

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

20-21 November 2013

**Question: SBT 889-893**

**Topic: Emergency Safeguards – PC's view on ‘Critical Circumstances’**

**Written: 28 November 2013**

**Senator MCKENZIE asked:**

889. On page 66 of the fruit report that “SPC Ardmona's position as a subsidiary of Coca-Cola Amatil — a listed company which reported net profit after tax of \$215.9 million for the six months ended 30 June 2013 (CCA 2013) — suggests that a three month delay pending a definitive safeguards determination is unlikely to lead to circumstances that would be difficult to repair.”
890. On what basis did the PC make this commercial judgment?
891. Did the PC check this judgment with Coca-Cola Amatil before releasing its report?
892. In recent times, as explained to the PC, numerous food processors have closed their Australian facilities. These include operations owned by major global food processors like Heinz. All of these have closed - by what logic does the PC conclude that just because SPCA is owned by CCA, the closure of the SPC Ardmona plant is not in prospect?
893. Hundreds of trees have been pulled off the ground and many more are under threat of permanently being removed... how can this not be viewed as critical circumstances?

**Answer:**

889. Noted as context.
890. The quoted excerpt from the Accelerated Report is not a ‘commercial judgment’. The observation that SPC Ardmona is a subsidiary of Coca-Cola Amatil is purely of factual nature. The following assessment provided in the latter half of the quoted sentence constitutes a minor factor in the Commission’s analysis of whether critical circumstances existed that would warrant the imposition of provisional safeguard measures.
891. The comment that SPCA is a subsidiary of Coca-Cola Amatil and the 2013 half yearly profit result was purely of factual nature.
892. The Commission stated in its Accelerated Report that ‘SPC Ardmona has not provided the Commission with compelling evidence to support its contention that its manufacturing facilities would be closed if provisional safeguards were not applied’. The Commission stands by this statement.
893. As explained in the report, evidence by SPC Ardmona itself suggested that the imposition of provisional safeguards was unlikely to change the difficult circumstances facing uncontracted growers.