

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2011
Agriculture, Fisheries and Forestry

Question: 25

Division/Agency: TMAD – Trade and Market Access Division

Topic: Animal welfare - stunning

Proof Hansard page: 39

Senator RHIANNON asked:

Mr Morris: I know from my own experience in talking to Princess Alia and from communications with her that she has been a very good advocate for animal welfare and in particular for stunning in Jordan and more broadly in the Middle East. But, as you may be aware, a number of those countries in the Middle East have quite firm views about the consistency of stunning with halal slaughter practices. So while Jordan allows stunning, a number of those other countries do not currently allow stunning. Specifically on your question, there has been quite a bit of communication with Princess Alia over a number of years around these matters.

Senator RHIANNON: Could you take it on notice to provide the committee with an update on the nature of that communication—when it happened and what the essence of the communication was?

Mr Morris: We certainly can, yes.

Answer:

Princess Alia Al Hussein, president of the Princess Alia Foundation, initially highlighted her concerns about animal welfare and the importance of humane animal slaughter in a letter to the Australian Prime Minister in June 2008. The Prime Minister's reply on 21 July 2008, and subsequent letters between Princess Alia and Australian ministers and officials, discussed the animal welfare situation in Jordan and Australia's financial assistance through projects to improve animal handling and slaughter in Jordan, in particular at the Greater Amman Municipal Abattoir.

Senior Department of Agriculture, Fisheries and Forestry officials visited Jordan for discussion on the trade in live animals and animal welfare in March 2009 and met with Princess Alia. Exchanges of correspondence on stunning followed this visit.

Princess Alia also wrote to the Australian Prime Minister in October 2009 highlighting the efforts of her foundation to encourage broader acknowledgement of the acceptability of pre-slaughter stunning in the Middle East. She also raised concerns over Australia allowing export of non-stunned chilled and frozen meat to the Middle East and that Australia should consider a ban on non-stunned meat production.

A response was provided in December 2009 from the Hon. Tony Burke, MP (then Minister for Agriculture, Fisheries and Forestry), acknowledging the concerns raised by Princess Alia.

On 15 June 2011, Princess Alia spoke with officers from the Department of Foreign Affairs and Trade noting improvements made to the Irbid abattoir in Jordan, which had installed a stunning device and restraint under a project funded by the Live Trade Animal Welfare Partnership.

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Question: 32

Division/Agency: TMAD – Trade and Market Access Division

Topic: Free trade agreements

Proof Hansard page: 51

Senator MILNE asked:

Senator MILNE: To come back to this issue of food security and trade, what advice or input has ABARES had into the current discussion about this trans-Pacific free trade agreement that is currently under negotiation?

Dr Sheales: We have had minimal input, as far as I know, but it is something I would have to check on for you.

Senator MILNE: Can I ask ABARES if anyone else can answer the question? Since ABARES is there to talk about commodity forecasts and other projections in agriculture, surely you have something to say about the trans-Pacific free trade agreement.

Mr Glyde: I might be able to help out in a general sense. ABARES's mode of operation in relation to free trade agreements and the like is that it tends to provide advice to the Department of Foreign Affairs and Trade about the various consequences of options that might be on the table in relation to a free trade agreement, obviously in relation to agriculture. I would have to take on notice the extent to which we have been involved in that sort of manner in relation to the trans-Pacific free trade agreement discussions. I am afraid I do not think we have got anyone else here that would be able to provide that specific information.

Senator MILNE: Perhaps I could ask you to put on notice any advice that you have been asked for or given in relation to impacts on agriculture or any commodity from the trans-Pacific free trade agreement that is under discussion. I would like to now move on to energy issues.

Answer:

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) has not been requested to undertake any analysis on the agricultural impacts of the Trans Pacific Partnership (TPP) free trade agreement. Departmental officers have actively participated in all TPP negotiating rounds to date.

In respect to ABARES commodity forecasts, ABARES does not incorporate the impacts of policy changes into its forecasts until the details of the policy changes are finally agreed/ratified and an implementation timetable is known.

