

# Northern Ireland Affairs Committee

## Oral evidence: Australia, New Zealand free trade agreements: effect on NI, HC 950

Wednesday 26 January 2022

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Members present: Simon Hoare (Chair); Mr Gregory Campbell; Stephen Farry; Sir Robert Goodwill; Claire Hanna; Fay Jones; Ian Paisley; Bob Stewart.

Questions 21 - 48

### Witnesses

Panel [II](#): Hon. George Brandis QC, High Commissioner, Australian High Commission; Bede Corry, High Commissioner, New Zealand High Commission.



## Examination of witnesses

Witnesses: Hon. George Brandis and Bede Corry.

Q21 **Chair:** Your Excellencies, welcome, and thank you for joining us this morning, particularly on Australia Day. It is great to welcome two of our closest Commonwealth friends and allies. I apologise for the timing of this morning's session, which doubtless conflicts with national celebrations going on within the High Commission, but you are both very welcome indeed. As I understand, you are both going to make a very short—I emphasise that with the very greatest of respect—opening statement, and then I am going to throw you to the tender mercies of the interrogatory force of this Committee.

**George Brandis:** Happy Australia Day to you and to all of your colleagues. The Australia-UK free trade agreement was signed on 17 December at a ceremony conducted virtually between London and Adelaide. I wonder if I might briefly make two very quick points.

First of all, of course, because we have heard from a spokesman from the farming sector in Northern Ireland in session 1, it is important to remind ourselves that this is an all-of-economy agreement. The benefits of the free trade agreement will be felt across the economy. They will be felt more by some sectors than others, but they will be felt across the economy.

At the end of 2019, shortly before the pandemic began, I actually visited Northern Ireland and I met with a number of industry leaders in Northern Ireland: with Devenish Nutrition, Powerscreen, CDE Global and the Lightyear Corporation. All of them did business with Australia. What was apparent to me was that there was an anaemic amount of business done with Australia from Northern Ireland, but Northern Ireland businesspeople were extremely eager for the free trade agreement, for the opportunities that it presented. I would respectfully submit to the Committee that, of course, when considering the FTA, this is not about one sector of the economy, and no doubt the same applies to New Zealand. It is about the benefits and opportunities to all sectors of the economy.

Last, let me briefly mention agriculture. I understand the sensitivities. Of course I do. That is why the Australia FTA builds in extremely extensive safeguards provisions that run for 15 years, potentially, to protect in particular the beef and sheep meat sectors. By the way, we do not expect at all that those safeguards will be triggered, because Australia is on the other side of the world. We have vast demand for protein from the countries to our near north in south-east Asia and east Asia, where most of our exports go. We expect that one of the consequences of the FTA is that there will be some elevation in the volume of exports of beef and sheep meat from an extremely low base, by the way, from Australia to the United Kingdom, but nowhere near enough to threaten any industry.



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In the unlikely event that I am wrong about that, the safeguards mechanisms will be triggered.

**Bede Corry:** Thank you very much, Mr Chairman, members of the Committee and my Australian friend and colleague, the Honourable George Brandis QC. Happy Australia Day from your mates across the Tasman.

I had a written statement prepared but, in the interests of time, I will truncate that to the main points that I would like to convey, and then I will be very happy to take questions. I might just note that some of my answers will be qualified by the slightly different rate of progress that applies as between the Australia FTA and the New Zealand one. We reached our agreement in principle in October and our negotiators are furiously working on both sides to prepare the legal text so that it can be duly signed in the near future. In this respect—I hope not in others—we are a bit behind our Aussie mates.

There are a few big-picture points to make. The first is to echo a point from George Brandis about the whole-of-economy impact of this FTA. This is not solely about impact on one sector. It is about the opportunities for the United Kingdom as an extremely powerful exporting nation, including a nation that exports agricultural produce. This FTA is good news for British exporters, which in turn is good news for the British economy and for British jobs, whether that is in respect of goods or services or the ability of British people to live and work in New Zealand. It is of course going to be good news for your consumers, as they have better access to products like sauvignon blanc—it is a bit early right now to toast Australia Day with that, but we will hope to do it shortly—and Manuka honey.

The FTA is an extremely important milestone, affecting both cases on the pathway to UK accession to CPTPP, which would certainly be a terrific opportunity for British exporters.

Something that has not been discussed and I would be happy to amplify under questions is what I would call not just the whole-of-economy impact of the FTA but the whole-of-society impacts of the FTA, because we want our FTAs not only to deliver for our exporters but to deliver in the interests of climate change and sustainability, small and medium enterprises, women, rural communities and, in New Zealand's case importantly, indigenous people. New Zealand and the UK are in strong agreement on that. For that reason, the FTA will set quite an ambitious benchmark for future FTAs that either of us negotiate. It will include some of the most ambitious provisions we have ever negotiated on trade and the environment, including climate change. I will be very happy to amplify on this under your questions.

