In accordance with the email below, in proofing the transcript of the public hearing in Melbourne, 27 July 2015, the AHEA would like to submit some additional material:

Senator BULLOCK asked Mr Minnis, AHEA:

'As you said earlier, some new barriers have gone up and, without being excessively polite, to what extent do you think those new barriers are legitimate quarantine issues just like we would say we have and to what extent are they deliberately offsetting the free trade arrangements? If you would like to give some examples, that would be good.'

Mr Minnis would like to add to his response:

'Further examples of restrictions imposed on trade which contravene the spirit of the FTA`s we have signed are:

1. Thailand Australia Free Trade Agreement. We signed that agreement in January 2005. Under the agreement after 10 years the duty on Australian table grapes was reduced to zero and the quota of around 1,200 tonne was to be eliminated. In season 2015, 11 years after the agreement was signed imports duties on grapes shipped after the quota of 1,200 tonne was exceeded returned to 30 % , when industry expected the duty and quota to be removed.

2. Asean Australia New Zealand FTA. Indonesia and Vietnam signed up to this FTA however, in our opinion have contravened the principles of this agreement .

3. Under the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA), Indonesia impedes, inhibits and stops imports of Australian fruit. It states this is because it is political and have a self-sufficiency policy to assist in addressing Food Security focussing on local domestic production of staples eg rice. It does this through restricting import quota and permits to importers. Recently, cold in transit treatment has been adjusted with low tolerances for probes. We believe such a change wasn`t justified as Indonesia is already different from other countries eg accepts digital recorders for intransit cold treatment. Last season, the AHEA was advised that quota allocations for table grapes for the coming season for Indonesia may not been issued by the Indonesian Government because we no longer have an agreed protocol decided on between Australia and Indonesia for the coming season. The Department of Agriculture managed to overcome this issue however we are concerned about next season. The quotas are to come into force on January 1st. In some years we have exported 11,000 tonne of grapes to Indonesia and it is the principle market for Red Globe. If we were to lose Indonesia there are no immediate replacement markets overseas for this fruit. Without quotas Australian exporters cannot ship.

Indonesia also has restricted trade this semester (July to September), banning citrus exports, except lemons, and other commodities including mangoes, melons, potatoes, carrots and onions.

Australia has maintained a Country Recognition Agreement with Indonesia for the 5 nations into all ports is currently being considered for renewal with US, Canada, Pakistan, NZ and Australia. It expired in January and is currently being renegotiated. Additional charges are incurred into its ports and costs to move by road freight when restricted by available ports. This interfers with trade and incurs higher costs.

In summary, the attitude of Indonesia in recent years with their import permits and quotas, their designated ports of entry other than Jakarta and their recent banning of all citrus imports for 3 months from all suppliers including Australia are worrying signs of protectionism, and make a mockery of our FTA with ASEAN countries and NZ. '

Mr Minnis would also like to add as a general comment on exports:

'We acknowledge quarantine is important and there will be times when certain fruit or vegetables cannot be shipped to a particular market, however, when we agree on a quarantine protocol and then the import permits issued by that country, in this case Vietnam, do not reflect the agreed protocol , you have to think the aim of the exercise is to stop trading and the import permit itself becomes a non tariff trade barrier.

Australian exporters have started the year facing a challenging external environment. Commodity prices have slumped, global growth remains fragile, international trade is subdued, and world currencies are in the process of a major re-alignment.

At the same time the falling Australian dollar is in the process of adjusting our international competitiveness, even as the continued rise of emerging Asia works to reshape our trading prospects over the longer-term. As the Australian dollar drops, exports go up. When the dollar is high, exports decline. The last decade has seen Australian horticultural exports decline primarily around the higher dollar. The Australian dollar has recently dropped and exports have increased.'

Kind regards,

Michelle Christoe | Executive Director | Australian Horticultural Exporters Association (AHEA)