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Question: 59

Division/Agency: TMAD – Trade and Market Access Division

Topic: International research

Proof Hansard page: 110

Senator SIEWERT asked:

Senator SIEWERT: I will skip back to the *International Assessment of Agricultural Knowledge, Science and Technology for Development*. Did we manage to track down whether the agency has done any work on that.

Mr Glyde: We are still in the process of tracking down exactly what DAFF's involvement in that has been. I understand that it is a World Bank project.

Senator SIEWERT: There is a collection of international agencies that have been working on it. Australia was one of the countries that did not sign up to the report, as I understand it.

Mr Glyde: AusAID are part of it and they are probably the best place to go to get an answer to the question of what our level of involvement is. In the time that we have had, we have not been able to determine what they do. But they would be the best people to go to. They could explain the participation in that.

Senator SIEWERT: Thank you. Could you take on notice what involvement DAFF has had as part of the Australian involvement.

Mr Glyde: Sure.

Answer:

The Australian Centre for International Agricultural Research (ACIAR), in consultation with relevant Australian Government agencies, led Australia's engagement in the International Assessment of Agricultural Science and Technology for Development (IAASTD) process.

The IAASTD produced an array of reports.

The department was consulted and supported Australia's position on the reports.

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Question: 61

Division/Agency: TMAD – Trade and Market Access Division

Topic: Free trade agreements

Proof Hansard page: 112

Senator NASH asked:

Senator NASH: I think my question was more about how this is actually going to work. I would be happy if you would take it on notice, if you do not mind, to give us a more detailed briefing on how this new world will look. Simplistically, is it a case that those countries who did not want to play the game have still got their tariffs in place and it is just going to be: 'Okay, we'll forget about Doha; we'll leave those to one side. We will collect all the countries who are happy to free trade in its purest form and somehow work within just those countries'? I am interested in how that is going to work if there are still tariffs in place, particularly when it comes to agriculture. Will we have a different regime for those countries who will not play ball in terms of their imports into Australia? It is hard to get a sense of how this will actually work.

Ms Evans: The detail around this are really matters for the Department of Foreign Affairs and Trade to answer. However, to give you a sense of it, the kinds of things we are working towards are a WTO ministerial-level pledge for antiprotectionism and a package of measures for the least developed countries. This is where you try to create the tariff reductions that support the products that the least developed countries are working on.

Senator NASH: Didn't we do that 10 years ago?

Ms Evans: These negotiations are incredibly difficult. One of the things I should stress is that, even though there is a recognition that it has reached this impasse, there is no diminution of the importance that we place on getting an outcome through it. It is still incredibly significant for Australia if we can get an outcome from the WTO Doha Round.

Senator NASH: So are we talking about bilateral free trade agreements?

Ms Evans: In terms of the alternatives?

Senator NASH: Yes.

Ms Evans: The idea they are working with is that you can keep negotiating the Doha issues and implement as many of them as soon as you can, where that is possible, and in parallel with that you would work with select agreements within the round. That may be bilateral arrangements, or it might be that you get some plurilateral agreements emerging that support the general direction of the round or any combination of agreements that can push forward the work.

Senator NASH: Would you mind taking that on notice for us. I do accept that, obviously, the Department of Foreign Affairs and Trade has the lead on this but potentially it does have a specific impact, particularly for agriculture. If you would not mind, in so far as you are able, can you take on notice to get some detail about, from your perspective, what work is being done on those things you mentioned and, if there are any, other things as well, how the framework would look and any particular impact on agriculture that we would see as a result of this change to a new environment.

Ms Evans: I can take that on notice.

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Question: 61 (continued)

Answer:

At this stage there is no agreement on how to move the World Trade Organization (WTO) Doha negotiations forward or on what might be included in a new approach to the Doha negotiations. The Minister for Trade, the Hon. Dr Craig Emerson MP's paper entitled "A new pathway to global trade reform" on the Department of Foreign Affairs and Trade website was intended to generate discussion and ideas on how to get the negotiations moving.

