

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 233

Division/Agency: Trade and Market Access Division

Topic: Overseas counsellor performance

Proof Hansard page: 12 (27/05/2013)

Senator IAN MACDONALD asked:

Senator IAN MACDONALD: No; time is short, thank you. What performance measures are applied to the conduct of the counsellors?

Ms Evans: The performance measures are really along the lines of market access maintenance and improvement. That is obviously sometimes a somewhat vague concept in that, if you look at market maintenance, it is often hard to see where we have achieved that work because it is a counterfactual—their work results in the continuation of the access as opposed to something new happening. So it is sometimes difficult to see the results in what you would normally call a key performance indicator. I would like to say we could absolutely list every single thing that they do like that but we do not. The kinds of things we ask them to look at in addition to maintaining and improving market access are how many times have they been in to represent Australia's interests with officials; how many delegations have they worked with, either incoming or outgoing—that kind of thing.

Senator IAN MACDONALD: Could you, perhaps on notice because time is short...

Answer:

Performance measures for the Department of Agriculture, Fisheries and Forestry's (DAFF) overseas staff are based on key performance indicators that are published under program 1.13 in the Portfolio Budget Statement. These are:

- Engage with trading partners to support access to overseas markets for portfolio industries.
- Number of points of engagement (meetings, delegations and visits) used to maintain and improve market access, manage market closure and interruptions and represent portfolio interests in new international agreements and standards relating to portfolio products.
- Support an effective network of DAFF officers overseas located in key regions to maintain and improve Australia's market access opportunities and competitiveness.
- Meet all portfolio statutory reporting obligations under international agreements.
- Maintain timely and effective distribution of membership funds to international organisations in accordance with Australia's international obligations and statutory requirements.
- Support effective and timely capacity building/cooperation projects with trading partners and international institutions.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 234

Division/Agency: Trade and Market Access Division

Topic: Counsellors in Jakarta

Proof Hansard page: 12-13 (27/05/2013)

Senator IAN MACDONALD asked:

Senator IAN MACDONALD: Could you, perhaps on notice because time is short—you mentioned an incident. My final question is: what progress or success has occurred as a result of the work of the counsellors in Jakarta? You mentioned one incident with horticulture. The people raising this with me are in the beef cattle area. I am wondering if there is a way you have of identifying progress and successes that have occurred as a result of the work of the counsellors.

Ms Evans: I am happy to take it on notice specifically for Indonesia and come back to you on that.

Answer:

The Department of Agriculture, Fisheries and Forestry's (DAFF) Counsellor (Agriculture) and Minister-Counsellor (Agriculture) in Jakarta plays a pivotal role in:

- Resolving technical and quarantine issues for detained agricultural consignments, which may otherwise cause commercial losses for industry.
- Gaining, maintaining and improving market access arrangements by making representations to the relevant Indonesian authorities.
- Supporting visiting industry delegations, including securing high level appointments and accompanying delegates to government meetings.
- Providing policy advice on Indonesia's agriculture policies and early advice on the potential commercial impact.
- Undertaking regular advocacy activities to promote Australian agriculture.

In addition to agricultural market access, DAFF's counsellors also assist in DAFF's engagement on forestry issues including illegal logging policy, activities on combatting illegal fishing and in negotiation of future cooperation activities under the Indonesia-Australia Comprehensive Economic Partnership Agreement.

Specific activities where counsellors have assisted Australian industry over the last 12 months have included:

Live cattle

- Working closely with Indonesian industry to interpret and embed the Exporter Supply Chain Assurance System arrangements.
- Ongoing advocacy on the mutual benefits of live trade and the importance of animal welfare.

Rural and Regional Affairs and Transport Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2013

Agriculture, Fisheries and Forestry

Question: 234 (continued)

- Ongoing representation on animal health protocols, including successful direct intervention with Australian industry delegations to prevent destruction of live dairy breeding cattle due to suspect Bovine Johne's Disease (BJD) testing.
- Leading representations on seized breeder cattle consignments, including providing briefings to expert court witnesses and facilitation of interpreter services.
- Leading numerous representations on limited trade volumes affecting domestic supply, resulting in quota being brought forward for Ramadhan.

Beef

- Leading numerous representations on boxed beef trade issues, including seeking improved quotas, and reductions in cuts and retail restrictions.
- Gaining exclusive access for Australian beef to fill quota and domestic supply needs for Ramadhan.
- Leading numerous representations across multiple (five) different government agencies regarding recovery of \$10 million seized beef shipments. Successfully negotiated processes and worked directly with Australian exporters to prepare letters and documentation to minimise demurrage and port charges.
- Providing direct briefings and advice to industry delegations.

Horticulture and grains

- Renewal of a two year country recognition agreement for Australia's food safety systems, exempting Australian product from mandatory on-arrival testing.
- Negotiating special access to Jakarta's Tanjung Priok port on the basis of Indonesia's recognition of Australia's food safety systems.
- Leading representations for the release of seized wheat shipments, including clarifying Australia's disease status.
- Leading representations for the release of many containers of seized horticulture products, including securing agreement for mixed consignments.
- Providing regular assessments of new horticulture regulations to keep industry as informed as possible.
- Hosting visits to Jakarta by horticulture industry delegations.
- Providing direct briefing to Australia's largest table grape exporter on current regulations.
- Working directly with importers and Indonesian industry associations to understand regulatory impacts on trade.
- Active members in multilateral representations with other like-minded trading partners to coordinate responses to Indonesian regulations - successful in achieving deferrals of implementation and ultimately redrafts of new regulations.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 235

Division/Agency: Trade and Market Access Division

Topic: Guidelines on Facilitation

Proof Hansard page: 13 (27/05/2013)

Senator HEFFERNAN asked:

Senator HEFFERNAN: Can you tell us—and you can take it on notice if you like—are these people given guidelines on facilitation and the discrimination between facilitation and bribery?

