

Department of Agriculture and Water Resources

Joint Standing Committee on Foreign Affairs, Defence and Trade: inquiry into
Australia's trade and investment relationship with the United Kingdom

Hearing date: 7 August 2017

Questions Taken on Notice

Question:

Mr PERRETT: While we're on that topic, with the elaborately transformed tobacco, do we export tobacco to them? Do we still grow tobacco?

Ms van Meurs: The plant extracts.

Mr PERRETT: 'Contains essential plant oils and elaborately transformed tobacco'. It's in (b) in 'Plant extracts'.

Ms van Meurs: I'd have to take that on notice.

Ms Freeman: Some of it, I think, is imports from the UK. Some of that would be things like cigars and things like that, I think.

Mr PERRETT: Okay.

Ms van Meurs: That one there is exports, though.

Mr PERRETT: The top column—the exports to the UK. It says 'plant oils', which I can almost understand.

Ms van Meurs: Yes. 'Elaborately transformed tobacco' was what you were asking about, so I have to take that on notice.

Mr PERRETT: Yes. I didn't realise that we grew tobacco still.

Ms van Meurs: I'd have to check. There are small quantities.

Mr PERRETT: Up in North Queensland?

Ms van Meurs: I can check. I'll have to take that on notice.

Mr PERRETT: Is it around Mareeba?

Ms van Meurs: It used to be around Mareeba, but I'll have to check.

Answer:

Commercial tobacco farming in Australia ceased in 2006.

Question:

CHAIR: I think we do want a different quota, but I'm just wondering: do we have a goal in mind? Have we done any work around what that new quota might look like?

Ms van Meurs: There is some initial—for the UK or for the EU? We are starting to look at negotiations as part of the EU FTA, and of course that hasn't been formally agreed yet, but we are looking in the background at what is possible there with industry. We have lots of conversations with industry about what is possible. The UK and the EU have made it very clear that they are negotiating a free trade agreement and are not prepared to discuss work on a free trade agreement with Australia until that is finalised. We do have a working group with the UK, which we are talking about lots of issues with, and it mentioned that in our opening—

CHAIR: How often has that met?

Ms van Meurs: I will have to take that on notice, but we have had two telephone hook-ups with the UK.

Mr Worrell: The Australia-UK Trade Working Group is headed up by the Department of Foreign Affairs and Trade, so that is their working group—

CHAIR: But do you sit on it? Do we have a department of agriculture rep on that working group?

Answer:

The Australia–UK Trade Working Group (TWG) has met once at Ministerial level (Minister Ciobo and Lord Price) following the establishment of the TWG (established September 2016), and twice at senior officials level – once in May and once in September 2017.

The Department of Agriculture and Water Resources does not attend the TWG meetings but the Department of Foreign Affairs and Trade (DFAT) consults across agencies where relevant prior to meetings and provides debriefs following meetings. DFAT is the lead agency.

Question:

CHAIR: Every month we send a batch.

Dr Cupit: Monthly, if there are changes. If there's nothing happening within the sector, that we're aware of, we don't send it for that month. We wait until the next month: 'Is there anyone out there who wants to put anything in? We'll put up that next batch.' So it's only monthly if there's something going on in the month, if there's a change every month.

If an exporter gets all of their documentation with us, we know what they're doing, we've got them ready for the list, they can meet all the importing country requirements for the EU and they come in after we've sent something—usually that's about the first or second week of the month—they need to wait until the next month. So there's that time frame, as well.

Once we get it over to the EU, for their purposes they have to list it. As soon as we've sent something over to them they'll send something back to us and say, 'We've got your request. We will now assess it.' That can take anything up to three months. We have no control over that. Once it is listed on their listings we have to be notified of that. We aren't officially notified; we have to go in and check every month to see where there have been changes. We do that around the same time as we're ready to send more information across to them. We'll check on our system, see their listings, make sure that that's okay, put it into our system and then notify the establishment that they're okay to go. That whole process can take, at a minimum, probably about four to five months.

CHAIR: What's the range from our best case that we've ever got someone EU accredited to our worst case?

Dr Cupit: I wouldn't know the—

CHAIR: Could you give that information on notice—and maybe the mean.

Dr Cupit: We could try to get that information.

Answer:

Typically the process from lodging an application for export registration to approval and EU listing will be 4 - 5 months. The quickest EU registration to date is approximately three months.

| Process Step | Typical timeframe for actioning |
|---|---|
| 1. application for export registration | 48 hours |
| 2. allocated to an auditor for client contact and assessment/audit | 5 working days |
| 3. Auditor arranges for the export application to be desk audited | 20 working days |
| 4. auditor arranges a site assessment to verify compliance with export standards and documented system | 20 working days if not undertaken as part of the desk audit |
| 5. Concurrently with the audit process, the application is sent to the department's finance area to establish if there is any debt owed to the Commonwealth and to the department's compliance area for fit and proper person check | 5 working days (this can vary if there is outstanding debt) |

| | |
|---|----------------|
| 6. Once the establishment site and its documented production system has been approved for export purposes, the details and approval are conveyed to the department's central export registration area | 2 working days |
| 7. EU notification is sent on the 8 th of each month | Monthly |
| 8. EU assess the application and add the establishment's details to their approved list | 2 months |
| 9. Once approved and listed by the EU, the department updates the registration of the export establishment to include EU eligibility | 2 days |

The above timeframes are variable and contingent on a number of factors:

- Level of compliance and standard of the establishment
- Accuracy and completeness of the information in the application
- Outstanding debt
- Speed of the EU in actioning the request
- Workload of staff
- Location of manufacturing site

Question:

CHAIR: After our discussion on quotas, you said there was a review done in 2011 and 2012. I would love a copy of that. If there are any recommendations out of that review, I would also like to understand how we are tracking on delivering on those.

Ms van Meurs: We will take that on notice.

Answer:

In 2011 the Department of Agriculture and Water Resources (then named the Department of Agriculture, Fisheries and Forestry) initiated a review of the management system for the EU High Quality Beef quota. The review required an examination of the effectiveness and efficiency of the tariff rate quota administration. Identifying ways to improve the management system was a further requirement. The review was conducted by D.N. Harris and Associates.

Following the review, the department conducted a Regulation Impact Statement (RIS) in 2012. This RIS included the department's response to the review and recommendations.

The 2012 European Union High Quality Beef RIS (including the 2011 review) is attached.