



14 August 2014

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

Via email: jsct@aph.gov.au

Dear Committee Secretary

Inquiry into the Economic Partnership Agreement between the Government of Australia and the Government of Japan

The Cattle Council of Australia (CCA) is the peak organisation representing Australia's grassfed cattle producers. CCA was established in July 1979, bringing together for the first time all farmer organisations whose members had beef cattle enterprises. These organisations have a combined membership of more than 15,000 cattle producers and represents more than 50 percent of Australia's cattle herd. The aim of the Cattle Council of Australia is to represent the Australian grassfed cattle industry and in doing so, ensure the sustainability and profitability of the Australian beef industry.

The Cattle Council of Australia has engaged with the Japan-Australia Economic Partnership Agreement (JAEPA) process from the outset as it represents a substantial opportunity for the Australian beef industry. Of particular sensitivity in the negotiations was the beef tariff regime, which at 38.5% was imposing a \$590 million annual tax on the supply chain and thereby having a significant impact on the profitability of Australian cattle producers as well as inflating the prices paid for Australian beef by Japanese consumers.

Under the JAEPA, the tariffs on frozen Australian beef entering Japan will drop from 38.5% to 19.5% over 18 years (including an 8% cut in year 1), while the tariffs for chilled beef will fall from 39.5% to 23.5% over 15 years (including a 6% cut in year 1).

While JAEPA falls short of the beef industry's objective of tariff elimination in Japan, economic modelling suggests significant benefits will be generated for Australian beef export sales. Along with tariff reductions JAEPA includes a Most Favoured Nation provision and the automatic review of access arrangements 5 years after entry into force, which will be useful triggers for potential supplementary transformation of the import beef market in Japan.

Cattle Council is concerned, however, that the beef safeguard provisions and tariff rate quotas incorporated in JAEPA have the potential to greatly disrupt the Australian beef trade.

The Cattle Council of Australia recommends that the Joint Standing Committee on Treaties endorse the JAEPA and that binding treaty action be taken without delay.

Yours sincerely,

Andrew Ogilvie
President