we have engaged in and also the technical market access gains that we have made. We are more than happy to provide that on notice to you. We are heavily involved with our colleagues in DFAT in understanding what it is that we can get out of these negotiations and indeed what sometimes we can lose if we are not careful.

Answer:

In response to Senator Milne's question, Mr Glyde offered to provide a list of the benefits that have come from both free trade agreements and also the technical market access gains that we have made. Free trade agreements (FTAs) have delivered benefits to a range of agricultural industries.

For example, the Australia–US FTA provided the immediate elimination of the in-quota tariff of US4.4cents/kilogram on beef which has been worth approximately \$69 million to the Australian industry between 2005 and 2010. Australia also obtained duty free access under new tariff rate quotas for a range of dairy products to the US and exports of butter and milk powder have increased from \$5.1 million in 2002-03 to \$18.7 million in 2009-10. Where exports of other products, including beef, cheeses and caseins, have fallen, product has been diverted to more lucrative markets.

As another example, under the Thailand–Australia Free Trade Agreement (TAFTA), the tariff on cheese exports to Thailand was immediately reduced from 33 per cent to 30 per cent, and will be phased to zero by 2020. Between 2003-04 and 2009-10 there has been a two fold

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 186 (continued)

increase in cheese exports, which are now valued at \$8.7 million. Under TAFTA, the tariff on offals was reduced from 33 per cent to 30 per cent and will be phased to zero by 2020. Offal exports have increased from \$1.1 million in 2003-04 to \$5 million in 2009-10.

Benefits from the Australia–Chile and Association of South East Asian Nations–Australia–New Zealand FTAs are expected for portfolio industries already exporting to these destinations.

The department continues to progress technical market access requests independently of the FTA negotiations, noting that this work can deliver immediate gains for portfolio industries and ensure that benefits can be accessed when FTAs are concluded. A list of market access gains in 2010 is attached.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 186 (continued)

ATTACHMENT

Market Access Benefits for 2010

1. Supported market access for dairy products to Taiwan
2. Maintained market access for beef to Korea
3. Improved market access for citrus to Korea
4. Maintained market access for dairy and fish to Vietnam
5. Achieved market access for salmon roe to Chile
6. Supported market access for irradiated food products to Korea
7. Maintained market access for kangaroo products to California
8. Restored market access for summerfruits and cherries to Taiwan
9. Improved market access for live breeder cattle to Taiwan
10. Restored market access for abalone to the EU
11. Improved market access for Eucalyptus logs to India
12. Expanded market access to Japan for grapefruit
13. Improved market access to China for apples from Tasmania
14. Expanded market access to Chile for beef
15. Supported market access to the United States for meat
16. Expanded market access to the United States for beef
17. Averted market access closure to Singapore for pig meat
18. Supported agricultural trade with Russia
19. Supported market access to Mexico for agriculture commodities
20. Achieved market access for ovine and bovine meat to Iran
21. Restored market access for citrus to the EU
22. Supported market access to Morocco for offal
23. Ensured continued market access to Japan for bluefin tuna
24. Restored market access to Egypt for live animals
25. Achieved market access to Korea for Tasmanian cherries
26. Achieved market access to India for seafood
27. Expanded market access to Russia for frozen beef
28. Achieved market access for gelatin capsules to New Zealand
29. Averted potential market access closure to Indonesia for plant products
30. Restored market access to India for kiwifruit
31. Expanded market access to the EU for high quality beef
32. Supported market access for equine meat to the European Union
33. Improved market access for cherries to the United States
34. Achieved market access for slaughter sheep and goats to Turkey
35. Achieved market access for feeder and slaughter cattle to Turkey
36. Restored market access for honey bees to Saudi Arabia

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 187

Division/Agency: TMA – Trade and Market Access Division

Topic: Free Trade Agreements

Proof Hansard Page: 114

Senator Colbeck asked:

Senator COLBECK—When did we announce that we were going to start a process of free trade agreements? The reason I ask—and I am not trying to be silly or anything—is that I did a trade mission to Japan in 2005 to talk to them about a free trade agreement and the inclusion of agriculture.

Mr Glyde—The usual process is that there are discussions and then there is an agreement to commence negotiation, so we will just have to take on notice the specific request you have made. We have just got here when the formal negotiations started.

Answer:

On 13 December 2006, former Prime Minister Howard and former Japanese Prime Minister Mr Abe announced that Australia and Japan would commence negotiations for a Free Trade Agreement in early 2007.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 188

Division/Agency: TMA – Trade and Market Access Division

Topic: Tariff on Imported Rice

Proof Hansard Page: 115

Senator NASH asked:

Senator NASH—What is the current tariff on imported rice into Japan? I am pretty sure that is not a Foreign Affairs one.

Ms Evans—No, I have that. It will just take me a moment to find it.

