



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
ABC RN with Alison Carabine

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Subjects: live cattle trade, Foreign Minister.

JAMES CARLETON:

A quick resumption of live cattle exports to Indonesia appears unlikely. An Australian veterinary team was to commence inspecting Indonesian abattoirs last week, but it will remain locked out until an agreement can be reached on improving animal welfare standards and there's no sign that agreement will be reached anytime soon.

The Australian cattle industry now fears that its reputation as a reliable supplier of meat is in tatters, and that it could be shut out altogether from the Indonesian market from 1 July. Concerns are also being expressed about the longer-term damage to Australia's broader trade and diplomatic relations with Indonesia.

The Trade Minister, Craig Emerson, is in our Parliament House studio. He's speaking now with our political editor Alison Carabine.

ALISON CARABINE: Craig Emerson, welcome back to Radio National *Breakfast*.

CRAIG EMERSON: Thanks for having me back.

CARABINE: Well, Australia supplies about one-quarter of Indonesia's beef supply. Reports out of Jakarta suggest that Indonesia wants to reduce its reliance on Australian meat. Is that what you're hearing?

EMERSON: No, it's not and we are working constructively with the Indonesian authorities on the resumption of the live cattle trade. It's good for Australia and good for Indonesia. The cattle are grown in Australia, transported to Indonesia and then fattened through feed lots and then ultimately processed or slaughtered. And what we want to do is just get their ... to ensure that the standards that the abattoirs have are the international standards. And Senator Ludwig, as you know, has been in Jakarta working on that with his counterpart.

CARABINE: But they're not being transported to Indonesia at the moment. Is there not a risk that we could lose market share to our competitors in South ... in Asia and also South America?

EMERSON: Well, we're not sanguine about it, but at the same time Australia does have a pretty strong competitive advantage in terms of live cattle. There's another trade which is a bit related, but not closely related, and that's called boxed beef - that is, already slaughtered. But the market for that is quite a bit different from the live cattle trade and one of the reasons is refrigeration - that is, the live cattle trade produces very fresh beef that doesn't need refrigeration.

So the fact that there are other countries that produce beef doesn't, of itself, mean that they are close competitors. But we're not, in any way, sanguine about this. We want the resumption. We're working with the Indonesian authorities to seek to resume, in a handful of processing facilities that are either at, or could soon be at, the international standards. So, we'll start with those and then over time expand the number of facilities.

CARABINE:

But there is talk that Indonesia is embarrassed and upset by how this has been handled. Indonesia was not consulted before the very abrupt ban was imposed. Could we be risking some form of indirect trade retaliation by Indonesia?

EMERSON:

Look, I don't think so and I have spoken to my counterpart, the Trade Minister - I'll just clear my throat [coughs] - the Trade Minister, Mari Pangestu. I did so before the public announcement of the suspension. I did so again just the other day. She, along with the other Indonesian ministers, is keen to see a resumption. And that will occur as soon as we can work out those standards, and that the processing facilities are up to those standards.

CARABINE:

And was there any concern expressed by your counterpart that Australia's reputation as a reliable supplier could be jeopardised by this?

EMERSON:

It was more that it's important that the trade be resumed as quickly as possible, and we agree with that. I mean there's six thou... 600, sorry, processing facilities in Indonesia and what happened, of course, is with the *Four Corners* program, a number of them were shown to be sub-standard. We want to work with the Indonesian authorities first, to resume the trade as

quickly as possible, and then, where we can, collaborate to improve the standards in the others.

CARABINE: Well is the government any closer to sorting this out? Can you give the industry any assurances when partial trade, at least, will be resumed?

EMERSON: It's probably best that we don't put timetables on it. But I can say this: we're committed to doing it as soon as possible, and we're not letting one day pass without ...

CARABINE: But what does as soon as possible mean?

EMERSON: It means that we will do it as soon as the standards are being met in the processing facilities. And the reason that Senator Ludwig visited Indonesia and talked to his counterparts is to start the trade again in that limited number of facilities where we can assure that the Australian cattle leave Australia, go into the feed lots and then for slaughter are being processed in those appropriate places.

