

Department of Agriculture

JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND
TRADE

Inquiry into Australia's trade and investment relationships with countries of the
Middle East

WEDNESDAY, 3 DECEMBER 2014

Questions Taken on Notice

Ms Parke asked officers appearing as witnesses at the inquiry into Australia's trade and investment relationships with countries of the Middle East hearing held on 3 December 2014 the following question which was taken on notice:

Ms PARKE: Thank you, Chair. I have three questions and I will put them all at once in case I need to leave before you have finished answering—but I will look at the answer when the transcript comes.

[Ms Parke's first question was answered at the hearing and forms part of the official Hansard. Ms Parke's second and third questions were taken on notice as she had to leave the hearing early.]

Secondly, are we as a country contemplating giving Saudi Arabia an exemption to ESCAS? That would be a matter of severe concern given that Saudi Arabia does not comply with human rights obligations let alone look after animal welfare. I think that would be a matter that the Australian community would be concerned about.

Thirdly, I understand there is a review of ESCAS currently underway. What are the biggest areas of reform to ESCAS that you are looking at, and how will the department ensure that it supports improved animal welfare outcomes? Those are my three questions.

Answer:

Exemption to Saudi Arabia

There has been no change in policy. The system the Australian government has is that live animal exports happen under the Exporter Supply Chain Assurance System (ESCAS) and meet ESCAS requirements.

Review of ESCAS

The terms of reference for the review of ESCAS were to look at its impact on animal welfare and trade. The report was released on Wednesday 21 January 2015. The three areas suggested for improvement are:

- clearer guidelines for describing and managing non-compliance, and clarifying third party complaint processes
- allowing the sharing of audits for the same facilities or supply chains, which will remove duplication, reduce costs and improve opportunities for co-operation between individual exporters
- recognising opportunities for industry to take greater responsibility for proactively managing the risks within supply chains.

The full copy of the report is available to download at agriculture.gov.au/escas-report.

Senator McKenzie asked officers appearing as witnesses at the inquiry into Australia's trade and investment relationships with countries of the Middle East hearing held on 3 December 2014 the following question which was taken on notice:

Senator McKenzie was interested in what the department may be doing to promote a uniform standard of labelling laws in the Middle East – especially for chilled, frozen or vacuum-sealed meats and whether there is an opportunity to pursue such issues in the WTO SPS Committee and when or whether the department or Australian government has done so.

Senator McKENZIE: So there is no uniform approach to chilled, frozen or vacuum sealed meats—they are all varied?

Mr Read: They are varied.

Senator McKENZIE: And then varied again, depending on the nation?

Mr Read: Yes, and that is a complexity.

Senator McKENZIE: I appreciate that. I just hope we are in there.

CHAIR: Have there been any discussions or any feedback that we could have some standardisation in the region, or do you think sovereign countries could—

Mr Read: Again, I try and look at it through their eyes as to what is causing the problem. What is causing the problem is that they have production systems domestically that are producing product that will have limited shelf life, and they are prescribing regulations to deal with that. Then those regulations are impacting on our product when it goes into those markets. That is effectively what we are up against. It is very hard to have two tiers of standards operating, where you seem to give the importing country far more flexibility in relation to product than domestically produced product.

Senator McKENZIE: Are we pursuing that in international forums—

Mr Read: Yes.

Senator McKENZIE: as a potential non-tariff trade barrier?

Mr Read: We are certainly pursuing it in international standard-setting organisations.

Senator McKENZIE: WTO?

Mr Read: In terms of WTO, SPS—I am not sure whether we have raised it directly in SPS before.

Mr Murnane: Not recently, but there is the opportunity in the WTO SPS Committee to—

Senator McKENZIE: Could you provide me on notice with what opportunity exists and when we have or have not addressed that.

Answer:

The department provided comments through the World Trade Organisation (WTO) on the Gulf Standards Organisation's (GSO) shelf life standard as notified by Gulf Cooperation Council (GCC) countries to the WTO, Technical Barriers to Trade (TBT) Agreement notification process in November 2013. The response formalised initial comments the department had provided on a draft of the standard in March 2013.

In 2014, the department in consultation with Meat and Livestock Australia (MLA) prepared a comprehensive technical submission on shelf life for meat arguing for an increase to the standard to 90 days (currently 70 days), forming the basis for further engagement with countries in the Middle East. On 7 December 2014, the department submitted the submission to the GCC Secretariat for their consideration and met with

the Gulf Standards Organisation (GSO), the GCC body responsible for standards setting.

The department made separate bilateral representations on the issue through the department's Consul (Agriculture) in Dubai, with the Saudi Arabian, Saudi Food and Drug Authority in November 2014. The department has also supported MLA presentations on Australia's meat safety and shelf life at various regional conferences in Dubai and Jeddah during November 2014.

