

30 October 2018



Mr Russell Broadbent MP
Committee Chair
Joint Standing Committee on Treaties
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Mr Broadbent

Thank you for the opportunity to contribute further to consideration of Aspects of the Peru-Australia Free Trade Agreement (PAFTA). The National Farmers' Federation expressed its strong support for early ratification of PAFTA in its submission to the Committee dated 20 April 2018. This remains our position. We appreciate nevertheless the opportunity to convey our views on the two topics that are the specific focus of this inquiry, namely concerns regarding the multiplicity and overlap of trade agreements, and the inclusion and operation of investor-state dispute settlement (ISDS) provisions in recently concluded trade agreements.

The NFF is the peak national body representing farmers and, more broadly, agriculture across Australia. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF. The NFF is committed to advancing Australian agriculture by developing and advocating for policies that support the profitability and productivity of Australian farmers. Developing stable export market opportunities for Australian agricultural produce and reducing distortions in global markets are key priorities for the NFF.

The NFF does not believe multiple trade agreements, including multiple agreements with the same trade partner, present any significant difficulties for Australian agricultural exporters. This view is based on the flexibility agricultural exporters have to choose the trade agreement that provides them with the best trade conditions and market access. The negotiation of new trade agreements with existing FTA partners has actually enabled improvements in outcomes that would otherwise be difficult to achieve through renegotiation and currently unachievable through multilateral negotiations. A number of market access outcomes for agricultural products in the Japan–Australia Economic Partnership Agreement, for example, were significantly improved under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

The creation of the Department of Foreign Affairs and Trade's 'Free Trade Agreement Portal' has also made comparison of the market access conditions to the same market under different trade agreements very simple.

While the NFF would prefer a single multilateral set of liberal international trade rules, in the absence of these, multiple agreements that maintain and improve commercial opportunities for agricultural exporters present the next best outcome.

The NFF traditionally has not taken a position on the inclusion of ISDS provisions in trade or investment agreements. The Australian agricultural sector's international commercial engagement is principally focused on the arms-length sale of primary produce. The vast majority of NFF members, and their members, do not invest directly in agricultural or other sectors overseas, or at least have not sought the NFF's involvement on any outward international investment issues.

To the extent that ISDS, or any other provisions in a trade agreement, impact on securing improved market access and trading conditions for agricultural products, the NFF has considered these on a case by case basis. Our position has been, and remains, that where issues in trade negotiations that reduce or block improved opportunities for Australian agricultural exports, then we encourage the expeditious resolution of these issues. Once an agreement has been concluded, however, the NFF strongly supports rapid ratification to enable access to improved market access outcomes as soon as possible.

Australian farmers export two-thirds of what they produce. Maintaining and expanding export opportunities has supported improved farm gate prices for many commodities. We congratulate the Government for concluding this significant agreement and the Labor Party for their strong support for trade agreements. The bipartisan approach to trade that has characterised Australian trade policy for over 30 years reflects the understanding that open international markets directly benefit Australian farmers.

Please do not hesitate to contact Prudence Gordon, General Manager, Trade and Economics at pgordon@nff.org.au or 0404 670 434 should you require any further information.

Yours sincerely

TONY MAHAR
CEO