Ms Evans: Before all of our counsellors, not just in Jakarta but all around the world, depart on their postings they go through quite comprehensive briefing which is very—

Senator HEFFERNAN: Do they report back?

Ms Evans: I am not sure that I understand.

Senator HEFFERNAN: Anyone who is fair dinkum knows that if you go to Asia you can get a signature on anything if you pay the bloke enough money. I just wonder how we manage that in this instance.

Mr Metcalfe: Australian law is very clear on the issue of offering improper payments. It is certainly not just an issue for the department; it is an issue for all of Australian industry.

Senator HEFFERNAN: It is a bloody difficulty, I can tell you.

Mr Metcalfe: Absolutely. I think it is fair to describe that in some markets issues are not as transparent as you would hope they would be here. We have to work in that in environment but we are very clear on that point: it is simply something that cannot happen and we certainly would never get involved in that.

Senator HEFFERNAN: Could you provide the guidelines? There are obviously some international discussions going on as to how you define 'facilitation', which is giving an incentive to a government or an official to do his job more quickly, and a bribe, which is giving the same person money to do something he is not paid to do. It is a huge problem. I can take you through people who have been over there and been done over—like some of that stuff in the Middle East. It is bloody red-hot.

Mr Metcalfe: The policy and legal ownership of this issue of course is bigger than agriculture. The department of foreign affairs are the people who manage that internationally for Australia. But we are very clear on what the Australian law is, and that is what we do. We cannot get involved in anything other than proper official negotiations in relation to trade and market access.

Senator HEFFERNAN: The difficulty is, of course, as you would know—

ACTING CHAIR: Senator Heffernan, I do not think we need to debate it; the issue is very clear and has been answered. I think we are moving to Senator Nash.

Senator HEFFERNAN: It is pretty well impossible to get business done in some places over there if you do not pay them.

ACTING CHAIR: Statement taken. Senator Nash.

Senator HEFFERNAN: I want, on notice, the guidelines.

Mr Metcalfe: We will provide you what we can, Senator.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 235 (continued)

Answer:

The guidelines are publicly available at: www.dfat.gov.au/publications/conduct-ethics/

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 236

Division/Agency: Trade and Market Access Division

Topic: Russian Trade

Proof Hansard page: 122 (28/05/2013)

Senator IAN MACDONALD asked:

Senator IAN MACDONALD: Are the statistics on the Russian trade readily available?

Ms Evans: I would have to take that on notice, but it is certainly the case that we have had shipments already accepted. The first shipment was successfully cleared on 25 February.

Senator IAN MACDONALD: Do you have a feel of whether it is back to what it used to be, or is it just crawling?

Ms Evans: I would not be able to tell you that tonight. I would have to take that on notice?

Answer:

Australian Bureau of Statistics data show that exports of kangaroo meat to Russia were:

2008–09: 5 315 tonnes, valued at \$19.70 million

2009–10: 360 tonnes, valued at \$1.25 million

There were no exports of kangaroo meat to Russia between August 2009 and December 2012.

Kangaroo meat exports to Russia during the period January to March 2013 totalled 174.9 tonnes, valued at \$0.614 million.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 237

Division/Agency: Trade and Market Access Division

Topic: Timeline of when other departments will consider SPC Ardmona's request
Proof Hansard page: 124 (28/05/2013)

Senator McKENZIE asked:

Senator McKENZIE: I understand that. My question was about the initial investigation done by the department of agriculture around this. As you said, 'There is obviously a bit of a case here. Let's send it forward.' What did that entail? What information did you base that decision on?

Ms Evans: I can certainly say we will be providing all of the analysis that we were able to do within the department in the time frame. We will be providing that to the other departments for their consideration as well.

Senator McKENZIE: Great. Do you have a time line for when that will be provided to the other departments for their consideration?

Ms Evans: I will have to double-check. If we have not already provided it we can provide it by tomorrow morning. But I would have thought we have had active discussions with all the departments already, so I would have thought they have already considered it.

Senator McKENZIE: Could you check on that and let us know in the next day or so whether that information has gone across?

Answer:

Prior to the estimates hearing date, the Department of Agriculture, Fisheries and Forestry (DAFF) provided analysis from the Australian Bureau of Agricultural and Resource Economics and Sciences and Agricultural Productivity Division to the Department of Foreign Affairs and Trade (DFAT) and the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education. This analysis considered the current state of the industry and the possible impact of safeguard measures. DAFF also participated in meetings with other agencies convened by DFAT – including the Department of the Prime Minister and Cabinet and Treasury – but did not provide them with this written analysis.

Budget Estimates 2013-14
Senate Rural and Regional Affairs and Transport Legislation Committee
Agriculture Fisheries and Forestry – Trade and Market Access Division
28 May 2013

Question: 238

Division/Agency: Trade and Market Access Division

Topic: Previous Safeguards Timeline - Pigmeat

Proof Hansard page: 127 (28/05/2013)

Response to request by Senator Colbeck for the chronology of events/timeline for the previous safeguards inquiry in the import of pigmeat.

