

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Budget Estimates May 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 43

**Division/Agency:** Trade and Market Access Division

**Topic:** Nature of discussions in Korea

**Proof Hansard page:** 69 (22/05/2012)

**Senator COLBECK asked:**

**Senator COLBECK:** I just want to go back to the Korean imports that we talked about before smoko. Minister, you were in Korea in December last year. Did you raise the issue of the breaches as part of your discussions while you were in Korea?

**Senator Ludwig:** I cannot recall specifically. We had a wide-ranging discussion predominantly across many issues. There were a range of industry people on the trip. I am not sure what they may have directly or indirectly raised issues more broadly around biosecurity, but the emphasis was on the trade as well. I will check the record as to whether or not it was specifically raised.

**Answer:**

Please refer to the answer QoN 251 Trade and Market Access Division from Budget Estimates May 2012.

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**Question: 53**

**Division/Agency:** Trade and Market Access Division  
**Topic:** Details about FTA negotiation with Malaysia  
**Proof Hansard page:** 101 (22/05/2012)

**Senator Edwards asked:**

**Senator EDWARDS:** Did you react to a DFAT opportunity or did you bring them in on the opportunity to deal with this Malaysian thing? How long has it been bubbling away?

**Dr O'Connell:** The Malaysian FTA? It has been quite a while.

**Ms Evans:** I can check on exactly when—

**Senator EDWARDS:** I am not looking for a specific opinion on it.

**Ms Evans:** I would have to check the exact date when the negotiations on Malaysia started. Again the detail of that is something that the Department of Foreign Affairs and Trade can give to you, but we have been involved with them and worked very closely with them right from the start.

**Answer:**

The Australian and Malaysian Governments agreed to launch negotiations on a bilateral Free Trade Agreement (FTA) in April 2005. The first round of negotiations was held on the 19 and 20 May 2005, with the Agreement signed on 22 May 2012.

The negotiations were undertaken on a whole-of-government basis. While the Department of Foreign Affairs and Trade (DFAT) was the lead agency, the Department of Agriculture, Fisheries and Forestry has worked closely with DFAT from the beginning of the MAFTA negotiations and participated in the negotiating rounds.

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**Question:** 116

**Division/Agency:** Trade and Market Access Division

**Topic:** Trade and Market Access Division and Austrade – G'Day USA Program

**Proof Hansard page:** 12 (21/05/2012)

**Senator Edwards asked:**

**Senator EDWARDS:** So you have worked with them on a number of projects as recently as the Malaysian one?

**Ms Evans:** Yes, we work very closely with Austrade in all of our markets. Obviously it is a complementary function for their work and ours. Yes, we work with them all the time.

**Senator EDWARDS:** So you worked with them on the G'Day USA program?

**Ms Evans:** I would have to take that specific one on notice. I cannot recall that particular one.

**Answer:**

No.

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**Question:** 118

**Division/Agency:** Trade and Market Access Division

**Topic:** Location of counsellors

**Proof Hansard page:** 111 (22/05/2012)

**Mr Glyde:** I might ask Ms Evans to run through where our counsellors are located—

**Senator EDWARDS:** You can put that on notice—

**Answer:**

Please refer to the answer to QoN 277 (Trade and Market Access Division) from the Budget Estimates Hearing in May 2012.

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**Question:** 119

**Division/Agency:** Trade and Market Access Division

**Topic:** Exports of tropical fruit to Malaysia

**Proof Hansard page:** 113 (22/05/2012)

**Senator NASH asked:**

**Senator NASH:** Can you just take on notice for us currently the amount of tropical fruit that is exported to Malaysia, and what?

**Ms Evans:** Yes I can do that. The other area where there has been a significant tariff outcome is on rice. It is phased introduction of the reduction in the rice tariff. It will start from 2023 but it will then phase out to zero by 2026. In addition there are again some better access arrangements, in terms of who is able to apply for access for rice. That is another improvement as well. We have talked about what is called the most favoured nation treatment of wine. Then there are some extra parts of the agreement that go more to-not so much tariffs but the way that we work with Malaysia. They are around-I beg your pardon. I was looking for it. There are some improved business arrangements for instead of having to have a-I just want to get the terminology exactly right. Instead of having to have a certificate of origin requirement for exporters we will now just be requiring-so Malaysia has agreed that they will just need to provide a declaration of origin, which is a simpler process for our exporters, so that is a gain. We similarly have achieved an agreement with Malaysia around geographical indications. I do not know if you are familiar with what these are, but again it is largely an effort by the European Union to try to work with a lot of the countries that we work with to prevent Australian exporters and other country exporters from being able to use terminology like Feta or Parmesan that got a place name orientation to it. The European Union is quite aggressive in trying to get our trading partners to put quite restrictive geographical indications arrangements in place. In this agreement that we have with Malaysia we have managed to secure a very open, transparent registration system of geographical indications. To secure an agreement to a process where our exporters are able to raise objections to any particular geographical indication that might be of particular concern to them. Those are probably the highlights. We have also got some additional agreement to us of cooperative arrangements, in addition to the existing Malaysia agricultural cooperation working group, which I chair, there will also be arrangements under the free trade agreement itself to continue to have an open, collaborative dialogue around how the trade is operating and to technical and SPS related issues. Possibly maybe the last thing to draw out because it is specific to our portfolio is that as part of the cooperation agreement that we have with Malaysia under the free trade agreement there is an agreement to work on electronic certification for phytosanitary certificates. Again this is an improvement in the way we trade with Malaysia as opposed to tariff requirement.