Again, to echo George's points about what the agreement achieves on agriculture, I know there are sensitivities about that. Here are a few quick facts. We have been exporting lamb to the United Kingdom for 140



years without market disruption. We produce counter-seasonally, which ensures that lamb is available year-round in the UK. We produce just 6% of the world's sheep meat, 1% of its beef. Indeed, we face constraints, of a sustainability and a land use nature, on increasing production. We have very diverse export markets, with over 100 for lamb alone, including in geographically closer and fast-growing markets across Asia.

Finally, on standards, let me assure the Committee that New Zealanders are as attached to high production standards, food safety and animal welfare as their British cousins are. The FTA reflects that, whether it is in the chapters on SPS or the chapters on animal welfare. That commonality on standards is, in a sense, unsurprising, because as well as this FTA being an ambitious and market-opening one, it is in many other ways a reflection of our shared values. It both underpins and expresses the bonds that exist between our two great countries.

**Q22 Chair:** Thank you very much indeed. Excellencies, you talked about the 15 years. Can you both talk to what you assess to be the potential for headroom for growth? Mr Corry, you referenced your constraints in terms of environment, climate change, et cetera. What do you see the headroom for growth in your domestic production markets as being? There is a suspicion that, in essence, particularly but not exclusively the Australian meat producers are seeing that as their building up the headcount of stock period in order to, for want to a better phrase, flood the UK market. If you are able to dispel that, it would be great.

**George Brandis:** I do not think that is an operative motive or factor at all. To the extent that there is growth in demand for Australian beef, sheep meat and protein, that growth, as Bede has said, comes from the massively rapidly growing economies much closer to Australia in east Asia. That is the great source of population growth and economic growth in the world as far as the eye can see. Australian producers and Australian exporters who already service that market are constantly facing almost unfulfillable demands from it to export more product to countries in closer proximity to Australia than the United Kingdom.

It might be helpful if I put some figures around this discussion, because I want to illustrate to you just how tiny the current Australian penetration of your market is when it comes to beef and sheep meat. In the last year for which there was an account, ending in 2021, the volume of Australian beef exported to the United Kingdom was 1,027 tonnes. That represented about 1% of all UK imports of beef. By comparison, approximately 150,000 tonnes of beef were imported from the EU. That represented 93% of British beef imports in that year. Australia, under WTO rules, has a quota of some 4,670 tonnes. We only filled a quarter of our quota because the economies of scale did not work. It is only the really very high-end cuts of beef that you buy in the Harrods food hall, the real luxury goods, that we can afford to export to you because of the economies of scale.



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With sheep meat, it is a somewhat similar situation, though the quantities are a little larger. Last year it was 10,690 tonnes of sheep meat. That was only two third of our WTO quota. We start from an almost negligible base when it comes to beef and also sheep meat.

In concluding, can I commend to the attention of the Committee the evidence given last Wednesday to this House's Public Accounts Committee by Crawford Falconer, the chief trade negotiation adviser to your Government? He made the point that in the event that, as a result of the Australia FTA, there were to be a displacement effect—the same would apply to the New Zealand FTA—then that is much more likely to be a displacement of beef or sheep imported from the EU, just across the North sea, rather than brought halfway around the world from Australia or indeed New Zealand.

**Q23 Chair:** Thank you. That is incredibly compelling stuff. You have given us some very useful figures there. Are you able to give us any indication with regards to the cost of moving, let us say, a lamb carcass or beef carcass from Australia to the UK in comparison with Australia to China?

**George Brandis:** I do not have those figures before me, but can I take that on notice and provide them to you?

**Q24 Chair:** Yes, that would be fine. I do not want us to get into geopolitical things per se, but your production has been ramped up—has grown—in order to meet that apparently insatiable demand from south-east Asia. If there was a disruption to that demand, either as a result of those countries starting their own domestic production or just fashion change, et cetera, how does your domestic sector of production respond to that? Do they reduce production or do they just find other markets?

**George Brandis:** First of all, it is of course a hypothetical; it is not a problem that we have significantly encountered. If you are referring to the problems that Australia has been facing with China recently, for example, the demand for Australian protein is not just from China; it is from Japan, South Korea, Vietnam and Indonesia—a country of almost 300 million people. The big point with which I want to leave the Committee is this: the demand from our region is virtually insatiable, and that demand is growing as the population grows and becomes more prosperous, and those countries achieve a standard of living more comparable to other nations, which is what of course they aspire to—to have a prosperous, hungry, discriminating middle class.

