

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: TMA 01

Division/Agency: Trade and Market Access Division

Topic: Staff numbers

Proof Hansard Page: 107 (20/10/2010)

Senator Nash asked:

Senator NASH—Gentlemen, how many people are actually working in the area of trade and market access in the department?

Mr Glyde—What we might be able to do is give you the number of people that work in the Trade and Market Access Division. There is a number of people in the biosecurity services group that are also fundamentally involved in trade issues—

Senator NASH—That would be useful, thank you.

Mr Glyde—which would might take us a little bit longer to get, but we can start with—

Senator NASH—Does somebody want to just have a bit of a dig around and see if we can do that.

Answer:

The Trade and Market Access Division has budgeted for 81 full-time officers during 2010-11, which includes 12 Australian officers posted overseas.

In addition, officers from other areas of the department also work on market access issues. For example, officers in the Biosecurity Services Group provide technical advice and submissions to support access to markets for agricultural exports.

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Question: TMA 02

Division/Agency: Trade and Market Access Division

Topic: Prime Minister's Visit to Brussels

Proof Hansard Page: 107 – 108 (20/10/2010)

Senator Nash asked:

Senator NASH—Okay. So what sort of areas of trade policy were discussed?

Ms Anderson—As far as I understand, there was a discussion of a potential treaty-level arrangement with the European Union on a range of areas. We have currently a framework partnership with Europe that covers some agricultural actions as well, so just cooperation generally on a number of areas.

Mr Glyde—I think it is probably best if we leave it to the PM&C to answer those questions about the specifics of it.

Senator NASH—I love watching that pass down the table. I could have put you out of your misery, but I just thought I would let it go and see what actually stopped. It was a bit like a Chinese whisper.

Mr Glyde—It is about being complete because we see part of the request. We see part of it. We do not see all of it, and I would hate to mislead you in relation to the nature of the discussion.

Senator NASH—I am sure.

Dr O'Connell—Quite specifically, you are asking about what arose as a result of the Prime Minister's visit. Now, what we certainly do know about it is the kind of conversations that happened beforehand in terms of preparing for a visit, and that is normal sort of business that happens. I could not tell you what the specific representations were that were made. That would be something that you would have to talk with the Prime Minister's department or, potentially, the foreign minister's department.

Senator NASH—No, I understand all that, and thank you very much.

Dr O'Connell—Otherwise, we could potentially mislead you.

Senator NASH—No, I understand that completely. Thanks, Dr O'Connell. But surely, there would have been some correspondence back to you, having been involved in all that preparation before the Prime Minister went—surely there would be some communication back to you afterwards as a result of any meetings that took place. Wouldn't you need to know?

Senator Ludwig—It has only just occurred and, of course, the EU is one of our most significant trading blocs and it is very important to us. But if there matters that were to be communicated back, I am not sure at this point in time we would be discussing them here.

Senator NASH—That is perfectly understandable. Thank you very much, Minister. Perhaps, Dr O'Connell, if there is a point at which the committee could be informed of what was discussed and reported back to you at that meeting, that would be quite useful, I think, for the committee to have.

Senator Ludwig—I will take it on notice. And if there are matters that we can report back to the committee then I will undertake to do so by the relevant date.

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Question: TMA 02 (continued)

Answer:

The department has not received official reports of the detail of the Prime Minister's recent meetings and discussions in Brussels.

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Question: TMA 03

Division/Agency: Trade and Market Access Division

Topic: Free Trade Agreements

Hansard Page: Written

Senator Colbeck asked:

Treasury provided commentary in the incoming government brief on Free Trade Agreements which said:

"Current approaches to preferential free trade agreements are not meeting Australia's needs."

AND

"Australia is negotiating seven FTAs, including some with our most important trading partners and regional allies. The PC has found that the potential benefits of the FTAs under negotiation have been oversold and the negatives largely ignored."

Does DAFF agree with this statement?