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**Question:** 119 (continued)

**Answer:**

In the 2010-11 financial year, Australian tropical fruit exports to Malaysia were valued at around \$A593 475 comprising primarily of mangoes and melons.

For most fresh fruits, Malaysia has an applied tariff of zero, or has removed the tariff under the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA). The tariffs on remaining fresh fruits (mainly tropical fruits) will be removed in 2015 or 2016 in the Malaysia-Australia Free Trade Agreement (MAFTA); this includes bananas, pineapples, mangoes, melons, durians, rambutans, jackfruits, guavas and mangosteens.

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**Question:** 120

**Division/Agency:** Trade and Market Access Division

**Topic:** Processed food concessions in free trade agreement with Malaysia

**Proof Hansard page:** 113 (22/05/2012)

**Senator COLBECK asked:**

**Senator COLBECK:** Can I just go over the processed food first? What we are talking about in respect of processed food?

**Ms Evans:** I might have to take that one on notice, because while I did list it as one of the outcomes for agricultural produce, it is more in the industry portfolio. So I haven't brought the detail with me on that one. You were asking-you used the terminology concessions?

**Answer:**

The majority of Australian processed foods already enjoy tariff free entry into Malaysia under the ASEAN- Australia-New Zealand Free Trade Agreement (AANZFTA).

Under the Malaysia Australia Free Trade Agreement (MAFTA) tariffs will be removed on entry into force (EIF) for a number of additional processed food tariff lines (that do not currently receive tariff free access under AANZFTA); these include cocoa pastes and powders, tea preparations and tomato sauce. Under MAFTA, all Australian tariffs on processed foods will be eliminated on EIF.

Most other processed food tariffs under MAFTA will be phased out by 2014 or 2015; including soya sauce, liquid margarine and mineral water.

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**Question:** 121

**Division/Agency:** Trade and Market Access Division

**Topic:** Details of tariffs

**Proof Hansard page:** 113 (22/05/2012)

**Senator NASH asked:**

**Ms Evans:** We are not going to ask for the tariff schedule from Australia's perspective if you look at the full text of the agreement is actually very straightforward. It simply says that all of the tariffs will be eliminated on entry into force of the agreement. There are some very minor-a small number of products that had remaining tariffs in the agriculture space, if you like. But most of our tariffs-

**Senator NASH:** Which ones were they?

**Ms Evans:** Again I do not have a complete list. I can take it on notice to find them. But my understanding is they are things like fibreboard and things like that in the forest products area. But the agricultural products we already had agreement for elimination of tariffs under the ASEAN agreement.

**Answer:**

Australia shall eliminate customs duties on all goods of Malaysian origin from the date of entry into force of the Malaysia Australia Free Trade Agreement (MAFTA). For agriculture, tariffs on most commodities were already at zero, either under Australia's applied tariff or as part of our commitments under the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA). Australia maintained a 5 per cent tariff on bamboo shoots and a range of other miscellaneous vegetables and mixtures of vegetables that will be eliminated on entry into force of MAFTA. The tariffs on these products were already scheduled to be reduced to zero in 2020 under the ASEAN-Australia-New Zealand Free Trade Agreement.

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**Question: 177**

**Division/Agency:** Trade and Market Access Division

**Topic:** Costs of renaming AQIS

**Proof Hansard page:** Written

**Senator COLBECK asked:**

Are there any international trade issues related to renaming AQIS? Specifically, is the new name Department of Agriculture, Fisheries and Forestry Biosecurity understood and accepted by Australia's trading partners?

**Answer:**

1. The Department of Agriculture, Fisheries and Forestry (DAFF) is working through, including in consultation with industry, a plan for completing the implementation of the name change in our export markets. There are no concerns raised by trading partners, to date, about the rebranding of AQIS to DAFF Biosecurity.
2. Trading partners already understand that DAFF provides the certification that underpins the export our agricultural goods. This remains unchanged. The Department is working through, including in consultation with industry, a plan for completing the implementation of the name change in our export markets. This will ensure there is a complete understanding of the new name.