Senator NASH—While you are at it, you might want to do the tariff on wheat.

Ms Evans—While I find them, would you like to go on with your other questions?

Mr Glyde—It is very large. We are going to struggle, I think, to come up with the exact percentage.

Senator NASH—Do you want to have a crack at a ballpark figure for me, Mr Glyde?

Ms Evans—It is 600 or 700 per cent. It is very high. I will get the exact figure for you so we do not mislead you.

Senator NASH—That is fine. It would be good if you can find it. If you cannot, take it on notice, but we will go around that 700. Have we potentially got a situation here, given the minister's comments. I certainly do not want to verbal him but from the reporting that we have seen he has said that it will not be a deal-breaker to reduce the tariffs in terms of the agreement.

Answer:

1. Rice: Japan's border measures for rice are complex. Japan operates state trading arrangements and a tariff-quota regime. The global quota is set at 682 200 tonnes. The in quota mark-up can be up to 292 yen/kg, or in estimated *ad valorem* equivalent terms, 666 per cent. In 2008, Japan imported 676 698 tonnes of rice at the in-quota rate principally from the United States, Thailand and China. Australia has not been able to supply rice to Japan due to production constraints. The out-of-quota tariff is a *specific* tariff set at 341 yen/kg, or in estimated *ad valorem* equivalent terms, 778 per cent.

2. Wheat: As for rice, Japan operates state trading arrangements for the importation of wheat. The global quota for wheat is set at 5 740 000 tonnes. In 2008, Japan imported 5 288 584 tonnes of wheat principally from the United States, Canada and Australia. The applied rate of duty for in-quota wheat is 16.868 yen/kg or in estimated *ad valorem* equivalent terms 85.5 per cent (announced on 15 February 2008). The out-of-quota tariff is set at 55 yen/kg, or 251.8 per cent in *ad valorem* equivalent terms.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 189

Division/Agency: TMA – Trade and Market Access Division

Topic: Reduction in Tariffs

Proof Hansard Page: 116 (21/02/11)

Senator NASH asked:

Senator NASH—...I am very interested to know: if it is indeed correct that Dr Emerson has not said that reduction in tariffs is a deal-breaker, are we likely to be in an environment where we have got several hundred per cent tariff on imported rice remaining in place?

Ms Evans—I am sorry, I feel very uncomfortable being asked to comment on the details of negotiations when the lead on those negotiations is the Department of Foreign Affairs and Trade.

Senator NASH—I am sure you do, especially with that sort of question. Perhaps, on behalf of the committee, you would not mind asking the Department of Foreign Affairs and Trade to furnish us with an answer. That would be most useful.

Ms Evans—Sure. We can do that.

Answer:

This question falls within the portfolio responsibilities of the Department of Foreign Affairs and Trade (DFAT). The question refers to comments made by the Minister for Trade, the Hon. Dr Craig Emerson MP. The department has sought a response from DFAT and will provide that to the Committee when it is made available.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 190

Division/Agency: TMA – Trade and Market Access Division

Topic: Office Internationale de Epizooties (OIE) Guidelines

Proof Hansard Page: 50 (21/02/11)

Senator Xenophon asked:

Dr Carroll—I can answer that. The OIE guidelines are not mandatory unless they are written into the law of another country. So the OIE issues standards and guidelines which members endeavour to take up to the best of their ability.

Senator XENOPHON—So it's voluntary, it's not mandatory and there is no enforcement regime?

Dr Carroll—There is no enforcement regime within the OIE.

Senator XENOPHON—Can you table a copy of the standard MOU between countries that you refer to?

Dr Carroll—We would take that on notice, sorry, Senator.

Answer:

The memorandums of understanding (MoUs) on the trade in live animals are bilateral agreements that the Department of Agriculture, Fisheries and Forestry (DAFF) has signed with the following governments in the Middle East and African region: the United Arab Emirates, Kuwait, Saudi Arabia, Qatar, Jordan, Egypt, Libya, Sudan and Bahrain. DAFF has also signed an MoU on technical cooperation with Eritrea.

A copy of a generic MoU document is attached for the Committee (**Attachment A**). The final text of the MoUs has some minor variations around this generic model.

[Attachment]

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 191

Division/Agency: TMA – Trade and Market Access Division

Topic: Cattle Restraint Boxes in Indonesia

Proof Hansard Page: 50

Senator Xenophon asked:

Senator XENOPHON—Finally—and I will put a number of questions on notice, so we are getting through a lot, Chair—at what abattoirs have cattle restraint boxes been installed in Indonesia?

Dr Carroll—We would have to take that on notice as well.