Safeguards Inquiry into the Import of Pigmeat – 2007/08

- | | |
|------------|---|
| 27/9/2007 | Industry wrote to the then Minister for Agriculture, Fisheries and Forestry attaching a submission supporting their request for Safeguard measures |
| 3/10/2007 | The then Minister for Agriculture, Fisheries and Forestry wrote to the Trade Minister and the Treasurer seeking a PC inquiry |
| 17/10/2007 | The government asked the Productivity Commission to undertake an inquiry and the Treasurer issued the terms of reference which required an accelerated investigation (results due 14/12/2007) and a full investigation (results due end March 2008) |
| 14/12/2007 | The Productivity Commission submitted the accelerated report to the government - no case found |
| 31/03/2008 | The Productivity Commission submitted the full report to the government – no case found |

Pig and Pigmeat Industries: Safeguard Action Against Imports - 1998

- | | |
|------------|--|
| 10/6/1998 | The then Minister for Trade and the then Minister for Primary Industries and Energy announced the government would conduct a safeguard inquiry for pigmeat |
| 26/6/1998 | The government asked the PC to undertake an inquiry and report within 140 days |
| 13/11/1998 | The Productivity Commission submitted its report to the government – PC found that safeguard measures in the form of tariffs could be justified – the government decided to provide industry assistance rather than implement safeguards measures. |

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 239

Division/Agency: Trade and Market Access Division

Topic: Travel

Proof Hansard page: 129 (28/05/2013)

Senator BACK asked:

Senator BACK: Would senior industry personnel travel with you, for example, if you were visiting another country to undertake these negotiations?

Ms Evans: Certainly that is sometimes the case. Recently, for example, there was a trans-Pacific partnership negotiation in Peru, and we took a number of representatives from the National Farmers Federation with us on that negotiation. It is certainly a practice that we do use. I would have to take on notice whether that has occurred in China or not.

Answer:

In relation to bilateral free trade agreement (FTA) negotiations, and specifically the FTA negotiations with China, these discussions are conducted on a government-to-government basis. Industry personnel do not participate and have never participated in the negotiations, nor are they a part of the official Australian delegation. Occasionally, industry personnel may for their own purposes be in the same city when negotiations are being held.

Both the Department of Agriculture, Fisheries and Forestry and the Department of Foreign Affairs and Trade liaise closely with industry over the course of successive trade negotiation meetings to keep industry apprised of progress and to seek guidance about industry priorities.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 240

Division/Agency: Trade and Market Access Division

Topic: Program Funding

Proof Hansard page: 133 (28/05/2013)

Senator RHIANNON asked:

Senator RHIANNON: So, that is a fair swag of the \$10.2 million. Perhaps you could run through how much of the remaining \$3.8 million goes on those other programs.

Ms Evans: \$2.7 million is under the Improved Animal Welfare Program. Just to clarify, these are estimates of a future year, so they are not expended yet. There is a small amount—just \$20 000—for the emerging infectious diseases program, which is a very small part of that larger program. There is \$90 000 from the East Timor animal disease surveillance program. There is \$10 000 in the East Timor laboratory support project, which is something we have done under the Public Sector Linkages Program. There is \$230 000 under the Papua New Guinea animal disease surveillance and monitoring program. There is \$100 000 for a standard program, and I would have to check some details as to what it is specifically.

Senator RHIANNON: Would it be possible to table that piece of paper you have there?

Ms Evans: Perhaps I could take on notice to give you something that is a little bit more legible. There are parts of it that I cannot read myself! So I will take it on notice and provide you with a summary.

Answer:

A summary estimate of Department of Agriculture, Fisheries and Forestry (DAFF) Official Development Assistance (ODA) for 2013–14 is provided at **Attachment A**, including a description of the programs' purpose.

Attachment A: DAFF ODA Summary Spreadsheet 2013-14

DAFF Official Development Assistance Summary Spreadsheet 2013-14

Agency / Section	Activity Name	Country	Activity Purpose	2013/14 Financial Year (\$m)
BSG - Animal Division: Animal Health Policy	Australia Indonesia Partnership for Emerging Infectious Diseases Animal Health Program 2010-2014	INDONESIA	To strengthen Indonesian veterinary services to enable the prevention and control of emerging infectious diseases through activities undertaken at the national and sub-national level.	0.02
BSG - Animal Division: Animal Health Policy	East Timor Animal Disease Surveillance Program	TIMOR-LESTE	A range of technical and policy capacity building to build relationships and improve animal health surveillance while benefitting Australia by reducing offshore disease risks.	0.09
BSG - Animal Division: Animal Health Policy	East Timor Laboratory Support Project - Public Sector Linkage Program (PSLP)	TIMOR-LESTE	A range of technical and policy capacity building to build relationships and improve animal health systems in East Timor by assisting with laboratory skills.	0.01
BSG - Animal Division: Animal Health Policy	PNG Animal Disease Surveillance and Monitoring Program	PAPUA NEW GUINEA	A range of technical and policy capacity building to build relationships and improve animal health surveillance while benefitting Australia by keeping risks offshore.	0.23
BSG - Animal Division: Animal Health Policy	STANDZ (To improve regional animal health capacity.)	GLOBAL UNSPECIFIED	To improve regional animal health capacity.	0.10
BSG - Animal Division: Livestock Export Reforms	Improved Animal Welfare Program	GLOBAL UNSPECIFIED	Improve animal welfare outcomes in ODA eligible countries that import Australian livestock for slaughter	2.70
SRM - Northern International Fisheries	Public Sector Linkages Program - Vessel and Fisher Identification	INDONESIA	To implement vessel and fisher identification trial for fishers in Roti.	0.06
SRM - Northern International Fisheries	Regional Plan of Action for Responsible Fishing Practices	ASIA UNSPECIFIED	To promote responsible fisheries management in SE Asian countries.	0.05
Trade and Market Access Division	AAA International Agricultural Cooperation Program	GLOBAL UNSPECIFIED	The program aims to promote agricultural exports by building bilateral government-to-government relationships, facilitating improved market access and trade growth for portfolio industries and providing technical and capacity-building assistance to targeted trading partners.	0.57
Trade and Market Access Division	AFFA-UN FAO Contribution	GLOBAL UNSPECIFIED	Australia's annual member contribution to the UN FAO under the United Nations Food and Agriculture Organization Act 1944	6.39
				10.22

