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HOUSE OF REPRESENTATIVES

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US FTA comes home to roost

Side letter cause of beef import battle

A side letter to the US Free Trade Agreement signed by then Trade Minister Mark Vaile is the genesis of the current angst being felt by the beef industry over the importation of beef and beef products from countries that have had BSE or “mad cow disease” according to the Independent member for New England Tony Windsor.

Mr Windsor said that the BSE side letter to the Australia-United States Free Trade Agreement (AUSFTA) signed by Mr Vaile committed Australia and the United States to cooperate in international forums, such as Codex Alimentarius and the World Organisation for Animal Health (OIE), to secure science-based standards for food safety and animal health-related BSE risks. Australia, the United States and a number of other trading partners were cooperating on BSE matters in these and other forums prior to AUSFTA.

Since the signing of this letter in May 2004, the OIE in May 2007 removed the “BSE Free” category of countries and replaced it with a “BSE Negligible Risk” which Australia is in and a “BSE Controlled Risk” category which the United States is in.

However on May 28, 2007, Mr Windsor asked then Minister for Trade, Warren Truss in writing “Will the Minister give the Australian beef industry an assurance that US beef will not be imported into Australia whilst the US has BSE cases and Australia has none.”

On June 20, 2007, Minister Truss replied “Australia has the sovereign right to set its own food safety standards, including for BSE. Under Australia’s policy for the safety of imported food, imports of beef and beef products produced on or after the date a country reports an indigenous case of BSE are prohibited.”

Mr Windsor believes that this is still the case but wants the current Government to confirm this.

“Clearly there is much angst in the beef industry about the importation of beef and beef products from countries where BSE has occurred.

“I have previously raised my concerns about protecting Australia’s clean green reputation at all cost and I do so again now.

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“The side letter to US Free Trade Agreement signed by then Trade Minister Mark Vaile has made the situation very messy and we now see a bull in the China shop creating much concern to an overwhelming majority of those in the beef industry.

“The Government must now clearly indicate its protocols have not changed and we retain the sovereign right to set our own food safety standard which overrides any Trade agreement,” Mr Windsor said.

In a speech to the Parliament in 2006 on the Agriculture, Fisheries and Forestry Legislation Amendment (Export Control and Quarantine) Bill, shortly after Mr Windsor had returned from a visit to Canada which had just experienced an outbreak of BSE, he said:

“I listened to the speech by the member for Capricornia ... She highlighted a very important point about the broader issue of quarantine and biosecurity when she related the experiences of Canada when it had an outbreak of mad cow disease and the costs that were incurred by that economy through what was, in a sense, a lack of vigilance. The figure she cited was something like \$6.6 billion having been lost to that economy and, essentially, to the beef industry, and that has had a multiplier effect on the broader economy.

“I have just spent some time in Canada looking at ethanol plants and some other things. One issue that was raised when I was there was the impact of the BSE outbreak on the Canadian economy. This highlights the point that we really do need to be vigilant in relation to quarantine and biosecurity. That may, from time to time, be seen as being a little protectionist by some who would rather just open the door to the free market and let the market flow. We are seeing that with a number of products at the moment—apples, cooked chicken meat and other variations of a similar theme. Because of various trading arrangements with others internationally and talks that are ongoing with the World Trade Organisation and others about trying to liberalise overseas markets for access of our products, in some cases there has to be a relaxation of the way in which we accept other products. I suggest that, once again, we need to be vigilant in how we go about those processes. If there are any risks at all, we should not give up our greatest agricultural advantage as a nation—that of being an island, of being a clean, green producer of food and of not being subject to some of the diseases that some of our competitors internationally are. We should not enter into an arrangement if there is any degree of risk....

‘.... In terms of biosecurity we have to make sure we are ever vigilant, that we do not allow ourselves to be compromised in any way and that we do not allow ourselves to be pressured politically by international forces in our trading relations.

‘We saw what happened in Canada, with the massive loss of potential income when they were an active trader in the beef market. We have seen what can happen in the other parts of the world with the outbreak of some of these diseases. The one comparative advantage we have, which is that we are quite distinct from any other nation in the world, is geared around our being a nation continent. We must maintain the integrity of our food supplies both within that continent and on our borders,’ Mr Windsor told the Parliament.