**Chair:** That is an incredibly powerful and compelling argument.

**Bede Corry:** I will be brief. I can echo and endorse what George had to say. There are some similar facts from the New Zealand side of the Tasman. In terms of beef exports to the UK, the latest figures I have are from 2020. New Zealand's total beef exports that year constituted 512,000 tonnes. We exported 465 tonnes to the UK. For sheep meat, we exported 401,000 tonnes of sheep meat that year. Less than 10% of that came to the United Kingdom, despite having a significantly higher quota



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ceiling. We exported 425,000 tonnes of butter globally in 2020; 339 tonnes came to the United Kingdom.

Going to the base of your question—the headroom—I have talked about production limits. I have talked about alternative markets, as George has done very eloquently. I would also adduce a point about practicability. You cannot simply transition from exporting 30,000 tonnes of a product from one market to another one very easily, including a complex and highly discerning market like the United Kingdom. It does not just happen like a light switch. There is a big practicability point.

**Chair:** Nor does it happen in provision of transport logistics.

**Bede Corry:** Yes, indeed. There are supply chains, supermarkets' requirements and everything that goes to a leg of lamb landing on a supermarket shelf. I am, by profession and disposition, a champion of New Zealand lamb, but there is also the competitive nature of the United Kingdom's own agricultural produce, which we should not forget. The UK produces high-quality products for its consumers. They will also take that into account as well.

Q25 **Bob Stewart:** Your Excellencies, it is really nice to see you here. Thank you so much for coming. You have touched on my question already; it is about CPTPP and our approach to that. Do these free trade agreements that we are entering into help our application to be members of the CPTPP?

**Bede Corry:** In a word, yes, they do, principally by demonstrating that the UK is capable of reaching or achieving high-quality free trade agreements across every format of trade. It sends a very important signal about that.

**George Brandis:** I completely agree with that. By the way, where this is at is that the UK accession working group of the CPTPP is currently assessing the United Kingdom's application, which Australia supports, of course, as I know does New Zealand. There is a logical sequence in having the Australian FTA sorted, the New Zealand FTA sorted and the Japan trade agreement sorted, as three of the leading nations of the CPTPP, which gives you leverage in that negotiation. To have the bilaterals sorted with some of the leading economies gives you more leverage in dealing with the other members of the CPTPP.

I referenced this before, but this point was made in the evidence of Mr Crawford Falconer, who is one of the world's leading trade negotiators. Mr Falconer is a legend in this field. He is a New Zealander, by the way, but the UK Government were smart enough to hire him to be their chief negotiator. He was asked about this very question by your colleague, Mark Garnier, in his evidence last week. He addressed this very question at some length. I have given a very poor epitome of the evidence that he gave, but the answer is emphatically yes.

Q26 **Bob Stewart:** How long might it be before we could rejoice that we are



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part of it? Do you think it is a year or two years?

**George Brandis:** It is my understanding that it is your Government's objective to accede to the CPTPP before the end of this year.

Q27 **Bob Stewart:** That sounds great. That is fabulous. Specifically looking at Northern Ireland and membership of CPTPP, do you think specifically being a member of the CPTPP will be a big boost for Northern Ireland? Of course, it is going to help; that is the immediate answer.

**Bede Corry:** CPTPP aggregates a population of 500 million people with a joint GDP of over £8 trillion. It includes very advanced economies with highly discerning consumers. It also constitutes a very large part of the world's meat-eating population. It can only be good news for British exporters, because it removes friction in trade from between the United Kingdom and some of the region's fastest growing economies.

**Bob Stewart:** I was almost tempted not to ask that, but I felt I ought to. I suppose, sir, you feel the same as that.

**George Brandis:** I do. I endorse what Mr Corry has said.

**Chair:** Unanimity is breaking out.

Q28 **Ian Paisley:** Your Excellencies, it is good to see you both here today. Happy Australia Day, George, in particular. You both make a very compelling case to keep a sense of proportion about the impact that this will have, in particular in the Northern Ireland sector of agrifoods, which is what we are discussing today. We heard something about the fears expressed from our previous panel about food dumping and product dumping. Is it your view that that fear is accentuated by the working of a protocol that does not allow, as we heard today, some products made in Northern Ireland to actually be exported to the EU, and therefore at the same time narrows the GB market also and therefore accentuates the problems that we have with regard to our market narrowing, and therefore a fear of dumping from anywhere coming about? Is it your view that that protocol poses more problems to us than the problems of dumping of products from New Zealand or Australia?

**George Brandis:** I am not going to be drawn, with respect, into commenting on what is a domestic political issue in the United Kingdom. I am aware, of course, that there are discussions between the United Kingdom and the European Commission at the moment concerning the Northern Ireland protocol. Let me make just one point that bears upon the topic before the Committee. The Australia deal has been signed and the New Zealand deal is under negotiation, so perhaps I can make this point in a way that Bede is not able to. The Northern Ireland protocol is specifically addressed in the Australia-UK free trade agreement in article 1.2.3. It is what lawyers call the non-derogation clause. Nothing in the Australia-UK FTA will derogate from the efficacy or operation of the Northern Ireland protocol.