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**Question:** 250

**Division/Agency:** Trade and Market Access Division

**Topic:** Closure of Indonesian Ports

**Proof Hansard page:** Written

**Senator COLBECK asked:**

Closure of 10 of Indonesia's import ports is scheduled for 19 June 2012. Provide details of any changes to this date.

**Answer:**

On 19 June 2012, Indonesia advised that Tanjung Priok Port in Jakarta will remain open to shipments of horticulture products from Australia (and the United States and Canada), based on Indonesia's recognition of our food safety system. 90 per cent of Australia's horticultural products are shipped through Tanjung Priok. The detail of the closures affecting other ports will be confirmed once translation of Indonesian decrees that implement the measures is completed.

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**Question:** 251

**Division/Agency:** Trade and Market Access Division

**Topic: Ministerial Overseas Travel**

**Proof Hansard page:** Written

**Senator COLBECK asked:**

1. While in Korea, did the Minister discuss the illegal importation of a range of foods, including raw meats, from Korea in 2010-11?
2. What processes have been put in place in Korea to minimise the risk of recurrence of this?
3. What investigations have the Korean government undertaken?
4. The outcomes from the visit to the Middle East included improved understanding of the new framework for livestock exports – did the Minister inspect any abattoirs?
5. Did the Minister have meetings with abattoir operators in the Middle East?
6. Who, in the Middle East, was consulted regarding the new framework for live exports?
7. Can we expect that there is good understanding throughout the supply chain in the Middle East of Australia's requirements?
8. With regard to "promoting Australian Produce" in the Middle East, which types of Australian Produce were promoted and has there been any follow up interest from these markets?
9. Provide an update of international visits undertaken since 3 February 2012.
10. During recent international visits has the Minister had discussions regarding "Australia as the food bowl of Asia"?
11. If so, what has the response been?
12. In particular, given Indonesia is working on developing greater local food supply, is reducing quotas and closing ports to horticultural imports, what has their response to the Prime Minister's plans for Australia to be the food bowl of Asia?

**Answer:**

1. No, illegal importation of food from the Republic of Korea was not discussed when the Minister visited North Asia in December 2011.

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**Question: 251 (continued)**

The Department of Agriculture, Fisheries and Forestry conducted comprehensive meetings on 23 March, 13 and 21 April 2011 and again on 31 January 2012 with diplomatic and trade representatives from the Republic of Korea to assist understanding of Australia's biosecurity requirements.

2. The Republic of Korea has fully cooperated with DAFF, through diplomatic channels, to disseminate a Korean language translation of a media release raising awareness of the illegal importation of food and Australia's biosecurity requirements. More recently, the Republic of Korea, through its Korean Trade-Investment Promotion Agency, is assisting the department with verifying documentation to ensure imported food meets Australia's biosecurity requirements.

3. The department is not aware of any investigations the Korean government has undertaken on this matter.

4. Yes.

5. Yes.

6. The Minister met with his ministerial counterparts in Bahrain, Kuwait, Qatar and Saudi Arabia, all of whom have responsibilities for the livestock trade.

The Minister also met with a number of major importers including Bahrain Livestock Company in Bahrain, Kuwait Livestock Trading and Transport Company and Gulf Livestock Company in Kuwait, Qatar Company for Meat and Livestock Trading and Hassad Food in Qatar, and Al Jabri, Al Khalaf Group and Wellard Saudi Trading Group in Saudi Arabia.

7. Australian Government officials continue to engage with their Middle East counterparts and Australian exporters to ensure there is a good understanding throughout the supply chain of Australia's requirements.

8. In addition to discussions on livestock exports the Minister discussed Australia's capability in meeting food security and water scarcity concerns in Middle Eastern countries. Responses by Ministers and officials in Saudi Arabia, Qatar and Bahrain also highlighted their interest in technical cooperation in agriculture and potential investment links with Australia.

Following the Minister's visit to the Middle East, a delegation of senior DAFF officials travelled to Turkey and discussed improved access for Australian beef and sheepmeat with the Turkish Ministry of Food, Agriculture and Livestock.

9. Minister Ludwig (and Minister Emerson) undertook a joint visit to Indonesia on 20-23 March 2012 with a delegation of senior business leaders from the finance and agriculture sectors to discuss investment opportunities in the context of the Indonesia-Australia Comprehensive Economic Partnership Agreement.

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**Question:** 251 (continued)

10. During his visit to Indonesia in March 2012 and to North Asia in December 2011, Minister Ludwig reiterated that Australia remains a reliable supplier of high quality and safe food products.

11 and 12. Indonesia has not made a specific response on Australia's potential to assist in meeting increased demand for food in Asian markets.