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 241

Division/Agency: Trade and Market Access Division

Topic: DAFF Official Development Assistance 2013–14

Proof Hansard page: 134 (28/05/2013)

Senator RHIANNON asked:

Senator RHIANNON: The OECD, in defining ODA, says that it must be primarily for 'the economic development and welfare of developing countries'. So, could you set out how the programs—and let's start with the bigger ones—benefit low-income countries? Take, say, the international agricultural cooperation program, which low-income countries is that benefiting?

Ms Evans: Let me again just clarify that all the numbers I have read out to you are just shares; they are portions of these programs whereby we have isolated the parts of them that relate to exactly the goals you have just described. So, for the international agricultural cooperation program, I am not sure if I can come up with a specific example off the top of my head, but I am happy to take on notice to provide you with a list of the types of projects that have been done in ODA-eligible countries that meet the criteria, and that is the basis on which we do our assessment each year to make this report to AusAID.

Answer:

Examples of technical cooperation and capacity building International Agriculture Corporation initiatives benefiting Official Development Assistance (ODA) -eligible countries include:

Cotton 4. This project provided Australian support for research, extension and agribusiness participants in West and Central Africa to increase their capacity to train African farmers in techniques to improve their cotton production systems, particularly in cotton seed production. This enabled cotton farmers to improve their productivity and profitability. Australia conducted a training workshop in West Africa focusing on key agronomic practices to improve productions. This was followed by a two week visit to Australia's cotton growing regions visiting local cotton farms, research stations and agribusiness organisations and a two day training course on Best Management Practice in Australian cotton production systems.

Managing agricultural price risk: implications for India. The purpose of the project was to explore the short and long term impacts on rural households in India of alternative policies to manage agricultural price risk. In collaboration with the National Centre of Agricultural Economics and Policy Research (NCAP) in India, a simulation model was used to highlight key linkages between consumers and producers in agriculture and non-agricultural sectors of the Indian economy.

Rural and Regional Affairs and Transport Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2013

Agriculture, Fisheries and Forestry

Question: 241 (continued)

Northern Territory Pasture Management Study Tour. Indonesian officials took part in a study tour to improve their knowledge and technical skills while dealing with the pasture and ranch management in the Nusa Tenggara Timur region, West Papua and central provinces in Indonesia. The focus areas were pasture management, pasture and ranch development programs, the role of grasses and legumes, feed and feeding technology (hay, silage) and the use of feed additives and supplements.

Integrated Crop Forecasting for the Asia-Pacific Region. This project strengthened cooperation and enhanced information exchange on the development of crop forecasting systems which aid predictions of crop production within the Asia-Pacific region. Crop forecasts provide policy-makers with information on food security, trade and market access and the impacts of extreme weather events. The project was achieved through the development of partnerships with Korea, China and Japan to address key technical challenges in crop monitoring and forecasting in the Asia-Pacific region.

Agriculture and Climate Change in South America. A workshop held in Argentina focusing on agricultural mitigation research to address climate change impacts, specifically relating to soil carbon, livestock emissions and nitrous oxide emissions. Other areas covered in the workshop included replacement of chemical fertilizers, no-tillage seeding, no-tillage machinery, genetic research, promotion of agriculture in saline-sodic soils under wet conditions and precision agriculture and site-specific management. Officials and researchers from Brazil, Peru, Chile and Columbia were invited.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 242

Division/Agency: Trade and Market Access Division

Topic: Food Standards, MRL Levels

Proof Hansard page: 135 (28/05/2013)

Senator COLBECK asked:

Senator COLBECK: I want to ask a question around food standards in Japan, which I know is very sensitive for the Japanese, and the 'three strikes and you're out' process around MRLs, not just for the individual business that sends the product in but for us as a country. Have we had any conversations around that protocol? I understand it is theirs and it is their prerogative, but have we had any conversations around that and the impacts that it has on the broader industry for one particular breach?

Ms Evans: We might need to take on notice the question around discussions we have had on the specific protocol, but maybe it is useful for you to know that we have a quite active engagement with Japan on MRLs. We have had a project running for quite a number of years, working with them to help set acceptable MRL levels. That has enabled us to have quite a good ongoing discussion around MRLs in the broad. Regarding specifically that protocol, we would have to take the question on notice to make sure we give you a complete answer.

Answer:

All exported food must meet importing countries' food safety standards. In Japan, the Ministry of Health, Labour and Welfare (MHLW) is responsible for setting standards to ensure both locally produced and imported food are safe. MHLW has regulatory authority under the Japan's Food Sanitation Law for inspecting and testing food for compliance with food safety standards including acceptable levels of agricultural and veterinary chemical residues, bacterial counts and contamination with toxins.