Answer:

Investment and action by the Australian Government and the live export industry has resulted in cattle restraint boxes being installed at abattoirs in the Indonesian provinces of Jakarta, Riau, Lampung, East Java, West Java, Banten, Nangroe Aceh Darussalam, South Sumatera, North Sumatera, West Sumatera, Bengkulu and Jogjakarta. These abattoirs range from small to large and may be government or privately owned enterprises.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 192

Division/Agency: TMA – Trade and Market Access Division

Topic: Restraint Boxes and Animal Welfare

Proof Hansard Page: Written

Senator Siewert asked:

1. Why has the recent report into cattle handling and slaughter in Indonesia failed to document the risks to animal welfare posed by the restraint boxes installed under the MLA/Livecorp program?
2. Given the Indonesia cattle report was completed in May 2010 why has it taken so long for it to a) to be released; and b) action to be taken in relation to some of the report's recommendations?
3. The evidence in the report indicates that the vast majority of cattle observed were subjected to multiple adverse and potentially painful experiences prior to and during the slaughter process. Why was the serious nature of the evidence documented in the report not reflected in the report summary or its recommendations?
4. Why are mark 1 restraint boxes being installed in Indonesia when their risks to animal welfare are well known and improvements to this design have been available?
5. Why have steps not been taken to examine the feasibility of restricting the slaughter of Australian cattle to facilities using stunning?
6. During the time the Australian Government has been providing funds in efforts to improve animal welfare overseas, what has been the total decline in abattoir jobs within Australia?
7. The festival of Eid al Adha will start in early November this year. Over the past several years, there has been video evidence of extreme cruelty to the animals which are slaughtered in the Middle East during that time.
 - a) What will the Department do differently this year to ensure that destination countries importing Australian animals will comply with the World Organisation for Animal Health (OIE) standards for the handling and slaughter of animals?
 - b) Is the Department considering strategies to ensure that Australian animals are not sold to individual buyers but are slaughtered only at specified abattoirs during the Eid al Adha?
8. Australia has recently begun exporting large numbers of cattle to Turkey for slaughter. What is the Department doing to ensure that Australian animals exported to Turkey will be handled and slaughtered humanely?
9. What is the Department's long-term plan to raise animal welfare standards in the Middle East and Indonesia?
10. What are the measurable animal welfare outcomes this plan aims to achieve and what are the timeframes?
11. Who will be assessing whether or not these outcomes have been achieved? When will this information become available?

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 192 (continued)

Answer:

1. The objective of the independent study of animal welfare conditions in Indonesia from point of arrival from Australia to slaughter was to assess compliance with World Organisation for Animal Health (OIE) standards; identify areas for improvement; and provide recommendations to address these issues. While an assessment of the benefits of restraining boxes was not within the scope of the study, the authors noted that “restraining boxes were observed to significantly improve animal welfare.”
2. The study was one component of a project funded under the Live Trade Animal Welfare Partnership (LTAWP). The study was released 27 January 2011 as part of the final report on this project. The live export industry has developed an action plan that addresses the recommendations made in the report. The plan is publicly available on the Meat and Livestock Australia website.
3. The study noted that the animal welfare conditions observed in Indonesia were “generally good” and that Australian cattle in Indonesia were “generally found to be coping well with the conditions to which they were exposed.” In line with the purpose of the study, where incidents of non-compliance with the OIE standards were identified, recommendations were made to address these issues.
4. The Mark I restraining box is a simple addition to infrastructure that enables less stressful control of the animal prior to slaughter. The Mark I box is the most suitable equipment for the many facilities in Indonesia which do not have access to electricity. The Mark IV box uses hydraulics and as such is only suitable for the few larger, more modern facilities with the infrastructure to power the boxes.
5. The Australian Government is working with the live export industry to deliver improved conditions for animals in as many facilities as possible in importing countries. The OIE standards do not require stunning. Encouraging the implementation of stunning in slaughterhouses processing Australian animals is a priority for the industry.
6. The Department of Agriculture, Fisheries and Forestry does not collect statistics on employment in abattoirs.
7. a) and b) Senator the Hon. Joe Ludwig, Minister for Agriculture, Fisheries and Forestry has written to the Australian Livestock Exporters Council (ALEC) asking it to work with him to develop proposals to improve animal welfare outcomes in the live export trade in general, but especially during Eid al Adha. All of Australia’s live export trading partners in the Middle East are members of the World Organisation for Animal Health (OIE), which sets standards for basic animal welfare needs. OIE member countries have an obligation to meet these standards.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 192 (continued)