The ideas put forward in Dr Emerson's paper are designed to get other countries thinking about how to move the round forward. These ideas include:

- A set of measures for Least Developed Countries (LDCs). Australia granted duty free and quota free access to LDCs in 2003 in an effort to assist those countries to participate more fully in the international trading system. However, many other WTO members have not yet afforded LDCs similar treatment. The government considers it important that as the Doha round of negotiations is a development round, members must be able to deliver a real and tangible outcome for these members as quickly as possible.
- A "stand-still" on the existing trade protectionist measures already in place by WTO members which particularly affect agriculture. Given the current circumstances facing the global economy, a halt on implementing any new protectionist measures will aid economic recovery.
- Continuation of all negotiating issues, but the membership should also consider early implementation in areas where that is possible rather than waiting for all issues to be settled.

The idea for a new approach covers all sectors. The government is working closely with industry to consider options to pursue Australia's interests in agriculture.

While a comprehensive outcome to the Doha round remains the number one trade priority, the Government continues to pursue an ambitious free trade agreement agenda. Free trade agreements have the potential to deliver positive outcomes for Australian agriculture:

- Securing tariff reductions directly benefits the agriculture sector by improving the competitiveness of Australian products.
- Improved access arrangements are also of direct benefit to the agriculture sector, providing greater certainty for exporters.
- Improving market access allows Australian farmers to more efficiently produce on a larger scale—creating jobs, wealth and employment for regional Australia.
- By opening up markets, free trade agreements help get food, including food produced in Australia, to where it is needed. This helps improve global food security.

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Question: 62

Division/Agency: TMAD – Trade and Market Access Division

Topic: Free trade agreements

Proof Hansard page: 112

Senator MILNE asked:

(from P 112) Senator MILNE: I want to begin by asking some questions about the Trans-Pacific Partnership Agreement. I understand it is being negotiated between the United States, Australia and seven other countries and that the ninth round of the negotiations is set to start in Peru on 19 October.

(from P 113, excerpt from Mr Ross, starting P 112) As part of each negotiating round, there is a stakeholder forum which is managed by the country that hosted that round of negotiations so that stakeholders have an opportunity to present their views and receive information from the negotiators.

Senator MILNE: The stakeholders for something like that include the environment groups, of course. Are any of those involved in these stakeholder meetings?

Mr Ross: I am sorry—I do not have that detail. I do not know who may have participated.

Senator MILNE: Could you take notice for me whether any environment groups or even unions or social justice groups have had any consultation about the text? I am aware that they have written to ask for access to the text and have not been granted it to date.

Answer:

The Department of Agriculture, Fisheries and Forestry (DAFF) advises that the Department of Foreign Affairs and Trade (DFAT) is the lead government agency for the conduct of free trade agreement negotiations.

Questions in relation to the negotiation of these agreements should be directed to DFAT.

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Question: 63

Division/Agency: TMAD – Trade and Market Access Division

Topic: Free Trade Agreements

Proof Hansard page: 114

Senator MACDONALD asked:

Senator IAN MACDONALD: Didn't the free-trade agreement with the United States have in place some sort of long-term wind down of tariffs on American imports of other people's sugar?

Ms Evans: I would have to take that on notice. I do not believe so, but I will confirm it.

Answer:

The Australia-United States Free Trade Agreement contains no provisions that deal with reductions of tariffs on sugar imported to the United States from other countries. Australian sugar entering the United States within the quota established under the provisions of the World Trade Organization does so free of tariffs. Sugar exported from Australia to the United States outside this country specific quota is subject to tariffs that are detailed in the United States Harmonized Tariff Schedule.

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Question: 64

Division/Agency: Trade and Market Access Division

Topic: Trade – Strawberries

Proof Hansard page: 114/115

Senator IAN MACDONALD asked:

Senator IAN MACDONALD: Can you put on notice a case study on, say, strawberries, which I understand we export to America but import in the off season?

Mr Ross: To clarify what you are asking, are you saying a case study on strawberries in terms of the trade that is occurring between the two countries?

Senator IAN MACDONALD: Yes, and any tariffs on either end.

Mr Ross: Okay.

Answer:

Australia has not exported strawberries to the United States in the last three years. Zero per cent tariff applies to strawberries exported from Australia to the United States.

