



THE HON ANDREW ROBB AO MP

MINISTER FOR TRADE AND INVESTMENT

04 MAR 2014

Dr Dennis Jensen MP
Chair
Standing Committee on Petitions
Parliament House
CANBERRA ACT 2600

Dear Dr Jensen

Thank you for your letters of 2 January 2014 regarding the petition presented on 21 November 2013 (reference 804/1279) and the petition presented on 12 December 2013 (reference 835/1302) on the separate safeguard investigations into imported processed fruit and tomato products. I regret the delay in replying.

The Productivity Commission's (the Commission's) final reports of its separate investigations into imports of processed fruit products and processed tomato products were tabled in Parliament and publicly released by the Australian Government on 20 December 2013. The Commission is Australia's designated body for undertaking safeguard inquiries and for determining whether safeguard measures are appropriate.

Australia's safeguard procedures reflect our World Trade Organization (WTO) obligations. To impose a WTO consistent Emergency Safeguard Measure serious injury must be caused, or threatened to be caused, to the industry by increased imports of the product concerned and not by 'other factors'.

The Commission found that safeguard measures on imports of processed fruit products and processed tomato products were not warranted. While the Commission acknowledged that SPC Ardmona has suffered serious injury in recent years in both its tomato processing and processed fruit operations, it found that this injury was not caused by a recent surge of imports but by a combination of other factors. These included long-term reductions in consumer demand, reduced export volumes, rising unit costs of domestic production, developments in supermarket private label strategies, and extreme weather events.

The Government also carefully considered SPC Ardmona's request for assistance. The Government concluded that it is not the role of Government to provide financial assistance to private businesses and that industry reform, including business restructuring, needs to be led by industry. The Government's role is more appropriately focused on providing the framework conducive to creating a stronger and more competitive business environment for business to flourish.

The Government recognizes the importance of agriculture and the food and beverage manufacturing sector and believes both have a prime place in our nation's future and will work to ensure Australia's food security by creating a stronger and more competitive agricultural sector. To this end, the Government has commissioned a White Paper on the competitiveness of the agriculture sector. This will set out a clear, well-defined and transparent approach to promote more investment and jobs growth. The Terms of Reference are available at www.agriculturalcompetitiveness.dpmc.gov.au.

Thank you (once again) for bringing this matter to the attention of the Government. I trust that this information is of assistance.

Yours sincerely

Andrew Robb