8. Australian livestock exporters must comply with mandatory standards for the long-distance transport of animals to overseas markets as a condition of a license to export. As a member of the OIE, Turkey is obliged to comply with the OIE animal welfare standards for transporting, handling and slaughter of Australian livestock.
9. The department is actively involved in the OIE, which establishes voluntary animal welfare standards. The department also works with the live export industry to deliver capacity building and technical assistance projects to improve animal welfare in the Middle East and South East Asia. For example, the department is working closely with Indonesia and other countries in the region through the Regional Animal Welfare Strategy for Asia, the Far East and Oceania to encourage the development of local animal welfare standards that are consistent with OIE standards. The department administers LTAWP, through which the government and the Australian live export industry are jointly investing a total of \$3.2 million to encourage importing countries to adopt OIE standards. Our aim is to continue working in the Middle East and South East Asian regions to support trading partners to meet OIE standards.
10. Animal welfare improvements delivered through LTAWP are documented in reports published on the department's website at www.daff.gov.au/market-access-trade/iac/live-animal-trade on 27 January 2011.
11. Animal welfare improvements delivered through LTAWP are documented in reports published on the department's website at www.daff.gov.au/market-access-trade/iac/live-animal-trade on 27 January 2011. These include an independent study into animal welfare conditions for cattle in Indonesia from point of arrival from Australia to slaughter.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 193

Division/Agency: TMA – Trade and Market Access Division

Topic: Cattle Slaughter in Indonesia

Proof Hansard Page: Written

Senator Xenophon asked:

How many abattoirs slaughter Australian cattle in Indonesia?

Answer:

Industry advises that the number of abattoirs slaughtering Australian cattle in Indonesia is subject to market forces, and that there may be over one hundred facilities processing Australian cattle at any one time.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 194

Division/Agency: TMA – Trade and Market Access Division

Topic: Welfare of Animals Exported to the Middle East

Proof Hansard Page: Written

Senator Xenophon asked:

1. As the ASEL does not include standards for post arrival facilities or handling, how can we be assured that all animals exported to the Middle East will have their basic welfare needs met?
2. If we cannot ensure their welfare needs, is the Australian Government supplying animals to a region, knowing that they may be subjected to cruelty that we would consider illegal here?

Answer:

The Australian Government supports the live export trade. All of Australia's live export trading partners in the Middle East are members of the World Organisation for Animal Health (OIE), which sets standards for basic animal welfare needs. OIE member countries have an obligation to meet these standards.

The Australian Government is working with the live export industry to improve the ability of importing countries to consistently meet OIE standards. Through the Live Trade Animal Welfare Partnership, the government and industry are jointly investing a total of \$3.2 million in projects that enable better animal welfare outcomes in the handling, transport and processing of live animals in the Middle East and South East Asia. Australia has also signed memorandums of understanding (MoUs) on the trade in live animals with the United Arab Emirates, Kuwait, Saudi Arabia, Qatar, Jordan, Egypt, Libya, Sudan and Bahrain. Senator the Hon. Joe Ludwig, Minister for Agriculture, Fisheries and Forestry has written to the Australian Livestock Exporters Council seeking proposals to further improve animal welfare outcomes in the live export trade.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 195

Division/Agency: TMA – Trade and Market Access Division

Topic: Office Internationale de Epizooties (OIE) Guidelines

Proof Hansard Page: Written

Senator Xenophon asked:

You indicated that signatories of the OIE are obliged to comply with the OIE guidelines and also that Australia has signed 10 Memorandums of Understanding (MoU) with 10 different importing countries. With which countries has Australia signed an MoU?

Answer:

Australia has signed nine memorandums of understanding on the live animal trade; with the United Arab Emirates, Kuwait, Saudi Arabia, Qatar, Jordan, Egypt, Libya, Sudan and Bahrain. Australia has also signed a tenth MoU on technical cooperation with Eritrea.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Agriculture, Fisheries and Forestry

Question: 196

Division/Agency: TMA – Trade and Market Access Division

Topic: Office Internationale de Epizooties (OIE) Guidelines

Proof Hansard Page: Written

Senator Xenophon asked:

The OIE Animal Welfare Guidelines have been designed to prompt improvement in those countries with inadequate animal welfare laws. These guidelines are not internationally enforceable, therefore the OIE, to be effective in improving animal welfare internationally, encourages OIE members to leverage for compliance with these guidelines in forming the basis of bilateral trade agreements. Does Australia's continued willingness to export animals to OIE member countries, which are not complying with OIE guidelines (i.e. countries within the Middle East), undermine the effectiveness of these guidelines?

Answer:

Australia's involvement in the livestock export trade provides the opportunity to facilitate improvements in animal welfare conditions in importing countries. Ultimately, the aim of this work is for these countries to adopt international animal welfare standards. For example, the department is working closely with Indonesia and other countries in the region through the Regional Animal Welfare Strategy for Asia, the Far East and Oceania to encourage the development of local animal welfare standards that are consistent with the OIE standards.

In addition, through the Live Trade Animal Welfare Partnership, the government and the Australian live export industry are jointly investing a total of \$3.2 million to encourage importing countries to adopt OIE standards. Australia has also signed memorandums of understanding (MoUs) on the trade in live animals with the United Arab Emirates, Kuwait, Saudi Arabia, Qatar, Jordan, Egypt, Libya, Sudan and Bahrain.