Answer:

The Department of Agriculture, Fisheries and Forestry (DAFF) supports the Australian Government's policy to negotiate comprehensive free trade agreements (FTAs) that are consistent with World Trade Organization rules and guidelines and which complement and reinforce the multilateral trading system. DAFF contributes to whole of government trade strategies and activities multilaterally, regionally and bilaterally so as to benefit portfolio industries.

DAFF's views on FTAs are outlined in its submissions to the Productivity Commission (PC) review of Bilateral and Regional Trade Agreements. Both submissions are attached, and are also available on the PC website. The first submission is available at: http://www.pc.gov.au/_data/assets/pdf_file/0008/95255/sub006.pdf. The supplementary submission, providing comments on the draft report, is available at: http://www.pc.gov.au/_data/assets/pdf_file/0013/102514/subdr095.pdf.

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Question: TMA 04

Division/Agency: Trade and Market Access Division

Topic: Current schedules of FTA negotiations

Proof Hansard Page: Written

Senator Colbeck asked:

1. Can DAFF please provide the current status including current schedule for the following FTA bi-lateral discussions:
 - a. China
 - b. Japan
 - c. Malaysia
 - d. GCC
 - e. South Korea
 - f. Trans Pacific Partnership Agreement
 - g. Pacific Agreement on Closer Economic Relations
2. Can you please provide commentary, if possible, on the agricultural and horticultural aspects of each of these negotiations including potential trade gains and possible difficulties arising?

Answer:

1. Current FTA Negotiations as at 3 November 2010:

Partner	Status
People's Republic of China	Negotiations commenced in May 2005. The fifteenth round was held in Beijing in June 2010. The next round is expected in early 2011.
Japan	Negotiations commenced in April 2007. The eleventh round was held in Canberra in April 2010. The next round has not yet been scheduled.
Malaysia	Negotiations commenced in May 2005. On 7 October 2008, Australia and Malaysia agreed to reinvigorate the Free Trade Agreement negotiations following conclusion of the ASEAN–Australia–New Zealand Free Trade Agreement. The eighth round was held in Australia in October 2010.

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Question: TMA 04 (continued)

Gulf Cooperation Council (GCC)	Negotiations commenced in July 2007. The fourth round was held in June 2009. A date for the next round has not been set. GCC has temporarily suspended negotiations with all countries while it undertakes a review of its approach to FTAs.
Republic of Korea	Negotiations commenced in May 2009. The fifth round was held in late May 2010 in Canberra. The next round is scheduled for mid-November 2010.
Pacific Island countries and New Zealand	FTA negotiations under the “Pacific Agreement on Closer Economic Relations (PACER) Plus” arrangement were announced by Pacific leaders in August 2009. The second PACER Plus trade officials meeting was held from 19–20 October 2010 in the Solomon Islands.
Trans-Pacific Partnership	In 2008 Australia agreed to participate in negotiations with Brunei Darussalam, Chile, New Zealand, Singapore, the United States, Peru and Vietnam. The first round of discussions was held in March 2010. The most recent round was held in Brunei in October 2010. Further talks will be held in December 2010 in Auckland.

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2. Comprehensive and ambitious bilateral FTAs with nations including Japan, China, Korea and Malaysia, and plurilateral FTAs including the Trans-Pacific Partnership Agreement, Gulf Cooperation Council and Pacific Agreement on Closer Economic Relations, have the potential to improve the competitiveness of Australia’s agricultural and horticultural exports in these countries. The negotiations present potential trade gains across agricultural industries, achieved through tariff reductions for Australia’s agricultural and horticultural exports.

The cost of not pursuing FTAs will be very high if our competitive position in our major markets is eroded. Other countries are working hard to secure their own agreements—it remains imperative that Australia not lose market access in favour of our agricultural competitors, such as New Zealand (dairy, meat, wool, wine), the United States (meat, dairy, horticulture) and Chile (horticulture, wine), which have secured preferential agreements with some of Australia’s major export markets.

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Question: TMA 04 (continued)

FTA negotiations are currently conducted on a whole-of-economy basis and outcomes may vary across industries and agreements. Agriculture is a significant part of Australia's trade profile and through FTAs, the government seeks to negotiate outcomes that help Australia's agricultural industries maintain and improve market access.