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As to the merits from a public policy point of view of the Northern Ireland protocol in its current or any amended form, for reasons I am sure you will understand, I will refrain from commenting.

**Q29 Ian Paisley:** I appreciate that. Domestic issues that we heard about earlier, such as a local Bill that is going through the Northern Ireland Parliament or Assembly, and the protocol, are not affected by this. Alarms about dumping should be kept proportionate. Is that what you are telling us? They should keep that in proportion when they look.

**George Brandis:** There is no basis for any such alarm.

**Bede Corry:** I would only amplify by first saying that the concept of dumping seems a remote one in the first place. On the Northern Ireland protocol, all I can say at this stage is that the United Kingdom's negotiators have made the importance of it being duly reflected in our FTA very clear and that is something negotiators are still working on, pretty much as we speak.

**Q30 Sir Robert Goodwill:** It was interesting, Your Excellencies, to hear the figures in terms of the amount of lamb, beef and butter coming into the UK. Would you agree that possibly the farmers' unions here in the UK, particularly the English union, may have been crying wolf a little bit much, maybe for their own internal political reasons? They have a two-year election process for the president of the National Farmers' Union. Do you feel that the press may have jumped on this bandwagon as well, and people's concerns really are not borne out by the figures?

**George Brandis:** Sir Robert, I am not going to reflect on anybody's motives.

**Chair:** I am not entirely sure either of our witnesses are qualified to answer that, nor should they be expected to.

**Q31 Sir Robert Goodwill:** Do you feel there is any evidence to demonstrate that these claims are borne out?

**Chair:** Yes, whether the concerns have been inflated is a perfectly legitimate question. The motivations for making those claims we can set aside.

**George Brandis:** Since I have been the Australian High Commissioner, I have engaged fairly frequently with the NFU, NFU Scotland and the Welsh farmers' branch of the NFU. I have not actually met with the Ulster farmers. I should tell you that I have listened very carefully.

**Chair:** That sounds like something that can be rectified quite quickly.

**George Brandis:** What has been said this morning and what they say has a certain familiarity to me. All I can say in answer to you, Sir Robert, is that none of these concerns, understandable though they may be, have been empirically verified. I frankly think they are misplaced.

**Sir Robert Goodwill:** That would apply to New Zealand as well.



**Bede Corry:** I would simply add that I have remained very closely in touch with various branches of the NFU. To my regret, in view of the length of time I have been here under covid, I have yet to visit Northern Ireland. Visiting the Ulster Farmers' Union will be important for me. I would simply say that, in our engagement with the NFU, as George says, the concerns are familiar to us.

I would also make the point that there are a lot of issues that in fact unite farmers. I cannot speak for Australia, but I imagine this may well be the case. A lot of issues unite farmers, whether they are in the United Kingdom, Australia or New Zealand; we face many of the same challenges. Those issues are an important part of our dialogue, not simply the purported impacts of free trade agreements. Whether those issues are to do with farming and sustainability, farming and water use, farming and climate change or farming and animal welfare, there is a rich ground of co-operation between us that we are very keen to sustain.

**George Brandis:** Can I quickly add to that? That has absolutely been our experience as well. I am old enough to remember an equivalent time in Australia in the 1980s, when Australian farmers had a concern when we liberalised our international markets. Once the deal was done and once, in particular, the very long safeguards periods were agreed to out of respect for that concern, what we have found is that the NFU and its equivalent body in Australia, the National Farmers' Federation, have had an extremely constructive engagement on technical issues because, as Bede has said, farmers are farmers and have so much in common. What you will find is much greater and mutually beneficial collaboration and sharing of experience, knowledge, know-how, technical expertise and technique between Australian and UK farmers. The free trade agreement provides a framework for that, by the way.

**Sir Robert Goodwill:** Yes, I agree. We are very good at producing Scotch whisky and you are very good at producing wine. I am sure there is a lot of mutual benefit there.

**Chair:** The Irish are also very good at producing wine.

Q32 **Sir Robert Goodwill:** This is the Northern Ireland Committee and I would like to talk a little about protocol practicalities rather than maybe protocol politics. Turning to Mr Corry, how do you see getting New Zealand lamb on to the Northern Irish market working practically? Is it going to come to GB first and then across the sea, straight to Northern Ireland, or maybe via the EU? Has this been looked at in terms of how the protocol will work to get your products on to the market in Northern Ireland?

**Bede Corry:** To the best of my understanding, it is, in a sense, immaterial where the New Zealand lamb enters the United Kingdom. Nothing will change as a result of the free trade agreement in that respect. It is my working understanding—though I would have to double-check—that the lamb that enters, for example, Northern Ireland does so



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via a port somewhere in England or Wales, but I am not absolutely certain of that. There is nothing in the free trade agreement that would change the practicalities point.