The department continues to follow up with the GCC Secretariat regarding consideration of our request.

Senator McKenzie asked officers appearing as witnesses at the inquiry into Australia's trade and investment relationships with countries of the Middle East hearing held on 3 December 2014 the following question which was taken on notice:

Senator McKenzie was interested in the Department's charge structure for export permits and the availability and cost of officers for time sensitive exports.

Senator McKENZIE: I love the House of Representatives—you take it in turns! For time sensitive exports, such as live fish from Melbourne, how flexible is the department around obtaining new licences for our own exporters, who might need to get a licence after 4 pm for exporting fish at 7 am?

Mr Read: You are talking about export permits?

Senator McKENZIE: Yes.

Mr Read: I am aware of the particular question that has been put forward on the topic you are raising there. In terms of the department, primarily—to run as efficient a regulatory process as we can—we clearly want the bulk of exports, where we can do that, to run in a service core hour arrangement, if possible. That is where the bulk of our staff will be, and we will be able to deal with issues, inquiries and so forth. So the six-to-six process, or time frame, could be categorised as that sort of area that we would target or that we would hope industry can provide most of its activity through. Industry supports us in that, because that is how a range of these charges have been structured with industry to encourage that to occur.

Senator McKENZIE: On notice, can you provide the committee with that charge structure, please.

Mr Read: Yes. Notwithstanding that, our officers are very flexible with notice in terms of providing staff out of hours. And we will do that, as long as we have early enough notification that they require an inspection.

Senator McKENZIE: What is 'early enough notification'?

Mr Read: I know our staff work incredibly hard to service every request, so—Jim? I would imagine 24 hours.

Mr Paradise: Yes, 24 hours notice.

Mr Read: I do not know whether there is a unique example that caught us out in that regard—

Senator McKENZIE: What if I think I am going to be exporting into two days time, so I tee you up to come out and have a look in a timely fashion, and then the catch is not what I thought it would be, the weather is not what I thought it would be, or there is some other issue that means I do not have the live product ready to go when I thought I would? What happens? Am I charged regardless?

Mr Read: That becomes a complexity because you can actually have exporters then blocking up every possible time because of what might occur; no-one pays anything; and we have staff all waiting to go out and do inspections.

Senator McKENZIE: But that is the reality of agriculture.

Mr Read: Yes, and it is a complexity—

Senator McKENZIE: There are factors completely outside control.

Mr Read: It is about having as high a degree of confidence as you can around what those exports—

Senator McKENZIE: And flexibility, I would argue.

Mr Read: We do work seriously hard to try and work with our exporters.

Senator McKENZIE: I am still not sure what would happen if I booked somebody in a timely fashion, as you were happy to provide, but then the catch did not come in and so I had nothing to export.

Mr Read: I will have to take that particular question on notice in terms of whether we would charge you for that service or not.

Senator McKENZIE: Does anybody at the table know? Thank you.

Answer:

Where a client requests service outside of normal business hours, an overtime fee is charged to recover associated overtime and shift penalties for officers performing this duty. Specific fees are available on the department's website at <http://www.agriculture.gov.au/biosecurity/export/fees-charges/food-guidelines>

The department is flexible around the provision of documentation services. Requests for service outside of business hours are required no later than 2:00pm the day before the booking.

In the event of a cancellation, the department will not impose a fee if there are no costs incurred. In some circumstances, a fee will be charged if a cancellation request is received late and the department is unable to contact the attending officer and costs have already been incurred.

The Chair, Mr Scott asked officers appearing as witnesses at the inquiry into Australia's trade and investment relationships with countries of the Middle East hearing held on 3 December 2014 the following question which was taken on notice:

The Chair Mr Scott was interested in a clarification of the volumes of agricultural produce being exported by air freight, particularly meat product and any other significant produce.

CHAIR: The question is on notice. We have had the Emirates Group in, and they say they have large volumes of food and there are dedicated planes now for food out of Australia into the UAE and Abu Dhabi. Do you have any idea of those volumes—they said sheep meats and other products?

Mrs McDonald: Ten thousand carcasses a day is what we were told.

CHAIR: Do you have any evidence of that?

Mr Read: No.

CHAIR: How would we find that out? That is what the minister was telling us, actually. They have dedicated planes; that was the evidence we took, wasn't it?

Ms VAMVAKINO: It was Emirates. And the minister did mention it as well within that discussion.

CHAIR: They have three or four 777 flights a week, plus what they can put on the big ones.

Mr Read: On notice, we can provide you the volume of air freight that is going out, if that is the question.

Answer:

The number of export permits that have been issued for meat exported to the United Arab Emirates (UAE) by airfreight over the past 12 months is approximately 4,200, and 710 of those are for arrivals into Abu Dhabi International Airport.

The total volume of meat exported to the UAE during that period was approximately 42,000 tonnes.