CARABINE: Yeah, but there are appropriate meatworks already in Indonesia. Pastoral companies such as Elders, for example - they operate abattoirs which have equivalent animal welfare standards to Australia, yet they've been banned from exporting their cattle. Now, the general view is the - in the industry - is that the government got it right first time when it suspended trade to the abattoirs exposed by *Four Corners*. But then the government panicked by suspending the entire trade. Did the government over-react?

EMERSON: No, it didn't over-react. As I say, there's 600 facilities. The fact that a number of them - a small number featured on the *Four Corners* program - could not, of

itself, give us assurance that there were no other such facilities. Why would we assume, or would anyone assume, that the *Four Corners* program filmed only those facilities amongst the 600 that were sub-standard? On what basis would we assume that all of the rest were up to standard? There would be no basis for that, and that's why there was that suspension and that's why we are working with a small number first and then gradually increasing that over time.

CARABINE: I'm sure you would concede that this situation has now become urgent.

EMERSON: Well, Joseph Ludwig is up in ... has been up in Indonesia. We've been working through the officials on an around-the-clock basis. Of course, we are seeking to get this resolved. I met with the Northern...

CARABINE: But you've...

EMERSON: ...Territory cattlemen yesterday. We explained what we were doing. And, as testimony to the urgency, is we're not waiting until dozens upon dozens of these facilities are up to scratch. If we can get it going, then that gives a little bit of extra confidence. But, remember, the other part of the exercise is to be able to track the cattle all the way from Australia through and into the processing facilities themselves. That's probably not that difficult, but those assurances need to be put into place.

CARABINE: But you've now only got a matter of days - [coughs] excuse me - to sort this out, because cattle import licences revolve over each quarter, and the June quarter licences will expire in just over a week. Cattle importers in Indonesia can't apply for the July quarter licences until they have clarity and certainty about the

supply and the industry is expressing fears that longer term it could be shut out of the Indonesian market.

EMERSON:

Well, I repeat that while we're not sanguine about it, we do have a pretty good competitive advantage here. This has worked well in the past. But the problem is that the particular facilities were shown to be sub-standard and I think it is not accurate to characterise the public reaction as some sort of extreme left, you know, loony group. This was mainstream Australia, through all sorts of ages and parts of Australia - including the cattle men and women themselves - who were very upset at the images. And so I think a reasonable person would say 'suspend'.

But sure, you know what the Coalition's policy is, as articulated by Peter Dutton yesterday? Just suspend for those that were on the *Four Corners* program. Now how does he know that another 592 facilities were fine?

CARABINE:

Yeah. On Radio National *Breakfast* we've been joined by the Trade Minister Craig Emerson.

Craig Emerson, on a, I guess, a more mundane political matter. The Opposition says this week is all about the festival of Kevin. You were one of the last men standing this time last year, even defending the Prime Minister, Kevin Rudd, on the very morning that he was rolled. Considering the recent polling, you were right last year, weren't you? Caucus should have stuck with Kevin Rudd?

CRAIG EMERSON:

I have a history of supporting the leader and I supported the leader Kevin Rudd at the time, and I support the leader Julia Gillard now.

CARABINE: No regrets?

EMERSON: No regrets.

CARABINE: Caucus has no regrets?

EMERSON: No, I don't, and the fact of the matter is that we are taking on some very tough reforms.

CARABINE: And Julia Gillard urged the Caucus to be patient yesterday.

EMERSON: Yes, that's right.

CARABINE: How much patience does it have?

EMERSON: I think it's got a lot of patience, because the Caucus fundamentally believes that we need to tackle climate change. And it's a little bit interesting: Labor is actually at its best when we've got a cause that we are supporting. I think in Opposition, sometimes we were at our worst when we weren't supporting a particular cause; we were just opposing. Now, this is the particular category that we find Mr Abbott in now, opposing for opposing's sake.

But when you've got causes such as climate change, when you've got causes such as broader economic reform, that's when the Labor Party is united and drives through those reforms. This is a fundamentally important economic reform as well as an important environmental reform.

CARABINE:

Craig Emerson, thanks very much for your time.

EMERSON:

Thanks very much.

JAMES CARLETON:

And thank you, Alison Carabine, Radio National's political editor.