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**Question: 277**

**Division/Agency:** Trade and Market Access Division

**Topic: Details of overseas posts**

**Proof Hansard page:** Written

**Senator Edwards asked:**

1. For each of the 13 overseas posts list:
  - a) Location
  - b) Number of DAFF employees and their roles based there
  - c) Number of non-DAFF employees and their roles based there
  - d) The fully absorbed cost to maintain each trading post, including but not limited to: total wage costs, administration costs, rent, support personnel etc
2. With reference to Program 1.13 Key Performance Indicators list the 18 key overseas markets Trade and Market

**Answer:**

1.

<b>1a) Location</b>	<b>1b) Number of employees and role</b>	<b>1c) Number of non-DAFF employees and role #</b>	<b>1d) Cost \$'000</b>	<b>2 Country/ies Accredited to</b>
Bangkok	1 Counsellor Agriculture	<ul style="list-style-type: none"> <li>• 1 Research Officer (Agriculture)</li> </ul>	430	Thailand, Malaysia, Singapore, Cambodia, Vietnam and the Philippines.
Beijing	2 Counsellor Agriculture	<ul style="list-style-type: none"> <li>• 2 Research Officers (Agriculture)</li> </ul>	1,420	China
Brussels	1 Minister Counsellor Agriculture	<ul style="list-style-type: none"> <li>• 1 Adviser (Agriculture)</li> <li>• 1 Executive Assistant (shared cost with DFAT)</li> </ul>	981	Belgium
Dubai	1 Consul Agriculture	<ul style="list-style-type: none"> <li>• 1 Administrative and Research Officer</li> </ul>	679	United Arab Emirates
Jakarta	1 Counsellor Agriculture	<ul style="list-style-type: none"> <li>• 1 Senior Support Officer (Agriculture)</li> <li>• 1 Administration and Visits Program Officer</li> <li>• 1 Public Information Campaign and Media Liaison Officer</li> <li>• 1 Policy Officer (Agriculture)</li> </ul>	770	Indonesia

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<b>1a) Location</b>	<b>1b) Number of employees and role</b>	<b>1c) Number of non-DAFF employees and role #</b>	<b>1d) Cost \$'000</b>	<b>2 Country/ies Accredited to</b>
Moscow		<ul style="list-style-type: none"> <li>1 Senior Research Officer (Agriculture)</li> </ul>	61	
New Delhi	1 Counsellor Agriculture	<ul style="list-style-type: none"> <li>2 Senior Research Officer (Agriculture)</li> </ul>	871	India
Paris		<ul style="list-style-type: none"> <li>1 Advisor (Agriculture)</li> </ul>	165	
Rome	1 Minister Counsellor Agriculture	<ul style="list-style-type: none"> <li>1 Advisor (Agriculture)</li> </ul>	884	France and Italy
Seoul	1 Counsellor Agriculture	<ul style="list-style-type: none"> <li>1 Senior Research Officer (Agriculture)</li> </ul>	696	Korea, Taiwan and Mongolia
Taipei		<ul style="list-style-type: none"> <li>1 Research Officer (Agriculture) (shared cost with DFAT)</li> </ul>	16	
Tokyo	1 Minister Counsellor Agriculture 1 Counsellor Agriculture	<ul style="list-style-type: none"> <li>1 Senior Research Officer (Agriculture)</li> <li>1 Research Officer (Agriculture)</li> <li>1 Executive Assistant (shared cost with DFAT)</li> </ul>	881	Japan
Washington	1 Minister Counsellor Agriculture	<ul style="list-style-type: none"> <li>1 Senior Policy Officer (Agriculture)</li> <li>1 Research and Administration Officer.</li> </ul>	994	United States of America

# Locally engaged staff are legally employed by Department of Foreign Affairs and Trade but are funded by the Department of Agriculture, Fisheries and Forestry (DAFF).

- The 18 key overseas markets listed in the performance indicators relate to the countries DAFF's overseas counsellors are diplomatically accredited to. They are listed in the table above.

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**Question:** 312

**Division/Agency:** Trade and Market Access Division

**Topic:** Details of live export

**Proof Hansard page:** 115 (22/05/2012)

**Senator STERLE asked:**

**CHAIR:** Can I just clarify something there—34,000 tonnes of boxed beef?

**Mr Glyde:** Yes.

**CHAIR:** Can you tell us how many thousand tonnes are going to live export. Take it on notice.

**Answer:**

Indonesia has set the level of imports of live cattle at 283 000 head for 2012. This equates to approximately 36 000 tonnes of beef. These figures are based on information supplied by Meat and Livestock Australia, and the calculation assumes that the average live weight of cattle at time of export is 350kg, and if slaughtered at that weight each carcass yields 128kg of beef.

Usually, the cattle are fattened in Indonesian feedlots for approximately 100 days and, on average, weigh 480kg at the time of slaughter. At this weight, each carcass yields 175kg of beef, taking the total yield from 283 000 head to approximately 50 000 tonnes of beef.