Dr Stone asked officers appearing as witnesses at the inquiry into Australia's trade and investment relationships with countries of the Middle East hearing held on 3 December 2014 the following question which was taken on notice:

Dr Stone wanted to know where we currently have outstanding protocol issues for apples and citrus.

Dr STONE: With the protocols that have to be negotiated before you can introduce any new products in an export regime, are you actively working on protocols, for example, to export different fruit products? We have issues with apples and citrus; are there any impediments because we have not as yet completed agreements in relation to any of those products?

Mr Read: There are outstanding protocols there, but I do not have that information.

Mr Murnane: No, I do not have that with me. We can provide you on notice with some information around where we do have current negotiations. But the observation I would make is similar to part of the discussion we were having earlier that we generally enter into these discussions with importing countries at the request of the Australian industry and exporters, where they see a market opportunity. So it would be at the initiation or instigation of the industry that we would have those—

Answer:

Australia does not have outstanding protocol issues for apples and citrus to the Middle East.

Access for apples and citrus to the Middle East market are not on the Office of Horticultural Market Access (OHMA) priority list for the department to pursue.

There are Manual of Importing Country Requirements (MICOR) cases for citrus to UAE and Egypt; both require a phytosanitary certificate, but no measures or treatments are required.

Dr Stone asked officers appearing as witnesses at the inquiry into Australia's trade and investment relationships with countries of the Middle East hearing held on 3 December 2014 the following question which was taken on notice:

Dr Stone wanted a list of members on the plant protocol committee.

Mr Read: We have a protocol committee in the plant area—a consultative forum that operates between our technical plant officers and the industry. That forum is identifying internationally where those potential markets are and prioritising the work and work effort in terms of agreeing to a range of different protocols internationally. My expectation would be that if one of those was seen by industry to be important in the MENA region that would be one of the ones that would be on the table.

Dr STONE: Does the protocol committee include actual grower stakeholders, such as representatives of the tomato industry, summer fruits and so on?

Mr Read: That is right. It includes representatives of those sectors. I am not particularly sure whether they are the industry representations or right down at the grower level.

Dr STONE: Could we have a list of those on the committee? Finally, regarding the Australia GCC FTA, you referred to that in part before. It stalled in 2009. What do you see as the major impediments to it being recommenced? Were there any particular agricultural issues that led to the stalled negotiations before?

Answer:

Office of Horticultural Market Access (OHMA) is part of Horticulture Innovation Australia (formerly Horticulture Australia Limited). OHMA is comprised of Australian horticulture industry stakeholders, as well as observers including the Department of Agriculture and the Department of Foreign Affairs and Trade, that offers recommendations to the Department of Agriculture for horticulture market access and market improvement opportunities to pursue.

OHMA advice is considered by the department for inclusion on its market access work plan.

The current OHMA membership and the commodity represented are below:

Name	Role / Commodity
Graeme Hargreaves	Chair
Sam Lawrence	Manager, Market Access
Christopher Joyce	Nuts
Annie Farrow	Apples and Pears
Daryl Boardman	Avocados
Hugh Molloy	Cherries
David Daniels	Citrus
Brett Jackson	Mangoes
TBC	Onions
Alastair Scott	Summerfruit
David Minnis	Table Grapes
Peter Wauchope	Vegetables

Queensland Department of Agriculture, Fisheries and Forestry	Observer
David Moore Horticulture Innovation Australia	Observer
Peter Whittle Horticulture Innovation Australia	Observer
Department of Agriculture	Observer
Department of Foreign Affairs and Trade	Observer

Dr Stone asked officers appearing as witnesses at the inquiry into Australia's trade and investment relationships with countries of the Middle East hearing held on 3 December 2014 the following question which was taken on notice:

Dr Stone wanted to know if we have we had any specific rejections of agricultural imports from the Middle East, and what are those rejections and why?

Dr STONE: Given that we import dates from the region, and some nuts, I believe, though not very many, have we had any specific rejections of agricultural imports from the Middle East, and what are those rejections and why?

Mr Read: I will have to take that question on notice, unless you have the answer to that. There will be two areas where we will scrutinise product coming from anywhere in the world. One will be from a quarantine concern perspective, to ensure that it is free of pests and disease, as I was just describing.

Dr STONE: And contamination.

Mr Read: And contamination—soil products and everything else. The second act of control is around the Imported Food Control Act. That will require, depending on the risk rating of the food, an inspection by our officers at the border. For high-risk foods and ready-to-eat foods, that will mean that they will be subject to 100 per cent inspection. That is an analytical inspection, where they take samples that are sent to labs, tested against a range of templated contaminants and then released. We also run on—

Answer:

Australia has rejected some consignments of fresh citrus fruit from Egypt and Israel due to detection of live surface feeding insects such as mites and mealy bugs. The consignments were fumigated and then released.