There are obviously some issues, which we are working through, about the applicability of the Northern Ireland protocol as it relates to our tariff rate quota understandings and agreements with the United Kingdom. Those are being worked through by both sides and with the European Union. The free trade agreement does not have a bearing on the point of landing in Northern Ireland.

**Ian Paisley:** I am sorry to interrupt. If there was extra time taken in getting it, because of protocol delays from a port in Wales or England, across to Northern Ireland, would that affect the quality of your product? Would it concern you if, say, an extra four or five days were added to the import because of our protocol?

Q33 **Chair:** I presume it is transported mostly frozen, is it not, or deep-chilled?

**Bede Corry:** It is chilled, I think. It is chilled and vacuum-packed and lasts for a long time. Whether or not there is an impact, in a sense, is a "How long is a piece of string?" question, depending on the delays, but I do not think four or five days would have any particular consequence there.

Q34 **Sir Robert Goodwill:** Mr Brandis, how does article 1.2 of the agreement, which recognises that the agreement may need to be applied differently in Northern Ireland and the rest of the UK and makes clear that the agreement should not stand in the way of implementing the protocol, affect your exporters' ability to sell into Northern Ireland?

**George Brandis:** We do not think it does. We do not anticipate that it will. The point I am at pains to make is the effect of that clause, that article, is to ensure that the law of the United Kingdom, on both Great Britain and Northern Ireland, is at all times consistent with the operation of the FTA and that the practice of the FTA is at all times obedient to domestic UK law.

Q35 **Sir Robert Goodwill:** Do you predict that the proportion, for example, of the UK-wide market or the Manuka honey market will increase as a result of the free trade agreement, and that the people likely to lose out are probably the other wine producers rather than any farmers here in the UK?

**George Brandis:** We hope so. We hope that our exports of wine to the UK and the opportunity of people in the United Kingdom to enjoy fabulous Australian shiraz, for example, will be greater. We expect that we will be primarily competitive with imports from Europe, not from domestic UK wine producers.

Q36 **Chair:** Both of you have referenced, perfectly sensibly, the costs of



shifting and shunting product, irrespective of what it is, from one side of the world to the other. Therefore, the potential for a huge and rapid expansion of your export markets to the UK is effectively price-controlled and transport logistics-controlled. By the same difference—Mr Brandis, you referenced this—that you had spoken to a number of Northern Irish businesses who were keen to develop export opportunities to Australia and, one would have to presume, into New Zealand as well.

By the same token, those cost implications to your own consumer, whether it is an Australian citizen or a New Zealand citizen, is going to be the same, is it not, because you are sitting geographically close to a very big manufacturing set of economies and everything else? What sectors do you see, as far as the broader Northern Irish economy is concerned, that may be able to exploit opportunities of free trade agreements with your countries, notwithstanding those transport logistics costs?

**George Brandis:** With respect, I do not accept the premise. I will come to the question, but can I just challenge the premise? It all depends on the nature of the good or service. Obviously, with services like financial services, transport and logistics are irrelevant, but also for manufactured goods, for example, the transport logistics issues and the cost issues for, for example, mining equipment will be entirely different from the transport logistics issues for a commodity, particularly a perishable commodity. With respect, it is not the same.

Q37 **Chair:** It is never going to be cheaper, is it, to move something from Northern Ireland, or indeed the wider UK market, if a comparable product is made in China, for example, whether it is mining equipment or whatever? That would just be eccentric, would it not?

**George Brandis:** I understand that, but the point that I am at pains to make is that there are certain very high-quality products that are produced in Northern Ireland.

I indulged the Committee with the anecdotes of some of my discussions with Northern Ireland companies, for example Powerscreen, which builds crushing machines used in the mining, construction and recycling industries. That company produces an extremely high-quality product, much in demand in Australia because Australia has a voraciously hungry mining sector. The mining sector is not just about digging minerals out of the ground; it is also about the mining engineering that enables the mining activity to occur, which involves construction domestically and, very frequently, the importation from elsewhere of high-end, elaborately transformed manufactured goods specific to the mining sector.

CDE Global, with whom I met, designs and manufactures wet processing plants, which are applied in processing sand and aggregates, mining waste recycling, industrial sand and in the environmental sector. That is another Northern Ireland company.

Q38 **Chair:** In shorthand, you definitely see that there are opportunities for NI plc to grow their business opportunities, certainly in your jurisdiction. Mr



Corry, would you say that was the same? It may be in a different sector.

**Bede Corry:** Yes. I am indebted to the Department for International Trade for advice, for example for a bus manufacturing company in Northern Ireland called Wrightbus.