Japan's MHLW maintains a positive list of maximum residue limits (MRLs) for agricultural and veterinary chemicals in food. For foods inspected and found to violate Japan's MRLs, Japan takes a graduated response to breaches.

MHLW response in the first instance is to increase the rate of monitoring inspections. This requires a certain percentage of consignments be inspected and found to be compliant for a period of time before returning to regular voluntary testing requirements. If the violations continue to be detected, the rate of inspections can be increased. Under Japan's Food Sanitation Law, the MHLW can issue an Inspection Order further to increase the mandatory inspection rate to 100 per cent of consignments. This order is only lifted when there have been no violations detected over a two year period; or the number of consignments inspected is more than 300 and there have been no violations over a one year period.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 242 (continued)

MHLW has the regulatory authority to order a 'comprehensive import prohibition' when the 100 per cent monitoring and inspection rate is in place and violations of Japan's Food Sanitation Law continue in more than 5 per cent of consignments of the same commodity.

Generally speaking, a breach by one exporter would not lead to an industry-wide effect. However, if Japan has particular concerns, it is their prerogative to apply the higher inspection rates more broadly.

Our experience is that Japan takes a consultative approach with Australia to manage the risk and maintain trade. We are given prompt, written notification of Australian exports that do not comply with Japan's MRLs and an opportunity to investigate and report on the causes. This enables the department to work with Australian exporting industries to develop and implement corrective measures in Australia to address these issues with a view to re-establishing or maintaining trade.

This approach has been enhanced by the strong working relationship between the Australian and Japanese governments on MRL standards, over many years. The department assisted Japan MHLW to set up its positive list in 2006 and since then, has provided technical information in support of Australian MRLs for over 250 chemicals of trade concern, with industry support. There is regular contact between the department and MHLW through the Counsellor (Agriculture) at the Australian Embassy in Tokyo. Both the department and Australia's exporting industries have a good understanding of Japan's MRLs and regulatory framework for ensuring imported food meets these standards.

Rural and Regional Affairs and Transport Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2013

Agriculture, Fisheries and Forestry

Question: 243

Division/Agency: Trade and Market Access Division

Topic: National Food Plan

Proof Hansard page: Written

Senator NASH asked:

Page 88 National Food Plan

Our Policy Goals to 2025

1. To refer to 1.2 “Negotiate and implement regional and bilateral trade agreements that deliver significant benefits to Australia’s agriculture and food sectors,” What is the government’s five year plan to achieve better relationships with other countries when pertaining to bilateral trade agreements?
2. To refer to the five year goal “Enhance relationships with trading partners particularly in Asia, to promote Australian interests and assist with resolving trade issues” Can you clarify for the committee what the governments five year goal will entail i.e. securing FTAs with Japan, South Korea and China etc.?
3. In reference to the wording of “resolving trade issues” what are the government’s priorities in securing FTA’s in Asia i.e. what countries?

Answer:

1. Australia has ongoing multilateral and bilateral engagement to maintain and improve market access for our agriculture and food sectors. For example:

Australia has seven bi-lateral free trade agreements (FTAs) in place with Singapore, Malaysia, the United States, New Zealand, Thailand, Chile and the Association of South East Asian Nations and New Zealand. The government is negotiating a further five bilateral FTAs (Japan, Korea, China, India, Indonesia) and four regional FTAs (Trans Pacific Partnership, Regional Comprehensive Economic Partnership, PACER Plus, Gulf Cooperation Council).

Australia has more than 35 formal bi-lateral dialogue mechanisms many of which include planned meetings with our trading partners about agriculture, food, fisheries and forestry. In addition the Department of Agriculture Fisheries and Forestry (DAFF) has regular informal and formal meetings between DAFF counsellors and industry representatives.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 243 (continued)

DAFF has a permanent presence overseas of agriculture specialists accredited to work in 18 of Australia's key markets and also works through Department of Foreign Affairs officers at overseas posts to help identify emerging issues, strengthen relationships and tackle market issues in a timely manner.

The government has established strong agricultural trade relationships through these mechanisms with other countries and will continue to build upon those in the next five years.

2. The National Food Plan is a roadmap for the Australian Government's future food policy. It sets out 16 policy goals to 2025 and the general approach that will be taken to achieve these goals. The detailed activities to achieve these goals will vary according to the challenges, opportunities and priorities of the day and will be continually reviewed and improved in the usual manner of government policy setting and administration. The government has also committed to reviewing the National Food Plan every five years.

With respect to FTAs, the government is negotiating a further five bilateral FTAs (Japan, Korea, China, India, Indonesia), as advised in the answer to question 1.

3. Please refer to the answer to question one.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 244

Division/Agency: Trade and Market Access Division

Topic: Agricultural Exports

Proof Hansard page: Written

Senator NASH asked:

1. In reference to Agricultural commodities – vol. 3 no. 1 March quarter 2013 page 23 “The export value of livestock and livestock products is forecast to increase by 5.4 per cent in 2013–14 to \$15.2 billion.” Has that percentage and dollar value on livestock exports changed in any way since March?
2. Page 25 in Agricultural commodities – vol. 3 no. 1 March quarter 2013 there is a forecast that beef and veal exports in 2013 – 14 would be worth \$4.72 billion is that figure still correct? Can you provide the committee with an updated figure on what beef and veal exports are worth for 2013- 14?
3. Page 87 Agricultural commodities – vol. 3 no. 1 March quarter

Because only one-third of production is consumed domestically, international demand for Australian beef and veal is a key driver of the direction of the beef cattle industry. In the short term, export volumes are forecast to increase by 3 per cent in 2012–13 to 975 000 tonnes (shipped weight) and a further 3 per cent in 2013–14 to 1 million tonnes. In 2013–14 Australian beef and veal export earnings are forecast to increase to \$4.72 billion, driven by expected higher export volumes.

