

13 June 2014

Committee Secretary
Joint Standing Committee on Treaties
PO Box 6021
Parliament House
Canberra ACT 2600

Via email: jsct@aph.gov.au

Inquiry into the Free Trade Agreement between the Government of Australia and the Government of the Republic of Korea

Meat & Livestock Australia (MLA), on behalf of the Australian red meat and livestock industry, provides the following comments in response to the Joint Standing Committee on Treaties inquiry into the Free Trade Agreement between the Government of Australia and the Government of the Republic of Korea. This letter summarises the content of a more detailed submission (endorsed by the Cattle Council of Australia, Sheepmeat Council of Australia, Australian Lot Feeders' Association, Australian Meat Industry Council and Red Meat Advisory Council) which has also been lodged with the Committee.

The Australian red meat and livestock industry is a strong supporter of the Korea-Australia Free Trade Agreement (KAFTA) – which upon entry into force will commence delivering substantial commercial gains for our sector.

KAFTA is critical to the long term positioning of Australian red meat in Korea, with a liberalised import regime providing a major boost to trade.

Our industry has been an interested and contributory party from the outset of the KAFTA process. Of paramount importance in advocating the merits of launching negotiations, and ultimately securing a free trade agreement with the Republic of Korea, was the requirement to minimise the competitive disadvantage faced by Australian beef - given the United States (the major competitor supplying imported beef to the Korean market) had previously concluded a preferential trade agreement with Korea.

The critical requirement now is to ensure that KAFTA enters into force in calendar year 2014. This timeframe will bring the current 8% beef tariff differential (Australian vs US beef) back to a more commercially viable 5.3% - and subsequently guarantee that this tariff differential is not greater than 5.4% for the remainder of the 15 year phased tariff elimination period.

Securing certainty and maintaining competitiveness in the sheepmeat, offal and processed meat trade by eliminating the applicable import tariffs over phased implementation periods, were welcome KAFTA outcomes – and also represent important gains for our industry.

The Australian red meat and livestock industry thereby recommends that the Joint Standing Committee on Treaties endorse the KAFTA and that binding treaty action be taken without delay.

Yours sincerely

Andrew McCallum
Manager – Trade & Market Access