**Chair:** I was going to say, "It would not be called Wrightbus, by any chance, would it?"

**Bede Corry:** I was not aware there was an immediate interest in the Committee.

**Ian Paisley:** It is a business in my constituency.

**Chair:** It is in Mr Paisley's constituency. It is probably one of your largest employers, Ian, is it not?

**Ian Paisley:** It is coming to be one of the largest employers in Northern Ireland, yes.

**Bede Corry:** I am aware of textile producers such as Ulster Weavers, which exports to New Zealand and will benefit from the reduction on tariffs and so on and so forth.

**George Brandis:** One thing always to remember about the export opportunities under the FTA—I am speaking in a generalisation here—is the Australian economy, for an advanced economy, has a relatively small manufacturing sector. It has a very prosperous manufacturing sector but, as a proportion of GDP, it is relatively small, certainly smaller than the United Kingdom. It has a relatively large commodities sector. It has a very big services sector. Of all of the opportunities that I see for the United Kingdom, including Northern Ireland, the manufacturing sector is one of the areas that is richest with opportunity.

Q39 **Chair:** Thank you; that is very helpful. In the earlier panel, the topic of climate change was touched upon. You will be pleased to know I am not going to ask for your views on the Private Member's Bill currently before Stormont. What I would like to ask particularly you, Mr Brandis, is this. Here we are, in the year of COP26. All of us are seized of the climate challenges, and yet climate change seems to have been inserted, deleted, watered down etc in the text of the FTA between the UK and Australia. Do you think that sends a very good message? Would you say that that is a regrettable step?

**George Brandis:** I do not agree with you, with respect, sir. In the Australia-UK FTA, Australia commits to observing its Paris targets. Meanwhile, at COP26 Australia committed to the net zero by 2050 ambition. Now, one feature of the debate about climate change and emissions reduction in Australia has been this: we have been conservative in promising, because we have been absolutely determined not to promise what we cannot deliver. Therefore, what we have seen is Australia has always over-delivered.

**Chair:** It is usually the best way: under-promise and over-deliver.



**George Brandis:** That is correct. There is something in the DNA of Australian politics, and we learnt this at the feet of the great John Howard, for whom it was a mantra: always under-promise and over-deliver. For example, our 2030 target was for a reduction of emissions from a 2005 baseline of 26% to 28%. We will massively overreach that target because we chose a relatively conservative target. We also published a technology-based road map to demonstrate, in a scientifically defensible way, how we would get there. We did that just before COP26. We Australians do not make rhetorical claims that we cannot back with the science.

Q40 **Chair:** Before I turn to Stephen Farry, I just want to ask both of you something. You may have the figures to hand. They may not exist or you may need to get back to us. Irrespective of where it may go, what headroom is your relevant Government Department's assessment of the potential for growth in Australian and New Zealand production in beef and sheep, i.e. the percentage increase of the growth of the national herd and the national flock? That is irrespective of which market.

**George Brandis:** I understand the question and I cannot give you a figure, because the Australian beef and sheep meat industries are prosperous industries in which assets and capital are fully deployed. They are fully deployed to service the existing markets. I am not saying there is not headroom, but it is not as if these are stranded or wasted assets. These assets, which are an important part of the Australian economy, are very well developed and efficiently employed at the moment.

Q41 **Chair:** Would we be correct to presume that, say, access to both pasture and a regular supply of water are, by definition, natural constraints on the growth of the herd and the flock?

**George Brandis:** Yes. The physical geography of our two countries is so different that we have larger pasture and we have less water than you do. That is a generalisation.

**Chair:** Most people have less water than us. Most people have less water than Northern Ireland, so that is always a given.

**George Brandis:** The particular production circumstances of each country are peculiar to it, but my response to your question, sir, about headroom is that this is a very old and very efficient Australian industry in which capital has been efficiently employed and adapted to the circumstances of Australian geography and climate for many decades.

**Bede Corry:** I have a few facts and figures, but I will also take the opportunity to address your climate change question afterwards. Starting with the facts and figures—forgive me for reading this out loud but they do not come naturally off my tongue—estimates for some of New Zealand's key primary sectors show that production is forecast to plateau or in some cases drop over the next eight years. For example, beef and veal production, which totalled at 705,600 tonnes in 2020, is expected to drop 661,400 tonnes by the year 2030. Similarly, New Zealand's exports



are not forecast to grow massively in the lead-up to 2030. Sheep meat exports, which were at 459,000 tonnes in 2020, are expected to drop slightly to 436,000 tonnes by the year 2030.

Turning to climate change, I am pleased to have the opportunity to talk about this, including in light of some of the commentary in the first session. The first point is that the primary way to tackle climate change is through climate change policy. You cannot expect free trade agreements to somehow bear the weight and be the solution. However, we think they should make an important contribution to the solution. In New Zealand's agreement in principle document, we affirm the commitments that New Zealand has made under the UNFCCC and Paris agreement. Quite how that is expressed in the final legal text is something that is currently being worked on.