In the short term a mixed export performance is forecast for Australian beef and veal in the three largest markets (Japan, the United States and the Republic of Korea). In Japan, higher supplies of US beef and low growth in consumer demand is expected to contribute to a decline in demand for Australian beef. In the United States and the Republic of Korea, a forecast decline in domestic beef production is expected to result in increased demand for imported beef, including from Australia.

Can you update the committee on beef exports to the Republic of Korea is demand still increasing for Australian beef in the light that Australia has not secured a free trade agreement with the Republic of Korea?

4. Can you provide to the committee on recent percentage, dollar value and metric tonnes of beef exports to the Republic of Korea?
5. How much has beef exports to South Korea changed since last estimates in February?

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 244 (continued)

6. Page 88 Agricultural commodities – vol. 3 no. 1 March quarter

Australian beef and veal exports to Japan are forecast to fall by 6 per cent in 2012–13 to 305 000 tonnes (shipped weight) and a further 5 per cent in 2013–14 to 290 000 tonnes.

Is this forecast still accurate?

7. Can you provide to the committee on percentage, dollar value and metric tonnes for beef exports to Japan?

8. What are the likely trends Australia will see in beef exports to Japan and the Republic of South Korea? As its states in Agricultural commodities – vol. 3 no. 1 March quarter page 89

Australian beef and veal exports to Japan are projected to decline over the next few years, before stabilising toward the end of the outlook period.

When does the department forecast the beef export market will stabilise?

9. Page 90 Agricultural commodities – vol. 3 no. 1 March quarter

Australian beef and veal exports to the Republic of Korea are forecast to increase by 8 per cent in 2012–13 to 133 000 tonnes (shipped weight), and a further 5 per cent in 2013–14 to 140 000 tonnes. Korean beef production is forecast to fall from its recent highs, while beef consumption is expected to continue rising, resulting in increased demand for imports. In the short term Australian beef is expected to maintain the largest share of the Korean beef import market, despite increasing competition from US beef.

As it states that in the short term Australian beef is expected to maintain the largest share of the Korean beef import market, can the department clarify what was the forecast of short term i.e. three months, 6 months, a year?

10. Does Australia still maintain the largest share of the Korean beef import market?

11. With the absence of a free trade agreement with South Korea because of governments bungled decision not to purchase Samsung Techwin's Land 17 self-propelled howitzers has the government made any progress of securing a free trade agreement with South Korea?

12. What progress has the department and the Minister made in securing a free trade agreement with South Korea?

13. Does the department know what is the delay in Australia and South Korea signing a free trade agreement is?

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
 Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 244 (continued)

14. Page 91 Agricultural commodities – vol. 3 no. 1 March quarter

Australian beef and veal exports to the Republic of Korea are projected to increase gradually over the medium term, reflecting ongoing growth in Korean beef consumption. If Australian beef continues to be subject to a higher tariff than US beef, growth in exports to the Republic of Korea is likely to slow as US beef becomes more price competitive, particularly toward the end of the projection period

Would this be still accurate that beef and veal exports to the Republic of Korea are projected to increase over the medium term?

15. Can you provide to the committee on percentage, dollar value and metric tonnes for beef exports to South Korea?

Answer:

1-7. The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) released the June edition of *Agricultural Commodities* on 18 June 2013. It contains ABARES latest forecasts for beef and veal on pp 64-73. The report is available from:
daff.gov.au/abares/publications_remote_content/publication_series/australian_commodities

A summary of the forecasts published in the June edition of *Agricultural commodities* is provided in the following table.

Beef and veal outlook					
		2011- 12	2012- 13 f	2013- 14 f	% change
Cattle numbers a	million	28.4	28.1	27.9	-0.7
– beef	million	25.7	25.4	25.2	-0.8
Slaughterings	'000	7 873	8 395	8 700	3.6
Production	kt	2 115	2 230	2 300	3.1
Exports (shipped weight)					
– to United States	kt	205	210	230	9.5
– to Japan	kt	326	300	280	-6.7
– to Korea, Rep. of	kt	123	137	142	3.6
– total	kt	948	1015	1 070	5.4
Exports (value)					
– to United States	A\$m	896	na	na	na
– to Japan	A\$m	1 549	na	na	na
– to Korea, Rep. of	A\$m	572	na	na	na
– total	A\$m	4 467	4 840	5 080	5.0

Rural and Regional Affairs and Transport Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2013

Agriculture, Fisheries and Forestry

Price

– saleyard	Ac/kg	329	296	280	– 5.4
– US import	USc/kg	433	438	450	2.7
– Japan import	USc/kg	600	590	570	– 3.4

a At 30 June.

f ABARES forecast.

Sources: ABARES; Australian Bureau of Statistics; Department of Agriculture, Fisheries and Forestry

8. In the March 2013 issue of *Agricultural Commodities*, Australian beef and veal exports to Japan are projected to stabilise toward 2017-18.
9. The short term in the March 2013 edition of *Agricultural commodities* refers to 2012-13 and 2013-14.
10. In the 2012 calendar year, Australia had the largest share of the beef import market in the Republic of Korea.