In the last three years, the United States has exported strawberries to Australia valued at US\$3 005 000. The majority of strawberry imports from the United States occur in April and May. The applied tariff on strawberries for the United States to export to Australia is zero per cent.

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Question: 81

Division/Agency: TMAD – Trade and Market Access Division

Topic: Live Trade Animal Welfare Partnership – in-country assessments of effectiveness

Hansard Page: Written

Senator RHIANNON asked:

As part of the Live Trade Animal Welfare Partnership, what assessments have been undertaken in importing countries by government officials to determine the effectiveness of funded initiatives?

Answer:

Under the Live Trade Animal Welfare Partnership (LTAWP) an ‘Independent Study into animal welfare conditions for cattle in Indonesia from point of arrival from Australia to slaughter’ was completed in 2010. A copy of the independent study is available on the department’s website at www.daff.gov.au/__data/assets/pdf_file/0005/1886477/indonesia.pdf

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Question: 82

Division/Agency: TMAD – Trade and Market Access Division

Topic: Live Trade Animal Welfare Partnership – advice to government

Hansard Page: Written

Senator RHIANNON asked:

On what basis does DAFF advise government on what improvements are being made and the appropriate level of funding?

Answer:

The Minister for Agriculture, Fisheries and Forestry decides which projects receive funding under the Live Trade Animal Welfare Partnership (LTAWP) based on the recommendations of the LTAWP Project Advisory Committee (PAC). PAC members include departmental officers, industry representatives, and an independent animal welfare expert. The PAC considers the project scope and the appropriate level of funding. Further information is available on the department's website at www.daff.gov.au/market-access-trade/iac/live-animal-trade

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Question: 90

Division/Agency: TMAD – Trade and Market Access Division

Topic: Indonesian live cattle market

Proof Hansard page: Written

Senator RHIANNON asked:

Is it the case that Indonesia has not enforced weight specifications in respect of Australian live export cattle, and that if it were to do so, it would have a serious impact upon the trade as Australian cattle are viewed as too large?

Answer:

In May 2010, Indonesian authorities began to enforce a 350 kg per animal weight limit for imported live cattle. Australia is complying with Indonesia's weight requirements.

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Question: 98

Division/Agency: TMAD – Trade and Market Access Division

Topic: Animal Welfare – restraint boxes

Hansard Page: Written

Senator RHIANNON asked:

The Chief Veterinary Officer has now determined that the Mark 1 Box breaches international guidelines. Can you explain how DAFF approved government funding on a device that has been determined inhumane and unacceptable?

Answer:

Funding for Mark I boxes sought to improve on traditional slaughter practices in as many facilities processing Australian cattle as possible. These improvements were intended to establish a widespread base from which further gains in animal welfare could occur.

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Question: 99

Division/Agency: TMAD – Trade and Market Access Division

Topic: Animal welfare restraint boxes

Proof Hansard page: Written

Senator RHIANNON asked:

What measures is the government taking in Indonesia to address the welfare problems that have been created – including now for local cattle - by the installation of the government/industry funded Mark 1 boxes? What guarantee do the Australian public have that Mark 1 restraint boxes have been removed?

Answer:

The Minister for Agriculture, Fisheries and Forestry, Senator the Hon. Joe Ludwig directed the Department of Agriculture, Fisheries and Forestry to implement a moratorium on the installation of any government-funded Mark I restraint boxes on 30 May 2011. On 24 August 2011 Minister Ludwig announced that the moratorium was now a permanent ban.

Animals exported from Australia under the new regulatory framework for the export of feeder/slaughter cattle to Indonesia must meet World Organisation for Animal Health (OIE) standards. There is no intention to remove existing Mark I boxes, but they are unable to be used for Australian animals without modification to meet the new requirements.

We will continue to work with Indonesia to improve animal welfare under the new \$10 million Improved Animal Welfare program.

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Question: 103

Division/Agency: TMAD – Trade and Market Access Division

Topic: Animal welfare – stunning

Hansard Page: Written

Senator RHIANNON asked:

How much government funding is being provided for restraint devices or infrastructure to facilitate un-stunned slaughter?