I have a couple of additional and important points. I mentioned that our trade and environment provisions in the agreement are far-reaching ones. The agreement also promotes trade in environmentally-friendly goods and services that support a transition to a low-carbon economy. We will also agree commitments on environmentally harmful subsidies to help the transition away from fossil fuels. We will also address an area that we have not discussed today, inadequate fisheries management, through subsidies and the like. There is perhaps more than meets the eye on climate change in the realm of modern FTAs.

**Stephen Farry:** I just want to ask a couple of questions around food standards and animal welfare. I will turn first of all to High Commissioner Brandis. Before asking the question, however, I want to correct a wrong. As a Northern Irish MP, I feel I have more latitude than my English counterparts to mention this. It is remiss of us not to have congratulated you on the Ashes victory.

**Chair:** You always have to rake over the most sensitive issues.

**Fay Jones:** We nearly got through without anybody mentioning that.

**Ian Paisley:** He did not mention tennis.

**Chair:** Could we strike that from the record?

Q42 **Stephen Farry:** It is said and cannot be taken back. What significance, if any, do you put on the non-binding chapter on animal welfare and the antimicrobial resistance in the UK-Australia FTA?

**George Brandis:** Mr Farry, the first point I would make to you is that, just as each nation's industry is different, reflecting its geography, its climate and so forth, each nation's animal husbandry practices will reflect that as well. What we are concerned with here is with outcomes. I reject entirely the suggestion, which has been bruited about in this debate from time to time, that Australia somehow has inferior animal welfare practices. I am emboldened to say that because the objective assessor of animal welfare standards, the World Organisation for Animal Health, carried out an independent audit or veterinary assessment of animal



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welfare standards in the Australian pastoral industry in 2015. It concluded that Australia met with its highest level—level 5 of a five-level standard—of animal welfare practices in its industry. The suggestion that Australia’s animal welfare practices lead to an inferior animal welfare outcome—although they are in some respects different—is something that we reject entirely.

**Q43 Chair:** Can I just ask you to clarify one thing? You mentioned 2015. Have your prevailing domestic standards altered in any way in the intervening time, coming up to seven years?

**George Brandis:** It is absolutely the case that they have not lessened. One of the reasons it is a little difficult to address this argument, which is a point sometimes overlooked, is that, with Australia being a federation, most of the regulations of animal welfare standards are state regulation. That is why a rhetorical point has been made by some that Australia does not have certain prohibitions or strictures. On close analysis, those who make that claim have only been looking for legislation of the national Parliament, but that is not what the national Parliament does. It is regulated at a state level. That oversight has been productive of a lot of misunderstanding, by the way, in this debate.

Australia’s animal welfare standards, as in this country, are constantly under review and constantly improving. Where they were in 2015 is certainly not below. I would make bold to say, without being able to particularise on a state-by-state basis, that the strictures are greater now than they were then.

**Q44 Stephen Farry:** Even if you took the presumption that there are different approaches from different starting points to those animal standards, would you nevertheless concede that the approach in the different jurisdictions in Australia to animal welfare more readily lends itself to mass production than the approach perhaps we will be taking in the United Kingdom?

**George Brandis:** We have larger flocks and herds. That is just a natural consequence of the fact that there are larger flocks and herds.

**Q45 Stephen Farry:** The UK approach is constantly changing. For example, Parliament is currently considering legislation on animal sentience. Is that on the agenda in Australia?

**George Brandis:** I will have to take that on notice, Mr Farry. I am not in a position to answer your questions.

**Q46 Stephen Farry:** It is a similar question for High Commissioner Corry in terms of the equivalent chapter in the UK-New Zealand FTA.

**Bede Corry:** It should be unsurprising, given the commonality of values and outlook, that New Zealanders are as attached to animal welfare and high food standards as their British cousins, as I said in my introductory statement. It is already reflected in some really important documents,



including the veterinary agreement that obtains between us, and the sanitary agreement, which is built upon by this FTA, including in the area of antimicrobial resistance, and is further built upon by the animal welfare chapter. As George has said, farming practices may differ as a function of climate and other considerations, but the important thing to do is to ensure that the outcomes are comparable. This agreement recognises that it is important not to weaken standards and that it is especially important not to weaken them to attract trade and investment. It establishes a joint working group to ensure that we can both remain at the leading edge of animal welfare standards. It is something that is really important to us.

**Q47 Stephen Farry:** I will just ask both of you this in conclusion. I appreciate this has been touched upon to a large extent already but, in listening to the representatives from the Northern Ireland agrifood sector and their concerns that they expressed around differences in food production techniques, is there anything you would want to add further, just to respond to those concerns?