Data on imports of beef and veal by the Republic of Korea are available from the following two sources:

1. United Nations Statistics Division 2013, 'United Nations Commodity Trade Statistics Database (UN Comtrade)', New York, and may be accessed at:
comtrade.un.org/db/default.aspx
 2. Data published by the Korean Customs Service, which may be access at:
customs.go.kr/kcshome/main/content/ContentView.do;jsessionid=T3JPR2ZDNbDZGS2fG9Tsn58JvvlZHTvc47fg2pmkC41CYkPGYSYQ!337454755?contentId=CONTE NT_ID_000001319&layoutMenuNo=21030
11. The howitzer issue has not been linked to progress on Free Trade Agreement (FTA) negotiations or the broader, strong trading relationship with South Korea.
 12. The government has increased its efforts for finalising negotiations with South Korea, including through making representations at the highest levels and through diplomatic channels. The Prime Minister spoke to President Park following her election win and raised the conclusion of the Australia-Korea FTA. Minister Emerson discussed the Australia-Korea FTA with South Korea's Trade Minister, Dr Yoon in the margins of the APEC trade ministers meeting in Indonesia on 20 and 21 April 2013.

Advocacy efforts led by Minister Emerson have pressed the importance of quickly concluding a high quality agreement with South Korea. Both sides are seeking a breakthrough on outstanding issues.

13. The two major outstanding issues are the question of the inclusion of Investor-State Dispute Settlement (ISDS) provisions and the beef tariff reduction schedules. The Government's Trade Policy Statement of April 2011 sets out its approach to the inclusion on ISDS provisions in trade agreements.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 244 (continued)

14. ABARES publishes forecasts over a five year period once a year in the March edition of *Agricultural Commodities*. The March 2013 edition contains ABARES latest five year forecasts out to 2017-18 for beef and veal on pp 86-95.

15. Please refer to the answer in Question 10.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 245

Division/Agency: Trade and Market Access Division

Topic: Korea FTA collapse

Proof Hansard page: Written

Senator COLBECK asked:

What role has the Department played in the trade agreement with Korea?

Given the high dollar, carbon tax and the high cost of doing business in Australia will the failure to sign a trade agreement decrease our competitiveness into that market and lead to a loss in market share? If not, please explain the situation.

Answer:

The Department of Agriculture, Fisheries and Forestry provides specialist expertise in relation to agricultural products and agricultural industries in support of the free trade agreement (FTA) negotiations led by the Department of Foreign Affairs and Trade.

Not entering into an FTA with South Korea will adversely affect our competitiveness in that market over time, but it may not necessarily result in an immediate decline in market share. For example, Australia's share of South Korea's imported beef market increased from 50 per cent in 2011 to 52 per cent in 2012, and in the first five months on 2013 has increased further to 56 per cent, despite the FTA between the United States and South Korea being in place.

Rural and Regional Affairs and Transport Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2013

Agriculture, Fisheries and Forestry

Question: 246

Division/Agency: Trade and Market Access Division

Topic: Canned Fruit

Proof Hansard page: Written

Senator COLBECK asked:

Is the Government willing to apply a safeguard measure to protect against imported multi-serve fruit and canned tomato products that are placing local industries at risk? If not, why not?

Is the Government prepared to apply provisional safeguards which can be granted by the responsible Minister without referring the matter to the Productivity Commission (PC) or other agency? If not, why not?

Is the Government willing to refer any subsequent case for full safeguards to a body other than the PC, given that body's notorious opposition to tariffs and the fact that tariffs are the only measure that can be used under the WTO Safeguards Agreement, and tariffs or quotas are the only measure allowed for full safeguards? If not, why not?

Is the Government aware that it can replace the PC as the responsible body for full safeguards inquiry at any time?

When will the Government be giving SPCA and the people of the Goulburn Murray region its decision on the company's request for urgent action on safeguards?

Answer:

On 21 June 2013 the Hon. Dr Craig Emerson and the Assistant Treasurer the Hon. David Bradbury announced that the Productivity Commission would undertake safeguard inquiries into the impact of imports of processed fruit and tomatoes on Australian producers.

See media release. http://www.trademinister.gov.au/releases/2013/ce_mr_130621.html

Further questions on safeguards matters should be directed to the Department of Foreign Affairs and Trade.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 247

Division/Agency: Trade and Market Access Division
Topic: Funding for International Agricultural Cooperation
Proof Hansard page: Written

Senator COLBECK asked:

In program 1.13 International Market Access the funding for the International Agricultural Cooperation increases by 600,000 dollars in 2015-16 budget year up from \$307,000 to \$919,000. Why is this so?

Answer:

Funding for the International Agricultural Cooperation Program for the financial years 2012–13, 2013–14 and 2014–15 was reduced by a total of \$1.7 million over the three years through the mid year budget process for 2011–12 as a once-off offset measure to support other Government priorities. The original budget for the 2014–15 year was \$909 000. Funding for the 2015–16 year was not affected by that decision.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 248

Division/Agency: Trade and Market Access Division

Topic: Export Kangaroo Products

Proof Hansard page: Written

Senator RHIANNON asked:

1. What role does the Trade & Market Access Division play in promoting markets for kangaroo meat and products?
2. Over the past five years what activities has the Trade & Market Access Division been involved in to promote and maintain kangaroo export markets?
3. Please supply details of the activities with dates, description of projects, partners in projects, countries, cost of project, outcomes.
4. For the countries that kangaroo meat is exported to have any governments of those countries questioned the health standards of the kangaroo meat they receive?
5. What are the Trade & Market Access Division's current priorities and planning to promote kangaroo meat exports?
6. Is the Trade & Market Access Division undertaking any activity in Russia to promote kangaroo meat exports to that country?