Answer:

No specific allocation of funding is being provided for restraint devices or infrastructure.

The Australian Government has made an allocation of \$10 million from the Official Development Assistance contingency reserve to eligible countries that import Australian livestock in order to improve animal welfare outcomes. However, the details of this assistance are yet to be determined, and will be settled with eligible nations. The Australian Government has also made \$5 million available through the Improved Animal Welfare Outcomes – Approved Supply Chain program to support exporters to deliver improved supply chains. The full details of this program are to be settled in consultation with industry.

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Question: 104

Division/Agency: TMAD – Trade and Market Access Division

Topic: Animal welfare – stunning

Hansard Page: Written

Senator RHIANNON asked:

How much government funding is being provided for restraint devices or infrastructure to facilitate slaughter with stunning?

Answer:

Please refer to question 103 from the Supplementary Budget Estimates Hearing on 17 October 2011.

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Question: 132

Division/Agency: TMAD – Trade and Market Access Division

Topic: International Agricultural Cooperation

Proof Hansard page: Written

Senator COLBECK asked:

The department has indicated (response to QON 274 May 2011) areas where international cooperation activities cannot be pursued because of insufficient resources include:

- Infrastructure or arrangements to support trade
 - Research programs
 - Commitments to assist in the development of new systems, processes or regulation
1. Provide more information on the scale of the resource constraints?
 2. Are requests for assistance assessed from a cost:benefit perspective or are they rejected earlier than this?
 3. What opportunities exist with other departments and funding sources to progress these projects (e.g. AusAID, commercial partners)?
 4. What role does the department have in redirecting requests to other potential funding sources?

Answer:

1. The Department's International Agricultural Cooperation Program (IACP) has a budgeted allocation in 2011-12 for cooperation activities of \$2.1million of which the program has to date received activity proposals valued at over \$3million.
2. Projects under the IAC program are assessed by the department's Expert Advisory Group against internal departmental guidelines for the program. All projects must satisfy value for money and good design requirements as well as demonstrate that they are of benefit to portfolio interests.
3. A range of other funding sources may exist, including through the Australian Agency for International Development, the Department of Foreign Affairs and Trade or commercial sources.
4. The department has no formal arrangement for redirecting requests to other potential funding sources, but provides guidance to project proponents and liaises with other departments where appropriate.

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Question: 133

Division/Agency: TMAD – Trade and Market Access Division

Topic: Trade benefits

Proof Hansard page: Written

Senator COLBECK asked:

What have been the most significant trade benefits achieved since Budget Estimates?

Answer:

The Department of Agriculture, Fisheries and Forestry (DAFF) 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.

Some examples of significant trade benefits achieved since Budget Estimates in May include the completion of negotiations for new import protocols for citrus to Thailand, with trade commencing under the new conditions in July, and improved market access for cherries to the United States, citrus to Korea and the United States, live breeder cattle to Taiwan, citrus and table grapes to Indonesia, macadamia nuts to India and citrus, pears, table grapes and avocados to New Zealand. Market access was also gained for maize seed to Ecuador and mango nursery stock to Peru in May 2011, and lentils to Saudi Arabia in July 2011.

Another important trade benefit achieved since Budget Estimates is the restoration of trade in live cattle to Indonesia. On 6 July 2011, following extensive high level negotiations between Australia and Indonesia, Minister Ludwig announced that revised export control orders had been signed to re-open trade in live feeder cattle with Indonesia. Exporters can now apply for export permits, under the new export control orders.

DAFF has also continued to engage in bilateral, regional and multilateral trade agreement negotiations to pursue new market opportunities, and to seek lower subsidies and a level playing field for Australian exporters competing in the world market.

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Question: 134

Division/Agency: TMAD – Trade and Market Access Division

Topic: Overseas staff

Proof Hansard page: Written

Senator COLBECK asked:

1. Have there been any changes in overseas staffing numbers or placements since Budget Estimates?
2. If so provide details?

Answer:

From 12 September 2011, an additional locally engaged officer was employed in Jakarta on a six month contract to assist with live cattle imports and forestry issues.