**George Brandis:** I cannot remember the name of the gentleman, but at the very end of the last session one of your witnesses said that we need to get away from the idea that farming sits in an island shut off from food processing.

**Chair:** That was Mr Bell.

**George Brandis:** Mr Bell is right. One point I would make about the Australia-UK FTA—I am sure this will be able to be said about the New Zealand FTA as well—is that it does acknowledge that, and the opportunities for British processed food into the Australian market are part of the discussion as well. That is an area in the broad agricultural sector where there is nothing but opportunity. We expect that there will be a lot more processed food exported from the UK to Australia, just as we would hope that there is some more beef and sheep meat imported by the UK from Australia. We have to take a global view, as Mr Bell very wisely said, of the whole of the sector. There are opportunities as well as perceived, though largely imagined, risks for the whole of the agricultural sector in this FTA.

**Bede Corry:** I will add briefly to what George said. Let me take this opportunity because I realise that there was a component missing from my answer to your previous question on animal sentience, which is that, as I understand it, the concept or the construct of animal sentience is already reflected in the relevant New Zealand legislation.

Would I have anything to add in relation to what I heard earlier? As both of our comments have suggested this morning, I would just challenge the concept that the benefits of both FTAs are only in one direction. From some of the things you have heard this morning, I hope you can see the opportunities that lie ahead for British exporters under the FTA. I hope you can see the benchmarks that the FTAs set for subsequent UK



negotiations. I hope you can see the way in which it is an important pathway along the road, as Mr Stewart said, to CPTPP and so on and so forth.

**Q48 Stephen Farry:** If I just make a closing comment, certainly from the perspective of Northern Ireland—I am sure Ian would share this as well—our greatest export to both of your countries has been people. The number of Australians and New Zealanders who, either in term of heritage or people who are there in recent years, have come from Northern Ireland is immense. Even talking to people from Northern Ireland, the number of people who have relatives in Australia and New Zealand moving backwards and forwards is huge. At a personal level, the links are massive. There is a lot more we can do in terms of the actual trading links as well.

**George Brandis:** I am glad you make that point, and I of course agree with you. It takes us to a broader point about this agreement. It is a point that Lord Grimstone made in a seminar I participated in last year. He said, “Look, it is wrong to think of this as a free trade agreement”, because it is much broader than that; it is really a partnership agreement between two countries, and that is nowhere more seen than in the movement of people provisions.

For example, one of the tremendous provisions of the Australia-UK FTA—it is a side agreement but it is part of the deal—is to enable young people to live, work and study in our respective nations for a lot longer. At the moment, young people—defined as anyone under 30—can come to live, work or study in Australia on a one-year visa and then they can apply for an extension for a second year. Under the agreement we have now signed, for a start, the definition of a young person has been expanded from 30 to 35, so you have a whole cohort of people who have suddenly been made young again by the operation of the FTA.

**Bede Corry:** That is good.

**George Brandis:** The unqualified period has gone from one year to three. Now, there are endless numbers of young Australians who would love to spend some time living, studying, working in the United Kingdom. I know that there are lots and lots of British people—no doubt from Northern Ireland as much as from England, Scotland and Wales—who would love to spend a few years living in Sydney, Perth or Brisbane and enjoying the wonderful Australian lifestyle.

**Chair:** The advocate for the Australian tourist board has been heard loud and clear, Mr Brandis. I am conscious of time. Can I just have Mr Corry on that? It is an incredibly telling point that you make and we are grateful.

**Bede Corry:** I know you want me to be brief. On the importance of the Northern Ireland-New Zealand people relationship, it is given testimonial



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support by the fact that Northern Ireland has provided at least two of New Zealand's Prime Ministers.

As George has said, the FTAs also support mobility in a wider concept, including in terms of, in our case, supporting co-operation on the issue of the recognition of professional qualifications so people can practise their professions in the other country. Our agreement in principle has also launched a mobility dialogue outside the FTA, which will look at how to enhance our people-to-people relationship, which is a really important one. Our current Prime Minister, of course, has been a beneficiary of it. Under the working holiday scheme, she worked here for two years.

**George Brandis:** She worked in this building, did she not?

**Bede Corry:** I think she was closer to Whitehall.

**Chair:** You have done as good a job for the Visit New Zealand campaign.

**Bede Corry:** We will be looking at how to extend and enhance our working holiday scheme.

**Chair:** Gentlemen, can I thank you very much indeed for your time and for addressing so comprehensively our questions? In the moment or so that we have left, Mr Brandis, you may be interested to know that an Australian marsupial hops into a bar and the barman says to it, "Wallaby"—I think you probably need an Australian accent to tell this story—and the marsupial replies, "I'll have a pint and a packet of crisps, please". I wish you a happy Australia Day.