Answer:

1. The Department of Agriculture, Fisheries and Forestry (DAFF), including Trade and Market Access Division (TMAD), works to maintain and improve international market access opportunities for Australia's agriculture, food, fisheries and forestry industries. This includes market access for kangaroo meat.

DAFF works closely with other parts of the Australian Government to deliver a comprehensive service to Australian exporters. This includes trade promotion activities which are primarily conducted by Austrade.

DAFF's role is focused in particular on negotiating the technical protocols and rules that govern the trade in individual products. DAFF also has a role in ensuring that Australian exporters comply with these rules so that trade can continue without disruption.

Rural and Regional Affairs and Transport Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2013

Agriculture, Fisheries and Forestry

Question: 248 (continued)

DAFF develops strong agricultural relationships with our trading partners. For example, in the case of Russia, we meet annually through an Australia-Russia Agricultural Working Group to discuss not only specific technical market access issues, such as the requirements for kangaroo meat, but also the general policy environment for agriculture in Australia and in Russia. These types of meetings help to cement the relationships we rely on with other countries to resolve issues when they arise. These formal bilateral meetings are often complemented with more specific, ad hoc technical visits to discuss market access issues.

DAFF also supports high level engagement with the relevant authorities to solve issues and improve the trading environment. In some countries DAFF provides capacity building support so that our trading partners are better able to engage in efficient trading practices. The department maintains a network of positions located in important trading partners to support these bilateral discussions and progress issues in the intervening periods. One of these agriculture specialist positions is in Moscow.

DAFF also contributes to the broader context in which trade for kangaroo meat and products occurs. We participate in the standard setting bodies under the Food and Agriculture Organisation (FAO), including CODEX and the World Organisation for animal health. These efforts are to increase the likelihood that the rules set by our trading partners are based on science, which enables the market to function efficiently.

2. Over the last five years the department has made numerous representations on behalf of the kangaroo industry to gain access for exports to multiple countries including: Russia, Philippines, China, Peru, India and Thailand. Activities in support of kangaroo trade have included ministerial and other high level visits where market access was raised. The Minister for Agriculture, Fisheries and Forestry has written to his counterparts in China and Russia and numerous letters between senior officials have been sent to progress kangaroo meat market access. Kangaroo meat was also explicitly raised with Russia at the Australia - Russia Agriculture Working Group meeting in 2012, 2011 and 2010. Kangaroo meat market access was raised during Ministerial visits and in Ministerial level phone calls.

DAFF works to maintain market access by ensuring the ongoing confidence of trading partners in our production system, such as through the facilitating audits conducted by trading partners, and by responding to queries by trading partners.

3. Most of the activities of the department in support of kangaroo meat access would not be considered to be discrete projects. There has, however, been at least one specific project involving the development of a DVD relating to the kangaroo industry, which has been supplied to China, Russia, Thailand, the Philippines and India. This project was completed in July 2012 and cost approximately \$90 000.

Rural and Regional Affairs and Transport Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2013

Agriculture, Fisheries and Forestry

Question: 248 (continued)

4. Yes. Concerns about health standards for kangaroo meat led to the suspension of trade to Russia in 2009. Trade to Russia has now resumed. As kangaroo meat is produced from animals harvested in the wild, some countries have raised questions about how health standards are maintained during this process. The department has worked with the industry to demonstrate to trading partners the systems that are in place to meet the required standards.
5. DAFF continues to pursue kangaroo meat market access consistent with the activities described in Question 1.
6. DAFF continues to pursue kangaroo meat market access to Russia consistent with the activities described in Question 1.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 249

Division/Agency: Trade and Market Access Division

Topic: Australian Food Statistics 2011–12 Report

Proof Hansard page: Written

Senator COLBECK asked:

Has the government overlooked the issue of regulations in countries like China when addressing market access?

Given that some of Australia's top export countries are Japan, South Korea and Indonesia for food, is enough being done to maintain our relationships with these countries?

Growcom pointed out in 2012 that if "food production can be doubled by 2050, we will be able to feed the projected population of Australia and less than 1.3 per cent of the projected Asian population". Does the Food plan agree with that assessment?

Answer:

The Australian Government has not overlooked regulations in overseas markets. Understanding and managing the regulatory requirements of overseas markets is an everyday and fundamental focus of the department's work. The Department of Agriculture, Fisheries and Forestry's technical market access work includes a sustained effort to:

- make representations to, and negotiate with, foreign governments so that regulations in overseas markets are appropriate and trade facilitative
- help industry to demonstrate that Australia's exported products satisfy the market access regulations in place in overseas markets.

Australia maintains a significant and strategic presence in important overseas markets, including but not limited to Japan, South Korea and Indonesia, to support access for Australia's farm exports. Under the National Food Plan released on 25 May 2013, Australia will appoint a new Counsellor (Agriculture) and a support officer in Hanoi, Vietnam. In addition two locally engaged officers will be appointed in Kuala Lumpur, Malaysia and Beijing and China next year. Given Australia's increasing focus on the Asian region, this increase in resources strengthens our commitment to building relationships in these markets.

The National Food Plan is a statement of policy direction by the government and notes that Australia currently produces enough food to feed around 60 million people. The 2025 policy goals to increase the value of Australia's agriculture and food-related exports by 45 per cent and increase productivity by 30 per cent will help Australian exporters feed more people globally. The National Food Plan also states that we need to use our skills and advantages to help people in developing countries increase their capacity to grow food